

Cabinet Agenda

Date: Monday 4th March 2013

Time: 2.00 pm

Venue: The Capesthorpe Room, Town Hall, Macclesfield SK10 1EA

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 head 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 disclosable pecuniary and non-pecuniary interests in any item on the agenda.

3. **Part 2 Private Agenda - To Respond to any Representations Received**

To respond to any representations received from Elected Members or from the public regarding the reasons for any matters on this agenda being considered in private.

4. **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 at the time of notification. 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

5. **Minutes of Previous Meeting** (Pages 1 - 12)

To approve the minutes of the meeting held on 4 February 2013

6. **Key Decision 43 - Establishing Cheshire and Warrington Local Transport Body** (Pages 13 - 48)

To consider a report on establishing Cheshire and Warrington Local Transport Body

7. **Key Decision 47 - South Macclesfield Development Area** (Pages 49 - 58)

To consider a report on the progress of the South Macclesfield Development Area

8. **Cheshire East Supported Housing Strategy** (Pages 59 - 110)

To consider a report on the preparation of a Supported Housing Strategy

9. **Pension Discretions** (Pages 111 - 116)

To consider a report on Local Government Pension Discretions

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

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

Cabinet may decide 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 as amended on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 3 and 5 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

11. **Key Decision 48 - Property Asset Disposals** (Pages 117 - 140)

To consider a report on the disposal of property assets

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Monday, 4th February, 2013 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Jones (Chairman)
Councillor D Brown (Vice-Chairman)
Councillors Rachel Bailey, J Clowes, J P Findlow, J Macrae, B Moran, P Raynes and D Topping.

Also Present

Councillors Rhoda Bailey, L Brown, S Corcoran, R Domleo, K Edwards, I Faseyi, R Fletcher, D Flude, M Grant, P Groves, S Hogben, W Livesley, D Marren, B Murphy, D Newton, L Smetham and A Thwaite.

Officers in attendance

Interim Chief Executive, Interim Borough Solicitor, Head of Policy and Performance, Head of HR and Organisational Development, Strategic Director Children, Families and Adults, Head of Development and Interim Strategic Director Places and Organisational Capacity and the Finance Manager.

140 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Gilbert.

Apologies were also submitted from Councillor Mason and Councillor Wait.

141 **DECLARATIONS OF INTEREST**

No declarations of interest were made.

142 **MINUTES OF THE MEETING HELD ON 7 JANUARY 2013****RESOLVED**

That the minutes of the meeting held on 7th January 2013 be approved as a correct record.

143 **PUBLIC SPEAKING TIME/OPEN SESSION**

Mrs Elaine Napier raised a number of issues as follows

- She invited the Leader to respond to recent media reports alleging that he had made certain comments regarding the Council's proposed management review

- Was it appropriate for the Council to support the Cheshire and Wirral Area Conservative Conference?
- What was the estimated cost of implementing the proposals set out in the Council's proposed management review?
- In the light of the Lyme Green report would action be taken against any Members for their role in the matter?

The Leader refuted the allegations made. He stated that he held the Council's staff in the highest regard congratulating them on their hard work and dedication. He added that the Council's support for the Cheshire and Wirral Area Conservative Conference was important as it enabled the Council to lobby senior Ministers regarding important issues for Cheshire East.

Charlotte Peters Rock, raised a number of issues as follows

- She invited the Leader to comment on the effect of diminishing public transport in rural areas and the potential hazards for pedestrians as in some areas there were no footpaths and where these did exist they were largely overgrown or pitted by tractor tyres, or covered in slurry. She requested the Council to look into this and produce a plan of action.
- What input was the Council having into the current public consultation on the permanent closure of Knutsford's Intermediate Care Tatton Ward? The closure had dramatically overloaded the Intermediate Care Wards in both Congleton and Macclesfield, causing many elderly, confused people to be forced into unsuitable wards, or out into beds bought from community care facilities further depriving family carers of respite social care beds.
- During a meeting held at St John's Wood Community Centre, Knutsford, the Leader had agreed, he would make time to meet Mrs Peters Rock to discuss the situation of health and dementia social care in the Knutsford area. The meeting had not yet been confirmed and Mrs Peters Rock asked for a firm date for that promised meeting.

The Chairman thanked Mrs Napier and Mrs Peters Rock for their representations.

144 **2012/2013 THREE QUARTER YEAR REVIEW OF**
PERFORMANCE

Consideration was given to the joint report of the Interim Chief Executive, Director of Finance and Business Services and Head of Performance, Customer Services and Capacity on the financial and non-financial performance at the three quarter review stage of 2012/13. The report provided an update on the overall financial stability of the Council, projections of service, financial performance and a summary of key performance headlines for the current financial year.

Key points emerging were explained in respect of service revenue outturn, reserves, the capital programme, debt and performance.

RESOLVED

1. That the following matters be noted
 - the projected service revenue and capital outturn positions
 - the overall financial stability of the Council, and the potential impact on the Council's general reserves position
 - the Council's invoiced debt position
 - the delivery of the overall Capital Programme
 - reductions in the approved Capital Programme
 - supplementary Capital Estimates and Virements up to £250,000 approved in accordance with Finance Procedure Rules
 - the service performance successes achieved during the first three quarters of 2012/2013.

2. That the following matters be approved:
 - a Supplementary Revenue Estimates of £33,000 for additional expenditure fully funded from non-ring fenced specific grant as set out in Section 2 of the report; and
 - Supplementary Capital Estimates and Virements over £250,000 and up to £1m as set out in Appendix 5a of the report.

145 **BECOMING A "STRATEGIC COUNCIL" - REVIEW OF MANAGEMENT ROLES AND RESPONSIBILITIES**

Consideration was given to a report of the Interim Chief Executive setting out proposals for significant changes in the current roles and responsibilities of managers at all levels within the organisation, as a key element of establishing a new operating model for the Council, to support an ambitious programme of service transformation and to reduce costs and provide better value-for-money for local people.

The report set out the process and timetable for implementing the required management changes over the next six months, and sought Members' approval for the authority to proceed immediately with the Management Review, on the basis set out in the report, so that its benefits could start to be realised as quickly as possible.

RESOLVED

That Council be recommended to:

1. Approve that the Interim Chief Executive, in consultation with the Leader of the Council and his Cabinet Portfolio Holders, be authorised to start, with immediate effect, the proposed Management Review and the phased process of selection for appointment to new management posts in the Council's revised organisational structure, on the basis and timetable set out in this report;
2. Note the need for planned complementary action on the wider implications of the introduction of the new operating model for the Council, in terms of collaborative working with other local commissioners and providers of public services, as well as the development of the Council's Localism initiative; and
3. Agree that further reports on these initiatives be brought forward for Members' consideration in due course.

146 **LEADER'S REPORT - OUR FINANCIAL PLAN**

Consideration was given to a report from the Leader setting out the framework of a new 3 Year Council Plan, which would give a clear strategic direction for the Council.

The report identified a number of activities that would result in a balanced budget over the next 3 years and sought to protect and enhance essential frontline services, retain sufficient skilled staff, and give local people even better value for money as the Council cut its costs. This approach would enable the Council to make its contribution to reducing the burden of public debt and to create greater prosperity for hard working local people.

Attached to the report was a series of appendices which collectively comprised the Financial Plan.

RESOLVED

That Council be recommended to:

1. Note the ongoing Budget Engagement exercise undertaken by the Council, as set out in Appendix 4;
2. Note the comments of the Council's Chief Finance Officer regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals;
3. Approve the 2013/2016 Budget Report, which presents the financial implications of the Medium Term Financial Strategy, and the detailed changes needed to implement it, as set out in Appendix 2;

4. Approve the 3 Year Capital Programme for 2013/14 to 2015/16 as set out in Appendix 3;
5. Approve a Band D Council tax of £1,216.34 (no change from 2012/13);
6. Approve the recommended Reserves Strategy;
7. Note the 2013/14 level of non ring-fenced Specific Grants, and that any amendments to particular grants, in the light of further information received from Government Departments or other funding bodies, will be reported to Council;
8. Agree the 2013/14 Dedicated Schools Grant (DSG) of £182.4 million and the associated policy proposals;
9. Authorise the Children's and Family Services Portfolio Holder to agree any necessary amendment to the DSG position in the light of further information received from the Department for Education, pupil number changes, further academy transfers and the actual balance brought forward from 2012/13;
10. Note the receipt by the Council of the transferred and ring-fenced grant for Public Health functions, and acknowledge the positive benefits for local people from the Council acquiring these new functions and responsibilities from 1 April 2013;
11. Approve the recommended Prudential Indicators for Capital Financing; and
12. Note the risk assessment detailed in the Chief Finance Officer's report.

147 **KEY DECISION 3 - 3 YEAR MEDIUM TERM FINANCIAL STRATEGY 2013/2016 - BUDGET REPORT**

Consideration was given to a report of the Finance Manager and Deputy S151 Officer on the Medium Term Financial Strategy 2013/16 Report together with details of the approach to funding the Three Year Financial Plan.

The Report set out, in detail, the spending plans and income targets for the financial year starting 1st April 2013, as well as financial estimates for the 2014/2015 and 2015/2016 financial years.

RESOLVED

That Council be recommended to:

1. Note the comments of the Deputy S151 Officer, regarding the robustness of estimates and level of reserves held by the Council based as set out in Appendix A; and
2. Recommend the 2013/2016 Budget Report to Council for approval as part of the Medium Term Financial Strategy Report.

148 **TREASURY MANAGEMENT STRATEGY**

Consideration was given to the report of the Interim Chief Executive and the Director of Finance and Business Services concerning the Treasury Management Policy and Strategy. Revisions were proposed to the existing Strategy and Prudential Indicators for 2012/13. A new Treasury Management and a new Annual Investment Strategy for 2013/14 were proposed together with prudential indicators for 213/14 to 2015/16. A revised Annual Policy Statement on Minimum Revenue Provision was also submitted for approval.

RESOLVED

That Council be recommended to approve the Treasury Management Policy Statement, the Annual Investment Strategy and the Minimum Revenue Provision Statement as set out in the report.

149 **REPORT BACK ON CALL IN OF KEY DECISION CE12/13-18, DELIVERY OF STREETScape AND PARKING MAINTENANCE ACTIVITIES WITHIN THE HIGHWAY SERVICES CONTRACT**

Consideration was given to a report setting out the findings of the Streetscape Task and Finish Group, which was established to give consideration to the Call In of Key Decision CE12/13-18, Delivery of Streetscape and Parking Maintenance Activities Within the Highway Services Contract.

Following the Call In of Key Decision CE12/13-18, Delivery of Streetscape and Parking Maintenance Activities Within the Highway Services Contract, at its meeting held on 12 November 2012, Cabinet resolved that the decision would be deferred in order to allow time for the matter to be considered by the relevant Policy Development Group, but that the part of decision relating to Parking Maintenance be proceeded with.

The Task and Finish Group met several times during its investigations and considered evidence relating to:

- Questions submitted by Members and the reasons for Call In
- Details of the rounds maintenance and street cleansing service, including service overview, statutory responsibilities, key service responsibilities, financial and staffing resources, performance measures, contribution to the Corporate Plan and service context and service structure
- Details on how works would be monitored
- Results of the Ringway Jacobs Satisfaction Survey
- The proposed system for contact arrangements by Members
- Summary of the business options appraisal
- Further evidence that the quality of the service would not be sacrificed
- Details of the split between grounds maintenance and street cleansing
- The possibility of phasing the contract
- The model to be used to achieve localism

Following detailed consideration of the above evidence, the Policy Development Group concluded that further time was required to review the decision and gain assurance that the quality of service would not be compromised. The Group therefore agreed that the issue should be further investigated and reported back to Cabinet in September 2013. However, as the mechanical cleansing activity had clear operational synergies with highways maintenance it was agreed this part of the decision should be proceeded with.

The Group recommended that Cabinet approve:

1. The extension of the scope of the Highways Services Contract to include mechanical street cleansing activities (subject to no challenge being received during the Voluntary Ex-ante Transparency Notice period (VEAT));
2. The publication of a procurement VEAT Notice;
3. The development of a detailed activity programme that will engage with members of council, existing employees and their Trade Union representatives with a view to achieving the earliest possible commencement date after 1st April 2013 for the new service delivery arrangements; and
4. That the remaining Streetscape Services be reviewed and investigated by the Environment and Prosperity Policy Development Group and reported back to Cabinet in September 2013.

RESOLVED

That the recommendations of the Policy Development Group be approved.

150 **PAY POLICY STATEMENT 2013/14**

Consideration was given to a report on a Pay Policy Statement. Section 38 of the Localism Act 2011 required local authorities to produce a Pay Policy Statement (PPS) by 31 March on an annual basis.

A revised draft Pay Policy Statement for 2013/2014 had been prepared and had been considered by the Council's Staffing Committee at its meeting on Friday 11 January 2013 and amendments proposed.

RESOLVED

That the Staffing Committee's proposed amendments be noted and Council be recommended to approve Pay Policy Statement for 2013/2014

151 **HEALTH AND WELLBEING BOARD - TERMS OF REFERENCE**

Further to the meeting of the Cabinet held on 25th June 2012 consideration was given to the terms of reference for the Health and Well Being Board

The Health and Social Care Act 2012 required the Local Authority to establish a Health and Wellbeing Board for its area. Core membership included at least one local Councillor (nominated by the Council's Leader) the Directors of Adult Social Services, Children's Services and Public Health, a representative of the Local Healthwatch Organisation and a representative of each Clinical Commissioning Group and the NHS Commissioning Board. The Local Authority could also nominate such other individuals as they considered appropriate.

Once established in April 2013 the Board would be a Committee of the Local Authority but regulations under the Act would modify some of the normal requirements of the Local Government Act 1972 details of which were given in the report. The Regulations had not yet been published but it was anticipated that these would be available before 1st April 2013. The report enclosed a draft terms of reference and recommended that these be approved until such time as the Regulations were published.

RESOLVED

1. That the current Health and Wellbeing Board's Terms of Reference be approved until such time as the regulatory guidance is published; and

2. That following publication of the Regulations the Cabinet and the Constitution Committee be asked to review the Health and Wellbeing Board's Terms of Reference and make recommendations on any modifications if required.

152 **KEY DECISION 27 - PROPOSED EXPANSION OF PEBBLEBROOK PRIMARY SCHOOL, CREWE**

Consideration was given to a report by Strategic Director, Children, Families and Adults on a proposal to expand Pebble Brook Primary School, to provide 315 pupil places by increasing the existing capacity by 105 places for implementation in September 2013.

In accordance with the guidance issued by the Department for Education, an initial consultation had been undertaken between 22 October 2012 and 23 November 2012 following which a statutory notice detailing the proposed expansion of Pebble Brook Primary School from 210 to 315 school places had been published.

This statutory process provided the opportunity for any person with an interest to submit representations, which could be objections as well as expressions of support for the proposals. Details of the responses received were submitted.

RESOLVED

That the Cabinet gives approval to the expansion of Pebble Brook Primary School, Crewe to increase the school from its current capacity of 210 school places to 315 places with a planned implementation date of 1 September 2013.

153 **EAST CHESHIRE ENGINE OF THE NORTH - NEW DEVELOPMENT COMPANY MODEL**

Consideration was given to a report from the Head of Development on a proposal to establish a dedicated delivery vehicle for physical development and regeneration utilising strategic land assets of the Council to deliver growth.

The delivery vehicle would be responsible for the accelerated development of Council owned assets and boosting delivery of developer led strategic sites. As a result the Council would continue to support the sustainable growth of the Borough and create an attractive proposition for securing greater private sector investment and development expertise into the area to ensure an even stronger focus on generating more jobs, more homes and more prosperity.

RESOLVED

To authorise the Interim Chief Executive or his identified nominee, in consultation with the Cabinet Member for Prosperity & Economic Regeneration, and subject to consideration by the Monitoring Officer and the Chief Financial Officer to:

- invest up to £100,000, from existing Economic Development & Regeneration Earmarked Reserves, in independent legal and financial advice to review detailed options and ascertain the most appropriate and beneficial formal structure for the new Delivery Vehicle; and
- establish a Shadow Board to oversee the delivery of the Development Programme in the short-term, and drive forward the new vehicle arrangements.

154 **CHESHIRE AND MERSEYSIDE PUBLIC SERVICES NETWORK CONNECTIVITY PROCUREMENT**

Consideration was given to a report of the Interim Chief Executive setting out details of the Council's proposal to proceed with the joint procurement of a Public Services Network (PSN).

The national Public Service Network (PSN) Programme was a joint Government and industry programme to revolutionise the efficiency with which National Government, Local Authorities, Police, Fire, Health and the Third Sector procure and utilise voice and data networks and the ICT services that carry across them.

Cheshire West and Chester Council has undertaken a procurement exercise as lead Authority jointly with Cheshire East Council and other potential public sector partners through Framework Agreement RM860, for a contract to deliver a unified Wide Area Network and the ability to transition to network connectivity capable of meeting PSN standards.

RESOLVED

That the Interim Chief Executive or his identified nominee and the Portfolio Holder for Strategic Communities be authorised to make the decision to award the contract for the provision of Public Service Network to the winning bidder and approve all necessary actions to be taken to implement the proposal including informing Full Council on the progress and outcome of PSN Connectivity Procurement.

155 **KEY DECISION 37 - STRATEGIC HOUSING REVIEW**

Consideration was given to a progress report relating to the ongoing Strategic Housing Review and the integration of the Housing Service into the new Corporate Strategic Commissioning model.

The report outlined the progress of the review, which was being implemented in a phased approach over the next two years. This involved an early restructure of the service to bring forward efficiencies and ensure that it remained fit for purpose and to explore alternative delivery models for certain areas of the service.

The long term proposal was to integrate housing into the wider corporate agenda and develop better alignment with Health and Children, Families and Adults.

RESOLVED

That the integration of the Housing Service into the new Corporate Strategic Commissioning model be approved and the progress with the review be noted.

The meeting commenced at 2.00 pm and concluded at 3.45 pm

M Jones (Chairman)

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CHESHIRE EAST COUNCIL

CABINET

Date of Meeting:	4 March 2013
Report of:	Interim Strategic Director Places and Organisational Capacity
Subject/Title:	Establishing Cheshire and Warrington Local Transport Body
Portfolio Holder:	Councillor Jamie Macrae – Portfolio Holder for Prosperity & Economic Regeneration

1.0 Report Summary

- 1.1 The Department for Transport (DfT) is devolving its decision making function on Local Major Transport Scheme funding from 2015/16 to 2018/19 to Sub National Local Transport Bodies (LTBs) in England based on the geography of the Local Enterprise Partnerships (LEPs). The key members of the LTBs will be the LEPs and the constituent local highway and transport authorities, which includes the Council.
- 1.2 The DfT require each LTB to submit a Local Assurance Framework (LAF) by the end of February 2013, which needs to demonstrate to the DfT how it would carry out this role and manage the devolved funding. Once the DfT have endorsed the LAF the Cheshire and Warrington Local Transport Body (CWLTB) can start formal meetings and make decisions.
- 1.3 A requirement is that one of the constituent local authorities acts as the Accountable Body for the LTB. The Cheshire and Warrington Sub Regional Leaders have agreed that Cheshire East will be the Accountable Body.
- 1.4 The aim is that the CWLTB is seen as a vanguard by the DfT and other government departments and it also forms a key part of delivering the Sub Regional growth agenda.

2.0 Decision Requested

- 2.1 That Cabinet approves the Local Assurance Framework as the basis upon which the Cheshire and Warrington Local Transport Body conducts its business and manages the delivery of new major transport infrastructure schemes.
- 2.2 That Cabinet approves the Council being the Accountable Body for the Cheshire and Warrington Local Transport Body.

3.0 Reasons for Recommendations

- 3.1 Establishing the CWLTB will enable the sub region to have direct control of an indicative budget of around £21.8m from the DfT to deliver highway and transport infrastructure. This would support our local ambition for economic growth and job creation, a key priority for this Council, the Sub Region and the Coalition Government.
- 3.2 It is anticipated that this funding will form the foundation for a much larger infrastructure investment programme as other sources of capital funding are secured to enable a step change in the number of schemes being delivered in the Sub Region. Further decisions may be necessary on this point, in due course.
- 3.3 The Cheshire and Warrington LEP (CWLEP) has recently received an offer for revenue grant funding from central government, subject to certain criteria being met to support its activities, in particular the establishment and operation of the CWLTB. The Council will seek funding from CWLEP for the resources it will expect to commit to support the CWLTB, including its accountable body role.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 Policy will be addressed in the prioritisation and implementation of schemes, which is set out in the Local Assurance Framework.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 As described in the Local Assurance Framework and summarised in 10.14 below, the accountable body role features a range of duties and responsibilities, in relation to receiving, holding and distributing Government grant resources and for ensuring the proper use of funds. As noted in 9.2 below, the Framework also describes how the risks will be shared and appropriately borne by respective authorities, for example where any scheme overspends are to be met by the respective Council, rather than the accountable body.
- 7.2 It will be important for the role of the accountable body to be fully defined and understood by CWLTB partners and the functions of it to be financed by appropriate means (e.g. LEP core funding resources).

- 7.3 Potential forms of structure for the LTB are described in 10.8, below. Models other than the informal partnership described in the LAF will require further consideration, in terms of financial implications, if they are explored in the future.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The LAF needs to be approved by the DfT before the funding decision function can be transferred to the CWLTB.
- 8.2 Initially, it is envisaged that the CWLTB will operate through an informal partnership, but as its arrangements are intended to be regularly reviewed, a different model, such as a company limited by guarantee may be considered in the future; if so, detailed legal advice will be necessary.
- 8.3 Support will be required from the Borough Solicitor to establish and operate the LAF and CWLTB respectively; as current resources are unlikely to be sufficient, additional resources with the associated costs may be required. Support will also be required from other services e.g. Democratic Services since the Accountable Body bears primary responsibility for maintaining the record and documentation of CWLTB proceedings; again, current resources may be insufficient to cover this responsibility.
- 8.4 The fact that the required Audit arrangements are to be provided by another Council in the partnership, whilst helpful in sharing the governance responsibilities, this does raise the prospect of differing opinions arising as to the governance of the CWLTB, but given the common purpose of the CWLTB, whilst audit arrangements should be as impartial as possible, and all parties should contribute towards the good governance of the CWLTB, this should not become a major issue. If a different model is in the future preferred for the operation of the CWLTB, this can be reviewed at that time.

9.0 Risk Management

- 9.1 If the CWLTB fails to either submit a satisfactory LAF or manage its business in accordance with an approved LAF, the government can decide to withdraw devolved funding.
- 9.2 To mitigate the risk to the Council in its role as Accountable Body, it is sought to design the LAF in such a way as to ensure the risks associated with the funding, procurement and delivery of major infrastructure projects remain as far as possible with the individual local authority promoting a scheme. However, given the responsibilities resting with the Accountable Body role, it is not possible to completely mitigate all risk, which is always likely to be greater than those resting with the other partners to the CWLTB.

10.0 Background and Options

- 10.1 The Coalition Government have an agenda through the establishment of LEPs to promote investment and growth to sub regions in England. In line

with this, the DfT have developed plans to devolve its local major transport scheme budget and decision making to sub regional LTBs.

- 10.2 The DfT wrote to LEPs and Local Transport Authorities in August 2012 outlining their intention to produce detailed guidance about the setting up of LTBs and our requirements for LAFs. The main proposals for taking forward major scheme devolution was issued in September 2012 with the detailed guidance document on assurance frameworks published in December 2012.
- 10.3 There was overwhelming support for the principle of devolution and this was endorsed by the CWLEP and the Council. However, one of the DfT's most important issues emerging from the consultation and subsequent discussions with local partners was the need for greater clarity on how the DfT could be assured LTBs are fit for purpose and have the necessary arrangements in place to ensure value for money and good decision making. This guidance sets out our key requirements and principles, including a set of minimum requirements.
- 10.4 The main tasks for the CWLTB is to develop and submit a LAF that conforms with the requirement of the DfT's detailed guidance, which will enable it to be formally recognised, and to establish and submit to the DfT a prioritised programme of schemes for the sub region. The LAF is required for submission by the end of February 2013 and the programme by the end of July 2013.
- 10.5 The guidance document states the DfT are happy to adopt a practical approach to LAFs that have the essential matters covered by the deadlines but may require more detail to be fleshed out later. A Shadow CWLTB has met on a few occasions to develop the LAF and has engaged closely with the DfT as the draft proposal has been developed.
- 10.6 The DfT are still providing advice in the form of written material and have workshops planned later this year on aspects such as proportionality in appraisal and producing value for money statements.
- 10.7 The DfT's intention was not to make this process overly burdensome; however they believe putting in place the robust arrangements now will benefit LTBs and the DfT in the longer term. What the CWLTB and the LAF needs to demonstrate is a system that provides good governance, effective processes for identifying priorities along with high standards of programme management and investment decisions.
- 10.8 The CWLTB and the proposed LAF is believed to achieve all the requirements of the DfT. Having said this, once it has been submitted, it may require some minor modifications as stated in 10.4 above. If any of these proved to be substantive, a revised version would be presented to a future Cabinet meeting. Further, the Portfolio Holder will be informed of any minor changes suggested by the DfT.

- 10.9 One of the main decisions has been selecting the appropriate Governance model for the CWLTB. Each model has potential strengths and weaknesses given the level of current sub regional working in Cheshire. The options are:
- An Informal Partnership
 - A Joint Committee
 - A company limited by guarantee as a sub group of the CWLEP
- 10.10 The Informal Partnership appears to be the preferred choice of sub regions such as ours where we don't have formal governance structures already in place. The benefits are that it can be established quickly and that it gives a strong voice to all the partners, including the CWLEP. This is the option included in the LAF.
- 10.11 The Joint Committee option would take longer to constitute and would limit the CWLEP's role as they would not have a vote in the decision making process.
- 10.12 The CWLEP isn't currently formed as a company limited by guarantee and as such this isn't currently an option.
- 10.13 The view is that as the role of sub regional working develops the CWLTB and the CWLEP may wish to reconsider the governance arrangement for our LTB. This would form part of any future dialogue and discussion with the DfT over the LAF and may require a further decision to be taken.
- 10.14 A further requirement in establishing an LTB is the need to nominate one of the constituent Council's as an Accountable Body. The Council was approved at the Accountable Body for the CWLTB at a recent meeting of the Sub Regional Leaders meeting.
- 10.15 The key roles the Council will have to perform as Accountable Body are:
- Ensuring that the decisions and activities of this LTB conform with legal requirements with regard to equalities, environmental, EU issues etc;
 - Ensuring (through their Section 151 Officer) that the funds are used appropriately;
 - Ensuring that this LTB assurance framework, as approved by DfT, is being adhered to;
 - Maintaining the official record the LTB's proceedings and holding all this LTB's documents; and
 - The decisions of this LTB in approving schemes (for example, if subjected to legal challenge).
- 10.16 The Council will have to make available the appropriate resources from its various corporate services to perform these roles. If CWLEP revenue funding becomes available through central government support, the Council will be able to claim any costs incurred from this funding.

11.0 Access to Information

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

DfT guidance papers on devolving local major transport scheme funding can be found on the DfT web site.

The Cheshire and Warrington Local Transport Body Local Assurance Framework is attached to this report.

Name: Andrew Ross
Designation: Strategic Highways and Infrastructure Manager
Tel No: 01270 686335
Email: andrew.ross@cheshireeast.gov.uk



Cheshire and Warrington Local Transport Body

Draft Assurance Framework FINAL DRAFT Feb 2013

Part One – Purpose, Structure and Operating Principles

1. Name

1.1 Cheshire and Warrington Local Transport Body.

2. Geography

2.1 The geographical boundary of the Cheshire and Warrington Local Transport Body (CWLTB) is consistent with the geography of the Cheshire and Warrington Local Enterprise Partnership (CWLEP). This covers the administrative areas of the three unitary local authorities, these being,

- Cheshire East Council (CEC);
- Cheshire West and Chester Council (CWACC); and
- Warrington Borough Council (WBC).

3. Strategic Objectives

3.1 The overarching objective for CWLTB is to ensure that transport investment and improvements support the ambitions of the CWLEP, the emerging Growth Conversation and the constituent local authorities whilst considering the environmental, health and social well-being of the sub-region.

3.2 To achieve this CWLTB will need to develop an Integrated Investment Framework for capital investment within the sub region to enable the development and ensure the delivery of the infrastructure programme.

3.3 CWLEP has identified six strategic objectives that are critical to delivering its ambition, of which Infrastructure and Connectivity is the primary responsibility of the CWLTB. This strategic objective is underpinned by a number of priorities:

- Provide an excellent location to do business;
- Provide an excellent location to live and work; and
- Ensure fully functioning sustainable transport infrastructure

3.4 The CWLTB will establish a clear, evidence-based set of transport investment priorities ready to deliver over the next spending period. The transport priorities will support the delivery of sustainable economic growth whilst contributing to wider social and environmental objectives.

3.5 The priorities will reflect projects that are deliverable in the short-medium term to take advantage of early investment funds being made available. The CWLTB recognises the urgent need for investment in a level of feasibility and appraisal work to understand project risks and deliverability issues. This will ensure that the CWLTB Programme is able to demonstrate confidence to government that these projects could be implemented without undue delay when the funding becomes available.

3.6 Initial estimates indicate a £1.5billion investment in a programme of transport improvements is required over a 20 to 30 year period to deliver our aspirations for economic growth and meet the ambitions set out in the Growth Conversation. This is matched by an equivalent funding envelope that will need to be developed in detail to support a Transport Investment Fund for the sub-region that will facilitate delivery of the identified transport investment priorities. The Fund will be developed to reflect schemes within the Highways Agency (HA) and Network Rail's (NR) investment programmes. Where projects are fully funded they will be included in the prioritisation process. Where projects are not fully funded or interventions have been identified for cost/benefit assessment prior to the HA or NR bid process, projects will be brought to CWLTB to identify scheme benefits in support of wider CWLTB aspirations for growth and improved connectivity and at a sub-regional level, to allow for a collaborative approach in presenting schemes for funding.

3.7 Improving connectivity is critical to deliver GVA and jobs growth in the sub region by providing better conditions for existing business and enabling new strategic investment sites to come forward. But this applies also to neighbouring areas that will influence our economy. As such, CWLTB will develop a good understanding of the role played by other national transport infrastructure and services beyond the sub-region that has a direct influence on the economy of the sub-region. This includes from Greater Manchester, Merseyside, Wales and North Midlands and our motorways and trunk roads, Manchester Airport, Liverpool Airport, the Port of Liverpool our railways, including the proposed HS2, Northern Hub and Devolution plans. Investment and development at these important transport gateways should be supported where it can be seen to benefit the sub-region.

4. Membership

4.1 The Membership of CWLTB is set out below:

<p>Membership of Cheshire and Warrington Local Transport Body</p> <p>Chair – Non voting</p> <p>Councillor Michael Jones – CWLEP Lead on Infrastructure and Connectivity / Leader of CEC (Chair – casting vote only)</p>
<p>Voting Members</p> <p>Councillor Jamie Macrae – Portfolio Holder for Prosperity and Economic Regeneration, CEC</p> <p>Councillor Herbert Manley – Executive Member for Prosperity (Regeneration), CWACC</p> <p>Councillor Linda Dirir – Executive Member for Highways, Transportation and Climate Change, WBC</p> <p>Pete Waterman – CWLEP Lead on Transport, Cheshire and Warrington Local Enterprise Partnership</p>
<p>Advisers</p> <p>Highways Agency – Ruth Moynihan, Asset Development Manager North West</p> <p>Network Rail – Richard Eccles, Director of Network Planning</p> <p>Department for Transport – Richard Perry, Deputy Head of Northern Engagement Team</p>
<p>Associate Membership – CWLTB will invite other parties to meetings in a non-voting capacity as appropriate. This may include representatives from,</p> <ul style="list-style-type: none"> • Neighbouring LTBs / Local Enterprise Partnerships / Local Authorities; • Neighbouring Integrated Transport Authorities; • Welsh Assembly Government / Taith; • Train and bus operating companies; • Local Ports and Airports; and • Business and Community Sectors.

4.2 **Membership Review** – Membership of CWLTB will be confirmed on an annual basis at its first meeting in public from 1 July of each year as this would synchronise with the political calendar cycle of the constituent local authorities.

4.3 Opportunities to consider extending the membership of CWLTB will also be considered as part of the annual review. Further, membership can be reviewed at any meeting in public of the CWLTB at the request of the constituent local authorities and the CWLEP.

4.4 **Assuring democratic accountability** – The democratic accountability of CWLTB is assured as elected members with voting rights form the majority of the group with voting rights and cannot be out-voted by non-elected members. Maintaining this balance of accountability will be maintained when considering potential new membership of the CWLTB. This Local Assurance Framework will also have been approved by the Cabinets of the 3 constituent local authorities and endorsed by the Department for Transport (DfT) as an acceptable basis by which the CWLTB manages its business.

5. Conflicts of Interest

5.1 It is central to the ethos of CWLTB that the Body acts in the interests of the area as a whole and not according to the sectoral geographical interests of individual member organisations. In arriving at its decisions the CWLTB will consider the views of all interested parties. If any vote taken by the CWLTB were split 2:2, then the decision would be deferred. If after this deferment the decision is still split 2:2, it will be the votes of the 3 local authority elected members that would then count and enable a decision to be reached.

5.2 Voting rights will only apply to one vote for each of the three constituent local authorities and one vote for the CWLEP. This will maintain a balance of interests and avoid a perceived bias towards any of the elected member's host organisations. Further, the nature of voting will also ensure that there is adequate separation between an individual local authority scheme promoter and the decision making process.

5.3 In line with the procedures of the constituent local authorities, CWLTB will manage conflicts of interests in accordance with existing protocols and codes of conduct that apply to local councillors. At this stage it is proposed to adopt that followed by CEC (the CWLTB Accountable Body). Details will be made available on the Council's website and non CEC voting members of the CWLTB will have to state in writing their willingness to adhere to this code.

5.4 In order to guarantee transparency, the Accountable Body on behalf of the CWLTB will publish a register of its member's interest(s). This will be accessible via the CWLTB website. This will be updated to include any interests outside their respective local authority area but within the boundary of CWLTB. Current registers of interest are already available to the public via existing Council websites and will be linked together on the CWLTB website.

6. Gifts and Hospitality

6.1 Members and Officers of the three constituent local authorities are already covered by standards and codes of conduct relating to the acceptance and declaration of gifts and hospitality.

6.2 The CWLTB will adopt and follow the model code of conduct for CEC in line with this authority's role as the Accountable Body. The voting member from the CWLEP will need to agree in writing to follow this code.

7. Status and Role of Accountable Body

7.1 The CWLTB will initially operate as an informal partnership established and operating within a remit agreed within the Local Assurance Framework between the constituent local authorities and the CWLEP.

7.2 The Accountable Body role and that of the Annual Audit will be to ensure that the CWLTB fulfils the requirements of the Assurance Framework and maintain appropriate democratic control and accountability to maintain effective governance and public scrutiny. If the remit of the CWLTB were extended it may become a constituted body for the sub region, with powers in areas of transport policy and to receive and spend funds.

7.3 The Accountable Body for CWLTB is CEC.

7.4 The primary role of CEC, acting as the Accountable Body, will be to hold the devolved major scheme funding and make payments to the partner delivery bodies. It will also account for these funds in such a way that they are separately identifiable from the Accountable Body's own funds, and provide financial statements to the CWLTB as required.

7.5 In approving this Local Assurance Framework the local authorities are agreeing to use the funds in accordance with a CWLTB decision.

7.6 To summarise, CEC, acting as the Accountable Body will be responsible for the following activities.

- Ensuring that the decisions and activities of this LTB conform with legal requirements with regard to equalities, environmental, EU issues etc;
- Ensuring (through their Section 151 Officer) that the funds are used appropriately;
- Ensuring that this LTB assurance framework, as approved by DfT, is being adhered to;
- Maintaining the official record this LTB's proceedings and holding all this LTB's documents; and

- The decisions of this LTB in approving schemes (for example, if subjected to legal challenge).

7.7 Legal agreements / mechanisms

To expedite its operational readiness, the CWLTB is configured in terms of legal status as an informal partnership as envisaged in the DfT Guidance for LTB's at paragraph 13. The partnership is legally underpinned by CEC as the Accountable Body. Its role and function is as detailed in section 7.1 to 7.6 above and in 12.3 below.

The relationship of a promoting authority in respect of a particular scheme will be documented in formal legal agreements with CEC, for and on behalf of CWLTB and as the Accountable Body and therefore the disburser of grant. These arrangements are identified in more detail at section 25 below.

Legal responsibility for the consequences of CWLTB decisions within partner members will be accepted and carried through as necessary by the exercise of delegated officer powers and authority on behalf of that member, all in accordance with their respective constitutions or standing orders or equivalent.

Alternatively, legal responsibility for the consequences of CWLTB decisions will be accepted by the exercise of the appropriate executive decision-making procedures operative within those member bodies.

The members undertake to each other to provide documentation of their decisions or substantiation of their decision-making processes if so reasonably required by the CEC on its own behalf or on behalf of any member.

The members within the partnership likewise undertake to each other to participate and collaborate in full co-operation and within the spirit and principles and requirements of this Framework in order to achieve its Strategic objectives and purposes.

8. Local audit and scrutiny

8.1 CWACC will be responsible for local audit and scrutiny of the CWLTB activity and business. A specific resource has been identified and allocated to this role. The first Audit review will take place in December 2014 and will be shared with the Accountable Body and reported to the CWLTB.

9. Purpose

9.1 CWLTB proposes to fulfil a number of roles and functions over and above making decisions on devolved local authority major funds and support the Cheshire and Warrington growth agenda. Its role is set out below.

1. Strategic transport policy and a single high level Transport, Connectivity and Infrastructure Plan, covering all forms of transport;
2. Develop the transport and economic evidence base linked to land use and economic plans to support the development of transport priorities;
3. Develop a programme of strategic transport investment based on the evidence;
4. Work with the Local Authorities, the CWLEP and Government to develop a pooled 'Transport Investment Fund', including LTP, CIL, devolved Majors and Growing Places funds for example;
5. Work with Economic Development teams to identify other funding sources, including private sector funding contributions and investments;
6. Manage the programme of transport projects and their development and implementation in accordance with this Assurance Framework, ensuring the programme delivers value for money;
7. Develop Memoranda of Understanding with key Agencies: Highways Agency, Network Rail, Airports, Freight and Logistics Organisations, Train Operating Companies to influence and support policy, priorities and investment;
8. Identify funding routes and lead on the development of funding bids LSTF, RGF, ERDF etc to support programme and deliver ambition;
9. Engage with local authorities in relation to its strategic projects and transport priorities, related strategic development control issues, Local Plans and regeneration proposals;
10. Engage with Government on consultations, innovative solutions and pilots; and
11. Engage with and influence neighbouring transport authorities.

10. Support and Administration Arrangements

10.1 A joint Local Transport Body Lead Officer Group has been established to provide the necessary officer level transport strategy, policy and scheme development capacity required to undertake CWLTB business. The Officer Group consists of:

- Andrew Ross, Strategic Highways and Infrastructure Manager, CEC;
- Chris Hindle, Head of Planning & Transport, CWACC; and
- David Boyer, Assistant Director - Transportation, Engineering and Operations, WBC

10.3 Whenever and wherever appropriate, the Lead Officer Group will be supported by a team of officers from the constituent local authorities directly responsible for those functional areas of the CWLTB business. In addition to this, independent consultants will provide specialist input. CWLTB has appointed consultants to assist with scheme prioritisation and the development of an investment programme. . The consultant support is jointly funded by the three constituent local authorities and the CWLEP and is overseen by the CWLTB Lead Officer Group.

10.4 It is expected that consultants will also be used to provide the independent and impartial scrutiny of the emerging business cases that CWLTB will act to review and consider. Again this work will be managed by the Lead Officer Group.

10.5 Administrative support will be shared between the local authorities with the lead role provided by CEC as the Accountable Body.

11. Working Arrangements and Meeting Frequency

11.1 All working arrangements and decisions relating to the role and function of CWLTB will be made at the formal meetings.

11.2 It is intended that meetings will be held on a bi-monthly basis while the CWLTB is established and sets out its initial priorities and determining the composition of the programme.

11.3 The frequency of meetings beyond the summer 2013 will be confirmed but will be at least quarterly and this will cover decisions relating to making individual scheme investments such as managing the on-going programme, and addressing issues including slippage, cost increases etc. As public meetings (of a joint committee) they will be formally advertised alongside other council business. This will be done by CEC as the Accountable Body. Venues for meetings will be rotated between the three local authorities.

11.4 Where appropriate, some business will be delegated and undertaken by smaller sub-groups of the CWLTB or to officer working groups.

12. Transparency and Local Engagement

12.1 In line with the formal requirements and expectations placed on local authorities to provide transparency and openness (as set out in the Local Government Transparency Code), all necessary CWLTB business will be made available to the public.

12.2 In common with the publication of Council business, a CWLTB website will be established and used to publish agendas, minutes, scheme business cases, evaluation and appraisal reports, and supporting technical material (so long as content is not considered to be commercially sensitive or confidential in nature). In addition, all information will be made available on request in other formats in line with existing Council policies.

12.3 It is noted that CWLTB is a non-statutory body and, as such, is not subject to the Freedom of Information Act 2005 or the Environmental Impact Regulations 2004. However, CEC as the Accountable Body will be responsible for holding all formal CWLTB records and will be the focal point for statutory information requests and these will be handled in accordance with legislative requirements. It is acknowledged however that information relating to non-CWLTB schemes may be requested direct from the promoting organisations.

12.4 Opportunities for stakeholder and public engagement is an important element of the work that will be undertaken by CWLTB. Stakeholders and the wider community will be able to provide meaningful input.

12.5 Depending on the specific activity this may incorporate formal written consultation, representative working groups, ongoing market research and questionnaires. When preparing Local Transport Plans, DfT guidance set out a list of statutory and suggested consultees. This will form the basis of a CWLTB stakeholder database for future engagement activities. It is set out as an Appendix below.

13. Complaints and Whistleblowing

13.1 Our Councils have procedures in place to deal with and respond to complaints from stakeholders, members of the public, internal whistleblowers, in cases where it is alleged a Council is acting in breach of the law or failing to safeguard public funds. CWLTB will follow the existing procedures of CEC in its role as the Accountable Body, in accordance to this Assurance Framework.

14. Monitoring and Review

14.1 This Assurance Framework is considered to be a live document. It will be reviewed and updated on a periodic basis to reflect any changes to national / local circumstances and / or requirements.

PART 2: CWLTB PRIORITISATION

15. Major Scheme Eligibility Criteria

15.1 The CWLTB will only consider funding schemes that have a defined scope. These could be 'traditional' major schemes or fully defined packages of measures that when combined, align with delivery of the CWLTB strategic objectives and offer the added value of a major scheme. Loosely defined or unspecific schemes will not be considered for funding.

15.2 To ensure against the possibility of funding being spread too thinly to be effective, the minimum scheme cost threshold that will be considered eligible for LTB funding is £2.5 million. This threshold has been set to take account of the differences in Integrated Transport Block funding between the local authorities. A simple criteria based on the scheme cost threshold will avoid any ambiguity as to what constitutes a major scheme eligible for consideration of CWLTB funding.

15.3 A prioritisation methodology has been developed for scheme prioritisation based on best practice and reflecting local circumstances. The methodology will be published on the CWLTB website as part of the reporting cycle of Joint Committee reporting.

LTB Contribution

15.4 The funding contribution to major schemes from the CWLTB will be capped at two thirds of the total scheme cost. There will be a mandatory requirement for the promoting authority to fund at least one third of the total scheme cost and any cost increases incurred after Final Approval will be borne in full by the promoting authority.

15.5 The CWLTB funding will only contribute towards the capital cost of the scheme. This will include Land Acquisition costs and Part 1 Land Compensation Costs, but will exclude the cost of scheme development as well as the cost of the agreed post-scheme monitoring and evaluation programme.

16. Identification of an Initial List of Candidate Schemes

16.1 Each promoting local authority will determine whether existing major schemes which form part of the Long Term Infrastructure Plans are to be put forward for funding. Such schemes will be assessed alongside all other schemes using criteria designed to address the problems and challenges faced by the CWLTB area. We will encourage the promoting authorities to consider as wide a range of options as possible including all modes, infrastructure, regulation, pricing and other ways of influencing behaviour. Non-LTB schemes will be subject to the cost/benefit and wider scheme impact assessment processes within the respective organisations. CWLTB will collaborate with these organisations during project assessment where local or sub-regional benefits are likely.

16.2 The expectation is that all authorities will have considered the wider objectives against which they and the CWLTB is delivering, the problems and challenges faced in achieving these objectives, and whether the proposed transport solutions address these. “Off the shelf” or “legacy” schemes will not necessarily meet these wider objectives.

16.3 Working with key stakeholders and Local Authorities a mechanism will be developed to propose major schemes for consideration under future prioritisations. It is recognised that there will be a need to manage stakeholder expectations through regular dialogue.

Eligibility Assessment

16.4 Each scheme put forward by the constituent local authorities will be assessed to see whether it meets the eligibility criteria. Those that pass will then proceed to the next stage. Those that do not, will be eliminated from the prioritisation process. Non-LTB projects will sit outside the eligibility assessment unless a contribution is sought from the Fund where there is a funding shortfall or where a collaborative approach to funding offers increased benefits.

16.5 The eligibility criteria for local authority schemes will include some or all of the following:

- Purpose – transport scheme
- Scope – have a defined scope that can be subject to a meaningful appraisal
- Cost - £2.5m total minimum scheme cost
- Local contribution – minimum of one third of the total scheme cost
- Strategic impact – major schemes must contribute to at least one of the CWLEP’s strategic objectives as outlined in Part 1, Section 3 with the ultimate objective of supporting / delivering GVA and jobs growth
- Contribution – must contribute to CWLTB/CWLEP policy objectives
- Funding – all other potential sources of funding investigated. As with RFA, CWLTB funding should be a call of last resort

16.6 This initial sift will identify any ‘showstoppers’ which are likely to prevent an option progressing at a subsequent stage in the process. We will discard options that:

- Would clearly fail to meet the objectives identified for intervention;
- Do not fit with existing local, sub-regional and national programmes and priorities, and do not fit with wider government priorities (e.g. for housing);
- Would be unlikely to pass key viability and acceptability criteria (or represent significant risk) in that they are unlikely to be deliverable either in a particular economic, environmental, geographical or social

context or not considered to be technically sound, financially affordable, and acceptable to stakeholders and the public.

Collation of Available Information

16.7 Each promoting authority will be required to identify and develop major schemes that solve the transport related problems in that locality and deliver against the wider objectives of the CWLTB area. For each eligible scheme, the promoting authority will be asked to complete a proforma to collate and summarise the available information in a consistent form. It is particularly important to be clear on the problems that the scheme is trying to address and the “intervention logic” behind the proposed solution. The information therefore needs to provide a convincing narrative that there is a basic case for investment, describing the scheme objectives and specific outcomes

16.8 Once the proforma has been submitted and reviewed by the CWLTB, the promoting authority will meet with the independent consultants undertaking the prioritisation in order to establish a full understanding of the scheme and to ascertain whether gaps in information can be filled before it is assessed for funding. This discussion will also ascertain the level of commitment from the promoting authority to the required investment in developing the scheme and its business case to Full Approval.

16.9 To ensure consistency, a standardised approach has been developed. This will ensure consistent treatment of variables such as construction inflation, application of Optimism Bias, and allowance for Risk in the derivation of outturn costs. It may be the case that before assessment takes place data submitted by scheme promoters will need to be manipulated to ensure consistency.

Data Validation

16.10 At this stage, a degree of data validation will be undertaken to understand the quality and robustness of the data underpinning the supplied scheme information and to ensure that the proposed scheme is evidence based and has clear objectives. Depending upon the stage of scheme development, this data validation will be via a brief review of any available scheme appraisal and assessment documents, within the context that a more developed scheme will have a more robust set of data.

16.11 Further checks and balances will be implemented, where required, to verify the data supplied by the promoting authority. For example, cost consultants / quantity surveyors could be asked to provide an independent view on whether the proposals broadly align with the quoted scheme costs. There is an expectation that the promoting authorities will have undertaken their own scheme prioritisation prior to putting the schemes forward to CWLTB and the details of this assessment will also be requested.

16.12 This approach will provide a robust list of schemes for assessment.

17. Methodology for Developing a Prioritised List of Schemes

17.1 The prioritisation methodology will involve making use of the DfT's strategic assessment tool, EAST (Early Assessment and Sifting Tool), adapted to reflect local circumstances.

Early Assessment and Sifting Tool (EAST)

17.2 The DfT's strategic assessment tool (EAST) will be applied to this initial long list of local authority schemes to determine which should be considered for prioritisation. Schemes will be at different stages of development and it is vital to ensure that assessment of the scheme, and not the quality of the data, takes place. EAST would be used in part to assess the strategic fit, the economic case, and the management aspects of schemes submitted for prioritisation by Local Authorities.

17.3 Those schemes that do not contribute towards the CWLTBs and CWLEPs strategic objectives will be eliminated from the prioritisation process.

17.4 The strategic case for schemes in EAST will be considered in relation to fit with CWLEP and CWLTB strategic priorities and objectives outlined in Part 1, Section 3 of this document. This will ensure that assessment criteria are aligned to the strategic priorities of CWLTB and are not able to be retro-fitted to individual existing schemes.

17.5 The EAST assessment will enable the CWLTB to take a view on whether the submitted schemes are the most appropriate in addressing the identified problems and meeting the strategic objectives of CWLTB. Evidence will be sought from the scheme promoters to demonstrate that the full range of options have been considered before selecting a particular scheme for submission to CWLTB.

17.6 This will leave a short list of major schemes to undergo a more detailed appraisal for prioritisation in the CWLTB's initial 10 year programme. Highways Agency and Network Rail schemes will be included in the prioritisation as submitted by these organisations as they will have undergone initial assessment within the respective organisations.

Prioritisation Assessment

17.7 Our prioritisation methodology is based on three basic overarching criteria:

- Contribution to policy objectives – both local and wider CWLTB including environmental and social / distributional impacts;
- Value for money – benefit cost ratio plus a qualitative assessment of other factors which is critical particularly when a BCR is not available; and

- Deliverability – including the promoting authority’s commitment to develop the scheme to Full Approval and the affordability of the scheme within the CWLTB’s 4 year programme.

17.8 Schemes passing the sifting test against the strategic objectives will be assessed further through a prioritisation framework based on a detailed scorecard approach using Multi Criteria Analysis to allocate points to each scheme. The approach used for the North West RFA prioritisation has been adapted for use by the CWLTB. Various sub-criteria will be applied beneath the three over arching prioritisation criteria to measure the schemes’ performance against specific issues such as key delivery risks and stakeholder views. Each scheme will be scored using a 7-point scale against each sub-criteria. A weighting will be applied to the sub-criteria based on its importance to the CWLTB but then the overall assessment will be based on an equal weighting of each of the three over-arching criteria. All schemes will be subject to the same weighting for consistency and to ensure a robust assessment.

Assessment of Value for Money

17.9 Value for money is traditionally assessed using a benefit cost ratio (BCR). But with schemes at different stages of development this may not be possible, so qualitative assessment techniques such as potential wider economic benefits may need to be used as an alternative. As a general rule, schemes will be required to meet a minimum value for money threshold through demonstrating a BCR of over 2.0. The traditional BCR calculation does not capture all monetised costs and benefits of transport schemes. Therefore, other monetised and non-monetised benefits also need to be considered in coming to an overall judgement of the likely value for money of any particular scheme. Therefore in exceptional cases, the CWLTB will consider schemes with a BCR of less than 2.0 but which can demonstrate significant additional monetised or non-monetised benefits or innovations that are important in relation to delivering the stated strategic objectives. At this stage of the prioritisation process, it is expected that a qualitative assessment of such additional benefits will be made through evidence of problems, scheme objectives, and expected outcomes. Further quantitative evidence will be required for such schemes to progress to Programme Entry.

17.10 Whilst setting out the specific Value for Money criteria that will be used by CWLTB, it is recognised that many scheme will not have a full WebTAG assessment at this stage. In these circumstances we will undertake a subjective view of the likely order of scheme BCR based on the costs of the scheme and the expected benefits that the scheme will deliver coupled with experience of similar schemes. This judgement will be made by the specialist consultants, in discussion with CWLTB and LTA officers, utilising their experience of scheme development and likely scheme performance. This approach will ensure that otherwise good schemes that have good deliverability are not discounted at this stage simply because of lack of evidence on value for money.

17.11 Where such schemes are prioritised, the CWLTB will require commitment from the promoting authority that the necessary resource and investment will be made available to develop the scheme to the required level of detail prior to approval for Programme Entry.

Assessment of Deliverability

17.12 Schemes that pass the policy and value for money tests will then be subject to a deliverability test. Deliverability within the funding period is a key priority for CWLTB, given that the DfT capital funding has to be spent within the 2015 to 2019 period although the local contribution may go beyond this. The deliverability assessment will be important in understanding when a scheme could be ready for implementation. This will consider the current level of scheme development, the need for further development and requirement for completion of statutory processes and any other delivery risks along with the level of commitment from the promoting authority to continue to invest in scheme development to full approval stage. Schemes that have little prospect of being ready for construction within a funding round will be relegated for consideration in the next funding round.

17.13 A key element of the deliverability test will be the affordability of the scheme within the CWLTB budget for 2015-19. This will also include an understanding of whether there is any commitment to third party funding contributions towards the scheme. Scoring will positively reflect larger Local Authority or third party funding contributions. An example of the prioritisation tool that will be used is included at Appendix C. The final policy criteria will be agreed by the CWLTB Board before application to schemes.

Rigour of Assessment

17.14 Rigour of the prioritisation will be ensured through sensitivity testing of the weighting applied to the various scoring criteria to check that there is no significant change in priority ranking as a result. The results will be open to external scrutiny and challenge, providing another layer of reassurance.

Non-LTB Schemes

17.15 Within the prioritisation process, the CWLTB will also consider non-CWLTB schemes that are important to the strategic objectives of the CWLTB and CWLEP. These schemes could be in adjacent LTB areas, on the strategic highway network or rail schemes. The CWLTB prioritisation will highlight these as priorities and the CWLTB will liaise with the relevant LTB (for local authority schemes) and consider whether it wishes to contribute any funding towards these schemes. Any contribution to HA schemes will operate within current DfT and HA policy and Treasury guidance.

17.16 Where rail or strategic highway schemes are identified, the CWLTB will hold early discussion with the Highways Agency, North and Mid-Wales Trunk Road Agency or Network Rail so that their views on scheme priority can be

taken into account. Where any rail schemes impact on train services, the Train Operating Company and DfT (rail) will also be consulted.

18. Programming and Further Business Case Development

18.1 The priority schemes will be allocated to a short, medium and longer term programme – based on a combination of deliverability and value for money. The programme periods are likely to be 2015-19, 2019-23 and beyond 2023 in the interest of effective long term planning. The aim is to start investment as soon as possible into the new Comprehensive Spending Review (CSR) period. To achieve this, the programme will start in 2013/14 and identify those early priority schemes and the level of commitment to project development costs to be funded by the promoting Local Authority. Each scheme will be subject to an appropriate level of further work – Outline and (if necessary) Full Business Cases – using WebTAG in a proportionate way based on size of scheme, significance of impacts and prevalence of risks. Further re-runs of the prioritisation process may be necessary if the further business case work changes our assumptions about contribution to objectives, value for money and deliverability.

18.2 Programming will include contingency plans with an element of over and under programming by one third against the planning assumption to take account of potential changes to scheme development and delivery schedules and funding availability.

“Eliminated” Schemes

18.3 Schemes which are eliminated from consideration for major scheme funding will not necessarily be abandoned; all schemes considered will form part of the Cheshire and Warrington Long Term Infrastructure Plan. It may be more appropriate to deliver these schemes from other sources of funding. Also, if circumstances change (for example additional planned development potentially changes the rationale for a scheme) then previously withdrawn schemes could be re-examined and included in future iterations of the prioritisation assessment.

PART 3: CWLTB PROGRAMME MANAGEMENT AND INVESTMENT DECISIONS

19. Scheme Assessment and Approval

Major Scheme Business Case

19.1 Our nominated responsible officer for business case scrutiny and for making recommendations to the CWLTB is the Strategic Highways and Infrastructure Manager, CEC. Through the Accountable Body, this officer will have the delegated authority to procure and appoint external independent experts to appraise Major Scheme Business Cases (MSBC) submitted by authorities for funding to the CWLTB.

19.2 In order to have the required expertise for business case scrutiny without the CWLTB having to develop this capability and capacity in-house at considerable cost, we will establish a consultant panel whereby a minimum of two independent specialist consultants are appointed to a Business Case Scrutiny framework for a set period. This will ensure separation between the scheme promoters and their term consultants and the appraisal team and the decision makers. The framework will be procured through the normal public sector competitive procurement route or through existing national, regional or local public sector framework contracts.

19.3 For significant sized schemes consultants from the scrutiny framework would be engaged to provide early advice to the promoting authority in relation to the proportional appraisal requirements for any particular scheme. This will through a scoping meeting to provide early guidance to the promoting authority on the requirements of the business case submission. This will help focus effort and investment to facilitate efficiency in the development of the scheme business case.

Approval Process

19.4 The CWLTB will apply a two stage approval process, based broadly on the DfT's Programme Entry (PE) and Full Approval (FA) stages. As with the DfT process, we will scrutinise the strategic and economic case for a scheme for PE approval, and scrutinise the delivery case, and assess whether legal powers, third party consents, contracted costs are in place for FA approval. At each stage of approval, PE and FA, a full Benefit Cost Ratio (BCR) supported by evidence of any wider economic benefits, will need to be provided by the scheme promoter as part of the MSBC. It is noted that schemes promoted by the HA or NR undergo a different approval process.

19.5 The PE approval will provide the promoting authority with an expectation of LTB funding for a scheme and thus enable promoters to embark on seeking statutory approvals. Dependent upon the stage of scheme development, the initial prioritisation within the CWLTB programme may be sufficient for this.

19.6 For a major scheme to gain PE status and be granted funding with FA status the requirement will be a satisfactory appraisal of an MSBC including a general requirement of a minimum BCR threshold of 2.0 to demonstrate high value for money. In exceptional cases, the CWLTB will consider schemes with a BCR of less than 2.0 but which can demonstrate significant additional monetised or non-monetised benefits that are important in relation to the stated strategic objectives. The following categories of additional benefits will be considered by CWLTB for schemes that fail to meet the standard value for money test:

1. Wider economic benefits, which when combined with the traditional BCR result in an amended proxy BCR of over 4.0
2. Schemes which are critical in unlocking or enabling significant land development for employment uses or housing, culminating in growth in GVA and jobs. For such schemes, a significant private sector contribution to overall scheme costs would be sought by CWLTB
3. Schemes that help address social inequality through improved access to work and services for deprived communities

19.7 We will request scheme promoters to apply a proportionate approach to developing MSBCs and our independent experts will be asked to assess submissions on a proportionate basis. For example, the MSBC for a £10 million scheme will be expected to include more detail than that for a £2.5 million scheme. The MSBC will be required to follow WebTAG and where appropriate, the DfT's Small Scheme Appraisal Guidance which is to be updated in summer 2013.

19.8 In the event of changes to a major scheme, for example in scope and / or cost, during the approvals process the CWLTB will establish a transparent process whereby the revised scheme will be resubmitted to the CWLTB for it to consider whether it will continue to provide on-going support for the scheme as an CWLTB priority.

19.9 Once a scheme has been approved for funding, a formal contract between the CWLTB (via the Accountable Body) and LTA will be signed. This will detail the respective responsibilities for each body, their commitment, reporting and monitoring requirements, and the sanction available to the CWLTB in the event of non-delivery.

20. Policy on Dealing with Scheme Changes

20.1 The CWLTB's programme of prioritised major schemes will need to be managed effectively to ensure the devolved budget delivers both the CWLTB transport priorities and value for money. We will put in place a transparent methodology to actively programme manage the devolved budget to respond to changed circumstances including scheme slippage, and changes to scheme scope and / or costs.

20.2 We will develop a protocol for managing changes to scheme cost and / or scope. Following Programme Entry approval, the promoting Local

Authority will be required fund any increases to scheme costs from its own resources. If it is unable to fund the cost increase it will be required to resubmit the scheme to the CWLTB to ascertain whether the scheme will continue to be supported as a priority and be funded. The protocol will describe a transparent method by which schemes subject to changes in costs will need to be resubmitted to the next CWLTB in order to determine if they:

- Remain an CWLTB priority, particularly in relation to changes in scope; and
- Whether the revised scheme cost will be funded.

20.3 Where the cost of a scheme changes, the stipulation that the CWLTB will not fund more than two thirds of the total scheme cost, with the promoter funding the remaining one third will continue to apply.

20.4 The range of options available to CWLTB will include:

- Continue to support the scheme, with revised costs, as a CWLTB priority in a reprogrammed prioritisation; or
- Continue to support the scheme as an CWLTB priority, but the scheme cost increase to be fully funded by the scheme promoter; or
- Continue to support the scheme as a CWLTB priority, but with the CWLTB contribution to the scheme cost increase capped; or
- Do not support the scheme as a CWLTB priority.

20.5 The CWLTB will not make any contribution to increased scheme costs following Full Approval. All cost increases after Full Approval will have to be borne by the promoting authority.

21. The Transport Business Case

21.1 Both development of the MSBC by the LTA and its appraisal by independent experts will be based on the key principles of the Transport Business Case guidance (2012). This will ensure scheme assessment is based on current best practice and on the five cases approach:

- The strategic case;
- The economic case;
- The commercial case;
- The financial case; and
- The management case.

21.2 Each MSBC will be required to provide a clear statement of scheme objectives and specific outcomes it is intended to deliver. The MSBC submission for FA will be expected to be more thorough than that for PE which may be in the form of an outline business case.

21.3 For some schemes, particularly those with a BCR of less than 2.0, CWLTB may require information in addition to that required by the DfT's

Business Case guidance. Where this is the case, promoters will be informed of the specific requirements for additional information and given details of how this information will be assessed and used in taking a decision on scheme funding.

22. Value for Money

22.1 The requirement for MSBCs is that appraisal and analysis will need to apply the approach set out in WebTAG, and central case assessments will be based on NTEM. The independent scrutiny of MSBCs at PE and FA stage will require an assessment to confirm WebTAG has been followed in all cases.

22.2 A condition of approval at both PE and FA stages is the requirement for the scheme to satisfy the value for money criteria. At the basic level, this will require schemes to demonstrate a BCR of at least 2.0 or be supported by evidence of significant additional non-monetised benefits, such as innovations that delivers GVA and jobs growth, not captured through the traditional transport benefit assessments. However, it is recognised that during the prioritisation process different schemes will be at different stages of development and a BCR value may not have been calculated. In all cases it will be a requirement for each scheme, whatever its level of development, to be accompanied by an Appraisal Summary Table (AST) as a statement to confirm a scheme offers high value for money.

22.3 Whilst the general value for money requirement will be the demonstration that the scheme provides a minimum BCR of 2.0, there is a need to recognise that there may be schemes which, whilst not able to demonstrate a high BCR through the traditional transport assessment, may provide significant additional benefits and fit well with the strategic objectives of CWLTB. In these exceptional cases, the CWLTB will consider schemes with a BCR of less than 2.0 but which can demonstrate significant additional monetised or non-monetised benefits that are important in relation to the stated strategic objectives. The following categories of additional benefits will be considered by CWLTB for schemes that fail to meet the standard value for money test:

1. Wider economic benefits, which when combined with the traditional BCR result in an amended proxy BCR of over 4.0
2. Schemes which are critical in unlocking or enabling significant land development for employment uses or housing, culminating in growth in GVA and jobs. For such schemes, a significant private sector contribution to overall scheme costs would be sought by CWLTB
3. Schemes that help address social inequality through improved access to work and services for deprived communities

22.4 Each AST will be required to be signed by the nominated responsible officer, on the advice of independent external experts, to confirm it is of sufficiently high value for money and that it is a true and accurate statement, before the scheme is considered by the CWLTB.

22.5 One of the scrutiny framework consultants will be appointed to review the scheme business case and supporting analyses. This will ensure complete separation from the promoting authority and provide independent expert opinion to CWLTB. Where necessary, the consultants, through CWLTB will be able to require further analysis and information from promoters to enable full and proper consideration of the scheme to ensure that the appraisal as well as the underpinning data and assumptions are sufficiently robust and fit for purpose.

22.6 Quality assurance of the independent assessment of MSBCs will be ensured through the independent assessors providing a formal report to the CWLTB containing a standard proforma to show the key criteria considered in the assessment and the outcome of the assessment. This will also ensure a consistent approach across different major schemes.

22.7 A standard format value for money statement will be prepared by the CWLTB's responsible officer following assessment of the scheme economic case at each approval stage.

23. Monitoring and Evaluation

23.1 CWLTB will establish a requirement for promoting local authorities to put in place an agreed programme of scheme monitoring and evaluation in line with current DfT guidance on the evaluation of major schemes. Outline scheme monitoring and evaluation plans will be required as part of the MSBC submissions for Programme Entry with firm proposals required for Full Approval along with a firm commitment to fund the monitoring and evaluation programme. This requirement will not extend to non-CWLTB schemes, where the scheme promoters will have their own processes for post opening monitoring and evaluation.

23.2 Scheme promoters will be required to produce a One Year After and a Four Year After monitoring and evaluation report to the CWLTB. The format of the report will be determined in due course, but the current expectation is that the LTA will need to report against the five cases, and update the AST to show both 'before' and 'after' outcomes.

23.3 The One Year After and Four Year After monitoring and evaluation reports will be appraised on behalf of CWLTB by one of the retained experts as part of the overall programme management in order to maintain separation between scheme promoters and CWLTB decision makers. The results of this evaluation will be published on the CWLTB website and will feed into lessons learnt for CWLTB and will inform future considerations for similar schemes.

24. External Views on Business Cases

24.1 To increase transparency the CWLTB will publish MSBCs and monitoring and evaluation reports on the CWLTB's website and require promoters to publish these documents on their websites and this should be

publicised through the authority's normal communications channels. Publication of MSBCs, and related publicity, will allow for public and stakeholder comment to be submitted and considered in the scheme approval process.

24.2 The consultation period for external comments will typically be 6 – 12 weeks, but would be proportionate to the scope and cost of the proposed intervention.

25. Release of funding, cost control, and approval conditions

25.1 Funding contributions to major schemes from the CWLTB will be capped at two thirds of the total scheme cost, meaning the promoting authority will be required to fund at least one third of the total scheme cost. Any cost increases incurred after Final Approval will be entirely the responsibility of the promoting authority. Acceptance of these principles for each scheme will need to be demonstrated by the promoting authority to the CWLTB before funding is released.

25.2 The eligible scheme capital cost will include the following fixed at the level agreed at Final Approval:

- Construction cost (including the cost of any utilities diversions);
- Land acquisition cost; and
- Part 1 Land compensation costs

25.3 The CWLTB will not fund any element of the following scheme costs:

- Scheme development costs
- Monitoring and evaluation costs
- Cost increases following Final Approval

25.4 The promoting authority's Section 151 officer will be required to provide a signed commitment to funding the LTA's share of total costs before a final funding commitment is made by CWLTB. Upon Full Approval, CWLTB will enter into a legal agreement with the promoting LTA for the delivery of the scheme. This agreement will include clauses for reporting on scheme progress and the effective use of CWLTB funds. It will also include clauses giving CWLTB the right to recover any funds that are not being used solely for the effective delivery of the approved scheme.

25.5 Release of funding for an approved scheme will be based closely on the current DfT approach. Costs can only be claimed quarterly in arrears and will need to be accompanied by a signed statement by a the promoting authority's S151 Officer to confirm the costs have been incurred and that delivery is progressing on the basis of the agreement between the CWLTB and LTA signed at FA. Funds will not be released unless the CWLTB is satisfied that the funds are being spent on capital costs for the approved scheme.

25.6 To assist in this process each constituent authority shall make available to the Accountable Body the latest procedures rules for approvals.

25.7 In cases where the scheme promoter is also the Accountable Body for CWLTB (CEC), a mechanism will be developed through which CWLTB gives approval to the LTA to use the funds. This will ensure that the LTAs status as the accountable body gives it no more favourable a position than that of the other two LTAs within the CWLTB area.

Audit

25.8 CWLTB will establish a local audit process to satisfy itself that the funding is being spent solely for the purpose for which it was approved. The audit function will be carried out by CWACC. This will be performed in liaison with CEC's S151 Officer in respect of the Accountable Body role. Prior to Final Approval, scheme promoters will be required to put in place a process that maintains robust records and audit trails. The promoters will also be required to ensure that they have mechanisms in place to undertake fair and effective procurement of scheme construction, and to safeguard funds against error, fraud or bribery.

25.9 The DfT funding will be accounted for by CEC and details disclosed at year end as per the IFRS (International Financial Reporting Standards) requirements.

25.10 The DfT funding will be ringfenced, treated as a restricted fund and only used for CWLTB purposes. It will be monitored by relevant CEC budget managers in conjunction with finance personnel. However, it will not be reported as part of CEC's capital programme.

25.11 The Council incurring expenditure on a CWLTB approved scheme shall keep all invoices and receipts and accounts and any other relevant documents relating to the expenditure, for a period of at least six years following receipt of any funding to which they relate. CWLTB (via the Accountable Body) shall have the right to review the accounts and records that relate to the expenditure of the funding and shall have the right to take copies of such accounts and records.

25.12 The Council incurring expenditure on a CWLTB approved scheme shall be required to permit any person authorised by CWLTB (via the Accountable Body) such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the recipient's fulfilment of the conditions of this assurance framework and shall, if so required, provide appropriate oral or written explanations from them.

25.13 The Council incurring expenditure on a CWLTB approved scheme shall provide the CWLTB with a final report on completion of a scheme to confirm that the Project has been successfully and properly completed.

25.14 Should the Council incurring expenditure on a CWLTB approved scheme be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the project or compliance with this Agreement it will notify CWLTB as soon as possible so that, if possible, the CWLTB will have an opportunity to provide assistance in resolving the problem or to take action to protect the funding.

25.15 Any payments made by CEC to other authorities as part of a claim shall be repaid promptly if any money is transferred incorrectly. This includes (without limitation) situations where either an incorrect sum of money has been paid or where monies have been paid in error before all conditions attached to the funding have been complied with by the recipient.

25.16 Each authority shall adhere to its relevant Finance and Procedure rules when incurring expenditure relating to CWLTB schemes.

25.17 Summarised financial reports will be presented to the CWLTB by the Accountable Body on a quarterly basis. All authorities will need to provide the financial information required to facilitate this process.

25.18 CEC's Section 151 Officer will approve each quarterly payment to other authorities and this approval will be based on two key factors. Firstly, confirmation that the expenditure is linked to conditions as set out and agreed by CWLTB. Secondly that clear financial information has been provided to the satisfaction of finance staff at CEC.

Sanction

25.19 Although it is the responsibility of LTAs to deliver major schemes, the CWLTB as a significant funder of major schemes will retain the right to apply sanctions in the event the LTA fails to deliver the scheme effectively.

25.20 A protocol will be developed and applied where there is evidence of ineffective project delivery. The protocol for determining whether the CWLTB should continue to support a scheme will consider the following:

- Can the scheme still be delivered within the approved funding?
- If scheme costs increase, can the promoting Local Authority commit to providing the additional funding?
- What is the impact of the cost increase on the scheme's value for money, reflected by its BCR?
- Can the delay in scheme delivery be accommodated within the current Investment Plan?

25.21 Sanctions will apply where schemes fall outside the protocol and the CWLTB will consider whether to continue to support such a scheme. The sanctions will include arrangements for cessation of CWLTB funding for the scheme, claw back of CWLTB funding, etc.

25.22 The above procedures will enable CWLTB to detect any misuse of major scheme funds. Where any misuse is established, CWLTB will invoke the appropriate clauses from the funding agreement to recover misused funds.

25.23 Any instances where the sanction has been applied will be included in CWLTB's annual audit report to the DfT together with details of the remedial action taken.

26. Programme and Risk Management

26.1 The management of the prioritised programme of major schemes and devolved funding will be based on a proportional application of PRINCE2 project management principles.

26.2 CWLTB will put in place a transparent methodology to actively programme manage the devolved budget to respond to changed circumstances including scheme slippage, and changes to scheme scope and / or costs. This methodology will include:

- Development of a protocol to manage requests for increase in scheme costs;
- Development of a related protocol for bringing forward innovative new schemes for consideration of CWLTB prioritisation and funding; and
- Development of a template for the supply of relevant and appropriate information by scheme promoters on a quarterly basis.

26.3 Scheme promoters will be required to present information on scheme progress in a quarterly monitoring report (QMR) on a consistent basis to allow for comparison across schemes. For each scheme there will also be a requirement to include a quantified risk assessment.

26.4 Progress of the major scheme programme will be reported to the quarterly meetings of the CWLTB through the submission of a Programme Quarterly Monitoring Report. This report will collate QMR information provided by scheme promoters showing progress against milestones / deliverables, and highlights key risks. Information will be presented using a RAG rating to clearly identify which schemes in the programme are at risk of not meeting their programme objectives and that need urgent attention.

26.5 The formal contract signed between CWLTB and the promoting authority at the time of full approval will include a clear onus on the scheme promoter to raise at the earliest opportunity any likely delay to scheme programme and not wait for the submission of the next quarterly report.

Appendix A – Proposed Stakeholders and Consultees

Statutory Consultees in Local Transport Act

- Bus operators
- Highways Agency
- Lower tier authorities (in the case of upper tier authorities)
- Metropolitan districts (in the case of ITAs)
- Passenger Transport Executives (PTEs)
- Public transport users group
- Rail operators (i.e. Network Rail and Train Operating Companies)

The Act also requires local transport authorities to consult such others as they consider appropriate. This might include the following, although this is not an exhaustive list:

- Airports and Ports
- Community and voluntary sector
- Community Rail Partnerships
- Crime and Disorder Reduction partnerships
- County Sport and Physical Activity Partnerships (CPSAPs)
- Disabled person groups
- Environmental NGOs
- Freight Transport Association
- Integrated Youth Support Services
- Jobcentre Plus
- Local Access Forums
- Local businesses and business groups
 - Chambers of Commerce
 - Economic partnerships
 - Emergency partnerships
 - Trade Associations (e.g. British Retail Consortium, Road Haulage Association)
- Local Education Authority and universities.
- Local and Regional Play Partnerships
- National Parks and Park Authorities
- Neighbouring authorities (including across national borders)
- Parish and Town Councils
- Planning authorities
- Primary Care Trusts, as well as including NHS and private hospitals
- Representatives of older people
- Representatives of children and young people
- Representatives of women's groups

- Rural Community Councils
- Statutory environmental bodies – Natural England, Environment Agency and English Heritage
- Taxi and private hire vehicle companies and organisations
- Tourist Board
- Youth Forums
- Youth Opportunity Fund panels

Appendix B – Glossary

Abbreviation	Explanation
BCR	Benefit : Cost Ratio
CIL	Community Infrastructure Levy
CSR	Comprehensive Spending Review
CWLEP	Cheshire and Warrington Local Enterprise Partnership
CWLTB	Cheshire and Warrington Local Transport Body
DfT	Department for Transport
EAST	Early Assessment and Sifting Tool
FA	Full Approval
GVA	Gross Value Added
HA	Highways Agency
HS2	High Speed 2
LTBOG	Local Transport Body Officers Group
LSTF	Local Sustainable Transport Fund
LTA	Local Transport Authority
LTB	Local Transport Body
LTP	Local Transport Plan
MSBC	Major Scheme Business Case
NR	Network Rail
NTEM	National Trip End Model
PE	Programme Entry
QMR	Quarterly Monitoring Report
RAG	Red Amber Green
RFA	Regional Funding Allocation
RGF	Regional Growth Fund
WebTAG	DfT's website based Transport Analysis Guidance

Appendix C – Example Prioritisation Tool

Scoring Criteria	Policy Objectives (33%)			Value for Money (33%)				Deliverability (33%)				
	Policy 1	Policy 2	Policy 3	BCR	Wider Economic Benefits	Third Party Funding	Synergy with other schemes	State of readiness	Deliverable within the investment programme	Affordability	Public acceptability	Other risk to delivery
1	Large adverse impact	Large adverse impact	Large adverse impact	Poor < 1	Low: Unlikely to deliver any significant benefits	Nil	Conflicts	Poor: Conceptual/ Proposed for investigation	Unlikely to be deliverable	> £25m	Local opposition to Scheme	High risk
2	Moderate adverse impact	Moderate adverse impact	Moderate adverse impact	Low 1.0 to 1.5								
3	Slight adverse impact	Slight adverse impact	Slight adverse impact	Medium 1.5 to 2.0								
4	Neutral	Neutral	Neutral	High 2.0 to 4.0	Medium: Potential to deliver moderate benefits	Low < 30%	No impact	Medium: Business case	Likely to be deliverable	£10 to £15m	Neutral	Neutral
5	Slight positive impact	Slight positive impact	Slight positive impact		High: Likely to deliver moderate benefits	Medium 30% to 50%	Beneficial					
6	Moderate positive impact	Moderate positive impact	Moderate positive impact		High: Likely to deliver significant benefits	High > 50%						
7	Large positive impact	Large positive impact	Large positive impact	Very High > 4.0	£7.5 to £10m		£5 to £7.5m	£2.5 to £5m	Strong support for Scheme	Low risk		
Weighting	40%	30%	30%	35%	35%	20%	10%	30%	30%	20%	10%	10%

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CHESHIRE EAST COUNCIL

CABINET

Date of Meeting:	4th March 2013
Report of:	Interim Strategic Director Places & Organisational Capacity
Subject/Title:	South Macclesfield Development Area
Portfolio Holder:	Councillor Jamie Macrae Portfolio Holder for Prosperity & Economic Regeneration

1.0 Report Summary

- 1.1 The Council has prioritised the development of the South Macclesfield Development Area (SMDA), a 63 hectare strategic site partly in the Council's ownership (Appendix 1, Figure 1). Without a proactive approach, it is likely that the site would remain undeveloped in the medium-term, despite it being allocated for development in the current Macclesfield BC 2004 Local Plan, and the Council's current draft Development Strategy.
- 1.2 This report updates Cabinet on progress with the masterplanning consultancy work that was commenced last year, particularly in relation to phasing of planning and development and the options for the wider delivery strategy. Separately, it also seeks approval for the Council to fund and acquire options or interests in additional sites in the SMDA area to facilitate more cohesive development, and optimise the timescale for delivery of new development.

2.0 Decision Requested

- 2.1 Cabinet is requested to:
- i) consider progress in identifying options and delivery strategy for development of the South Macclesfield Development Area site in Macclesfield shown approximately on the attached plan, including Council-owned land, and
 - ii) agree that the Interim Chief Executive or his identified nominee, in consultation with the Cabinet Member for Prosperity & Economic Regeneration, and subject to taking advice from the Monitoring Officer and the Chief Financial Officer or their identified nominee(s), be given delegated authority to acquire options or interests in additional land in the area known as the South Macclesfield Development Area, which is not already in the Council's ownership, on such terms and conditions as he considers are appropriate, subject to these not involving any departure from the Council's Budgetary and Policy Framework, or any other Cabinet or Regulatory Committee Policy. The acquisition of

interests will be funded from the Council's capital programme. This component may require additional funding and will be subject to the scrutiny and endorsement of the business case by the Technical Enabler Group and the Executive Monitoring Board

3.0 Reasons for Recommendations

- 3.1 The Council is a major landowner in the site and, without direct intervention, it is likely that the site would remain undeveloped in the medium-term, despite it being allocated for development in the current Macclesfield BC 2004 Local Plan, and the Council's current draft Development Strategy
- 3.2 The development of the site also provides the opportunity to create much needed investment to the south of Macclesfield, contribute to the Council's requirements for a housing land supply, and deliver wider employment and social benefits to areas adjacent to the site which suffer from relatively high levels of deprivation in Cheshire East terms.
- 3.3 The acquisition of additional sites in the SMDA area will consolidate the Council's landholding without reliance on compulsory purchase powers and provide it with greater control over the development and delivery of the area, ensuring it is more cohesive and sustainable, and help optimise the timescale for delivery.

4.0 Wards Affected

- 4.1 Macclesfield South and Gawsorth

5.0 Local Ward Members

- 5.1 Cllr Damien Druce, Cllr Laura Jeuda and Cllr Lesley Smetham

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 Development proposals emerging from the South Macclesfield Development Area work will be required to demonstrate appropriate analysis of implications for wider public policy issues including sustainability, environmental impact, health, culture, transport, learning, etc. All key stakeholders have been engaged in the process to identify issues and opportunities to maximise both the community and commercial benefit and deliverability of proposed scheme.
- 6.2 The issue of climate change and sustainability will be a key feature of all new development proposals within SMDA. There is the potential for this Council to take a lead in developing sustainable solutions to major development and make use of new technologies and design solutions, to include innovative proposals for heat and power supplies along with

sustainable drainage solutions to minimise the environmental impacts of any development proposals.

- 6.3 The construction of a new link road, which is a key feature of the proposals for the South Macclesfield Development Area, will provide the opportunity to reduce congestion and travel times within this part of Macclesfield thereby having a positive impact by reducing carbon emissions from vehicular movements.
- 6.4 In addition to the environmental considerations noted, any reductions in carbon emissions as a result of reduced congestion and traffic movements, will have a positive health benefit as a result of improved air quality management.
- 6.5 Development proposals may include a leisure facility which will encourage participation in sports and healthy lifestyle activities, thereby making a positive health impact on residents of Macclesfield and surrounding areas.
- 6.6 Alternative sustainable modes of transport will be encouraged in the SMDA, to promote cycling and walking which will contribute to the positive health impacts.
- 6.7 This work will provide the opportunity to add to the work being carried out for Macclesfield Town Centre and will help to join up policy across Cheshire East for the benefit of Macclesfield and the rest of the Borough.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 Current activity relating to site investigations, master planning and the outline planning application for the proposed food store are being funded through the existing capital programme allocation for Town Regeneration & Development.
- 7.2 In seeking to acquire options or interests in additional sites to enhance viability and deliverability of the master plan, additional funding from the capital programme may be required, which will be subject to the endorsement of the business case by the Technical Enabler Group (TEG) and the Executive Monitoring Board (EMB) as part of the gateway process.
- 7.3 Updates to the capital programme and details of the additional funding requirements for the scheme will be subject to the relevant approval under the Financial Procedure Rules.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 Before committing to acquire any interest in any additional land officers will undertake title due diligence and report on any covenants, third party rights and other matters relevant to establishing the value of the interest

and / or affecting the potential future use or development of the relevant land. It is often possible to cleanse title once acquired by a Council through appropriation for planning purposes or even Compulsory Purchase (CPO), but a cost would be attached to this. It may be possible and prudent to take options to purchase land or conditional contracts for purchase as opposed to outright acquisitions.

- 8.2 In terms of the delivery of the SMDA masterplan, it is not possible at this stage to identify the legal issues and considerations which will arise. It is possible that the Council will consider use of its compulsory purchase powers and the need for stopping up or diversion of highways and footpaths in due course. Other matters, which will, or could be, of legal relevance, include environmental issues and responsibilities, procurement of contracts other than the developer appointment, the need for provision or interference with utilities and highway the need for reprovision of playing fields and planning considerations.
- 8.3 It should be noted that the Council is obliged to comply with the Public Contract Regulations. If procuring a developer appointment after a proper competitive tender process through OJEU, the Council will be in compliance with the Regulations. It is recognised that external legal advice throughout the OJEU process will be needed. A decision would be made as to which procurement procedure should be used as an early aspect of development of the procurement strategy.
- 8.4 When the Council is disposing of any land it must comply with section 123 of the Local Government Act 1972 (the duty to obtain best consideration) unless it can rely on the Local Government Act 1972 general disposal consent (well being justification) and the conditions to that consent are satisfied or the Secretary of State's specific consent is given. The Council must also have regards to its fiduciary duty.
- 8.5 It should be noted that if the Council wishes to oblige a purchaser of the intended food store site to perform works, then it will need to comply with the Public Contract Regulations 2006. This will entail the Council undertaking an EU compliant procurement exercise. Should the Council proceed down this route, requisite time and resource for the process will need to be build into the business plan.

9.0 Risk Management

- 9.1 As part of the Council's current capital programme, a masterplanning exercise is being undertaken that seeks to identify all site issues, development and deliver options. A live Risk Matrix is also in place and will be monitored through the course of the project using the Council's Project Management Framework.
- 9.2 It should be noted that, if the Council proceeds in acquiring interests in other land in the SMDA area, but development doesn't subsequently occur, the Council may have to bear some abortive costs.

10.0 Background and Options

- 10.1 South Macclesfield Development Area (SMDA) is allocated in the Macclesfield Borough Local Plan for a mix of uses including employment, retail and open space. Development has not come forward for the mix of uses envisaged despite numerous attempts over the last fifteen years.
- 10.2 The emerging *Cheshire East Local Plan: Shaping Our Future* builds on the Draft Macclesfield Town Strategy and identifies SMDA as one of four Strategic Sites in and around Macclesfield.
- 10.3 The Council's draft Development Strategy (*A Development Strategy for Jobs and Sustainable Communities*) will inform the final submission draft of the Local Plan. It states that, taken together, the four Macclesfield Strategic Sites could be expected to deliver 3,500 new homes and 20ha of employment land up to 2030.
- 10.4 The draft Development Strategy is subject to public consultation up until 26th February 2013.

SMDA Masterplanning

- 10.5 In May 2012, Cabinet endorsed an overall outline vision and delivery strategy for the site, and agreed to the commencement of work to define a set of intentions for SMDA and develop a procurement strategy to select a development partner through OJEU.
- 10.6 Subsequently, in September 2012, BE Group was commissioned to provide masterplanning consultancy services to help the Council progress this work.
- 10.7 The masterplanning consultancy services will produce a development framework which defines development potential relative to current policy objectives, detailed appreciation of site constraints and market conditions.
- 10.8 The overall intention of this exercise is to facilitate the delivery of development, and the aim is to define a practical and feasible picture of development potential, which will stimulate development activity in the short to medium term.
- 10.9 To this end, the project involves consulting directly with developers so that proposals are grounded in an appreciation of market conditions and expectations, and are geared around future marketing and developer procurement processes.
- 10.10 The masterplanning work currently ongoing has identified that there is clear demand from residential developers, both for the Macclesfield area generally and the SMDA site in particular. The scale of development is still being considered by consultants as part of the masterplanning exercise, with an expectation that it could deliver around 1100 new homes. This

would be likely to be the optimum number in terms of value; whilst a higher volume could be achieved, this would be unlikely to deliver higher value as it would higher density, lower value units.

10.11 Through soft market testing it is evident that there is demand from food retailers for a presence at SMDA, which would provide a counterbalance to the concentration of food retailers to the north of the town. Interest in this is for an immediate development, and can be dealt with as a first phase of the SMDA development, as detailed below, and as identified in Appendix 1, Figure 2.

SMDA 'Phase 1' – proposed food store

10.12 Although development has not been delivered by the market under previous policy provisions, SMDA remains a vital part of the Council's development strategy. It is therefore considered essential for the Council to take the initiative and promote the first phase of development.

10.13 The objective of doing this is to proactively stimulate market interest, build confidence in the market by confirming the Council's continued intent to deliver SMDA, and create new physical infrastructure which will help to unlock the site as a whole.

10.14 The proposed phase 1 development is a food store, to be located in the south west corner of site. Soft market testing has confirmed keen interest from food store operators to progress such a scheme in the short term.

10.15 The proposed development would take place entirely within Council-owned land fronting Congleton Road. It would be based on the principle that it must deliver a new junction on Congleton Road, which will function as a key connection point within the proposed Macclesfield Relief Road (i.e. this will be the point from where a connection will ultimately be made through SMDA to London Road).

10.16 The proposals would involve the relocation of existing playing pitches and it is proposed, at this stage, that new pitches would be included as an integral part of the development. It is also proposed that that the pitches would – together with new changing facilities and car parking - be relocated immediately north of the new food store, bringing them closer to existing residents of south Macclesfield.

10.17 It is proposed that an outline planning application be submitted by the Council for this 'Phase 1' development in March 2013. A consultation event with key stakeholders took place on 14th February, and wider consultation will follow as part of the planning application.

10.18 Delivery is envisaged by sale of land to a retailer / developer for this food store element once outline planning consent is obtained.

SMDA site delivery plan

- 10.19 The intention is for the masterplanning to inform the preparation of a planning application seeking outline planning permission for mixed use development across the whole of SMDA. The current intention is for this planning application to be submitted before the end of 2013.
- 10.20 Obtaining outline planning permission for the whole of SMDA will complement the phase 1 proposals and facilitate delivery. It will;
- Provide developers with certainty about the feasible extents of development and the practicalities of access.
 - Show how certain technical issues which have historically held the site back could be unlocked (e.g. delivering the relief road / opening up access and remediating ground conditions etc) and therefore build confidence in the developer market.
 - Help to inform land assembly, including purchase and/or disposal. This may, if required, include supporting Compulsory Purchase processes by the Council.
- 10.21 The Council has been in informal dialogue with landowners in respect of the acquisition of interests in other sites located within the South Macclesfield Development Area. No offers have yet been made, but progress within the planned timescale and our requirement in ensuring that market interest is captured will require imminent acquisition of certain interests. Independent advice has been sought in relation to the value of the land within the context of the emerging masterplan, which will focus on commercial deliverability. It will also ensure that enhanced 'marriage value' is obtained through increasing the amount of land in single party ownership or control (the Council), thereby increasing both deliverability / control of timetable, and commercial viability, through greater influence on the design of the masterplan and economies of scale in terms of uses, infrastructure, etc.

Delivery strategy

- 10.22 In terms of the route to delivery, the options being considered by the Council include:
- i) a developer-led approach, with a master developer being appointed after a competitive tender through the OJEU process. This is the current preferred approach.
 - ii) parcelling up smaller development sites for disposal and development
 - iii) development through a partner approach, for example using the Council's proposed Developer Panel framework, which is in the process of being established alongside a new Development Company.

iv) a more phased approach, involving other site acquisitions through negotiation or compulsory purchase.

10.23 These options are still being explored further, balancing the priorities of financial deliverability and pace of delivery. A commercial appraisal of the options will be critical in informing the preferred approach. In any case, the Masterplanning will, in effect, provide a prospectus and marketing tool for attracting interested parties, and could potentially be used in the procurement process itself.

10.24 It should also be noted that, in light of emerging policy objectives, and the views taken from the market, at this stage it is possible that the development mix proposed by the Mastplanning may adjust previous planning policy provisions, including the mix / amount stated in the Council's draft development strategy.

11.0 Access to Information

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

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Appendix 1

Figure 1: Location of South Macclesfield Development Area

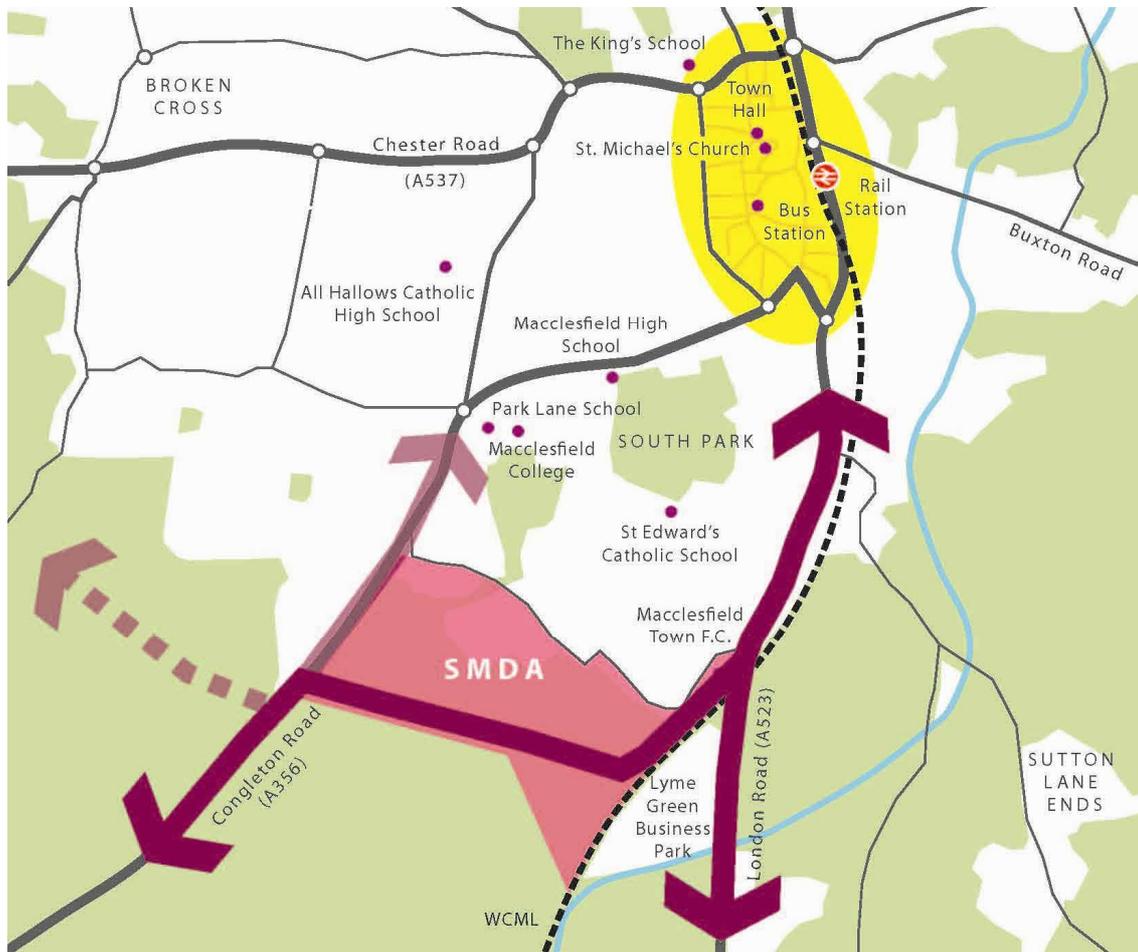
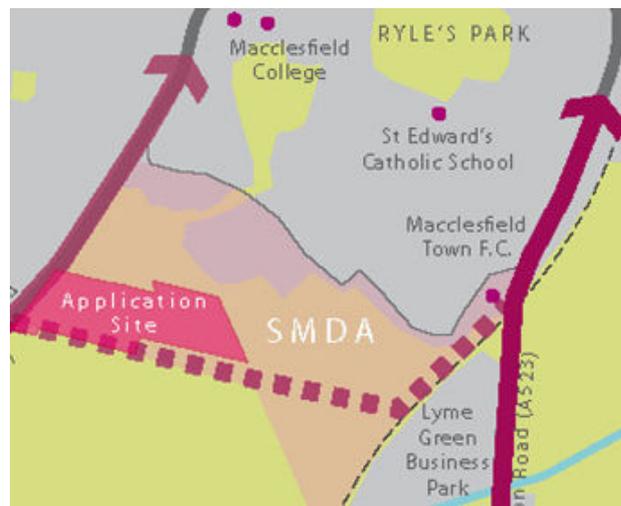


Figure 2: Site of proposed planning application (yet to be submitted)



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CHESHIRE EAST COUNCIL

CABINET

Date of Meeting:	4 th March 2013
Report of:	Strategic Director Children, Families and Adults Interim Strategic Director Places and Organisational Capacity
Subject/Title	Cheshire East Supported Housing Strategy
Portfolio Holders:	Councillor Janet Clowes, Porfolio Holder for Health and Adult Social Care Services Councillor Jamie Macrae, Portfolio Holder for Prosperity & Economic Regeneration Councillor David Brown, Portfolio Holder for Strategic Communities

1.0 Report Summary

- 1.1 Work is underway to prepare a Supported Housing Strategy for the Authority and to develop within the Local Plan appropriate Policy Principles to support the future development of accommodation with care as part of the residential mix in Cheshire East. The Directorate is reviewing sites that might be suitable for development of appropriate accommodation in areas identified as priorities (sites in Crewe and Poynton have recently been identified).
- 1.2 We have commissioned consultancy support to develop our Strategy which is clearly identifying the need to stimulate accommodation with care options across the Borough. The work suggests that at this stage we should be retaining land for the authority to allow such accommodation with care developments to be progressed. However, other opportunities to negotiate supported housing development through Section 106 Agreements can be considered immediately, where appropriate and related to the identified needs within any given community. In the future the Community Infrastructure Levy will provide similar opportunities. The final Supported Housing Strategy will be presented to Cabinet for adoption in April.

2.0 Decision Requested

- 2.1 That Cabinet note the draft Supported Housing Strategy and the preliminary findings;
- 2.2 That Cabinet note the links to the Policy Principles within the Local Plan and the opportunity to ensure a strategic link between the Plan and the Supported Housing Strategy;
- 2.3 That Cabinet support negotiations through Section 106 Agreements, where deemed appropriate because of local need, to develop some showcase

supported housing unit developments (and in the future to pursue these opportunities through the Community Infrastructure Levy).

3.0 Reasons for Recommendations

3.1 To move the Council towards having in place a Supported Housing Strategy that will ensure the appropriate accommodation for vulnerable residents in Cheshire east.

3.2 To ensure that Council retains appropriate land for developments to meet the needs of the Supported Housing Strategy, and the vulnerable people the Strategy is designed to support.

3.3 This will also allow for the development of options for vulnerable people where currently a move to residential or nursing care becomes the default option when their own accommodation is no longer suitable.

4.0 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 All

6.0 Policy Implications including - Carbon Reduction - Health

6.1 The Supported Housing Strategy is taking into account a number of issues that relate to the accommodation of older and vulnerable people as they become less able to support themselves. The demographic changes that will see significant increases in older people in Cheshire East are well understood. With the Council's drive to support independent living, there is a clear need to have in place appropriate accommodation that offers alternatives to going into residential or nursing care. The Borough already has an overprovision of residential and nursing care but a shortage of accommodation with care (for example extra care housing). There are clear benefits (both health related and financial) to an individual being supported to live independently, rather than being forced into residential or nursing accommodation because of a lack of alternative options.

6.2 In addition, the work to review the needs of and accommodation options for families with children or adults with a disability will be relevant. The Authority will need to be influencing the accommodation options for the families and individuals in the longer term and we will consider this through our 'Lifecycle Review' of disability services.

7.0 Financial Implications (Director of Finance and Business Services)

7.1 A full business case which considers all financing options (both internal and external) and setting out any potential risks to the council will be prepared in relation to any developments proposed by the Strategy. This will be based on future evidenced demand and any known factors which may affect the proposed developments such as changes to benefit levels and changes in the future financing of Adult Social Care. The business cases will follow the established route for ratification including gateway approvals at the appropriate points.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 Cabinet should note that no legal advice has yet been sought in respect of the draft Supported Housing Strategy and therefore the Legal Department is unable to provide any specific comment on that Strategy and related proposals at this time. When the Strategy is presented for adoption the legal input will be included in the covering report.

9.0 Risk Management

9.1 The Council is facing increasing requests for residential and / or nursing care home developments in Cheshire East that are adding significant budgetary pressures to Adults Social Care. As a consequence, work between Planning, Health, Public Health and the Council has been instigated to ensure a more strategic approach is adopted to influence the development of more appropriate accommodation with care options.

9.2 The Health and Adult Policy Development Group have identified as a priority piece of work a review of the planning framework linked to Health Policy, that will consider the implications for Health, and Social Care provision.

10.0 Background

10.1 Cheshire East has a growing older population. This is already bringing significant pressures in relation to the appropriateness of accommodation for older people and the financial challenges to the Authority, with these pressures being exacerbated in future years without mitigating measures being taken.

10.2 Through the Joint Strategic Needs Assessment and the local intelligence of the partners working with older people, key issues have been identified in relation to the current availability of suitable accommodation for older people as they become less able to support themselves. The Council's Housing Strategy already identifies that we have to provide different housing options to meet the needs of an ageing population and other vulnerable residents. Very often, the default option is currently to move the individual into residential or nursing care because alternative options are either lacking or not known about by the individuals or family having to make decisions, often at a time of crisis.

- 10.3 The development of a Supported Housing Strategy is designed to help address these issues and develop a way forward that ensures a greater range of accommodation options for older (and other vulnerable) people when required. At the same time, the drafting of the Local Plan allows for appropriate Policy Principles to be put forward that, will in the future, encourage an appropriate 'accommodation with care' mix in new residential developments to provide those options. Representatives from Health and Adults Social Care have engaged with the Planning Department to consider these issues. The Health and Adults Policy Development Group has also identified this as a priority for 2013 and will be developing a work plan to support the development of relevant Policy. The draft Supported Housing Strategy is attached as Appendix A
- 10.4 The work to date is identifying a number of priority areas including Poynton and Knutsford, Macclesfield and Wilmslow and Crewe, Nantwich and Congleton and the wider former Congleton Borough Council footprint. A review of potential sites for use for supported housing development in these areas is underway.
- 10.7 In addition there may be opportunities to negotiate supported housing developments through current Section 106 Agreements (and in the future through the Community Infrastructure Levy). This would be where there was a clear need, where such a development offered an appropriate local solution and was viable and sustainable.
- 10.8 Through the Supported Housing Strategy and effective working across the Authority, the housing options available to older and other vulnerable people, will be more appropriate, offer more choice and contribute to the improved health and wellbeing of those taking up residence, allowing them to live independently for longer.

11.0 Access to Information

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

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Appendix - Draft Supported Housing Strategy

Cheshire East supported housing strategy
Draft

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1. Introduction

The aim of this strategy is to support the delivery of supported accommodation in Cheshire East which:

- promotes living in the most independent setting possible;
- promotes independent living for as long as possible;
- provides choice in location, accommodation type, tenure, affordability and support arrangements; and
- maximises value for money

We must deliver this within the context of an aging population, budget cuts and changes to the welfare benefit system.

1.1. Strategic context

The strategic direction for social care and support services is one of increasing choice, independence and empowerment; it is set out in a number of initiatives and strategies both nationally and locally which are summarised in the box below. As a result, social care nationally is in the process of a transformation that is putting power into the hands of service users who are increasingly enabled to choose how their needs will be met and by whom.

There is also considerable emphasis on helping people maintain their independence, especially following crisis or hospital admission, rather than making a care placement as the first step. Reablement and intermediate care services are key tools in meeting these aims¹.

The Health and Social Care act 2012 is transferring public health functions to local authorities and commissioning of services to GP-led Clinical Commissioning Groups and NHS Commissioning Board Specialist Commissioning. . At the same time, changes to the benefits system, particularly housing benefits will be reducing the benefit payable for some households through the recent reductions in local housing allowance and this may impact on the housing options available for older people who are dependent on housing benefit. Households under retirement age on housing benefit who are under occupying their homes will have their housing benefit reduced. At the time of writing local housing providers are currently contacting those affected to discuss options.

The national strategic direction is set out in the following documents

- Lifetime homes, lifetime neighbourhoods – a national strategy for an ageing population (CLG 2008)
- Our health, our care, our say: a new direction for community services (Department of Health 2006)

¹ Reablement aims to help people regain improved functioning, following hospitalisation or crisis, to return to independent living. Clients are provided with intensive support for a period of a few weeks with the aim withdrawing or reducing care at the end of this period. Intermediate care is an umbrella term for a range of integrated services designed to provide: an alternative to hospital admission; a way to support early discharge from hospital or rehabilitation packages to promote independence and avoid long term care.

- Putting people first - concordat (Department of Health 2007) and the linked transforming adult social care (Department of Health 2008)
- Living well with dementia – a national dementia strategy (Department of Health 2009)
- Under pressure – tackling the financial challenge for councils of an ageing population’ (Audit Commission 2010)
- The health and social care act 2012
- A vision for adult social care: capable communities & active citizens DoH 2010
- Housing our aging population; plan for implementation Happi2 (All Party Parliamentary group on housing and care for older people, 2012)
- Think local act personal
- No health without mental health, DoH 2011

1.2. Population pressures

The proportion of older people in Cheshire East is already above the national average and is set to rise at a greater rate than the rest of England. The projected increase in the population over 65 by 2030 is 43% for England and 46% for Cheshire East. Although many people aged 75 and over live relatively independently, this is the age group with the highest demand for care and health services and the increase in the size of the population has very significant implications for the council’s care budgets. An increase of 70% in the population aged 75 and over is forecast between 2012 and 2030. Current forecasts from the Institute of Public Care are still based on the 2010 mid year population estimates not the 2011 census; data from the 2011 census is being released over the next 18 months. The forecast population growth for Cheshire East is set out below

Table: 1 forecast population of older people in Cheshire East

Age band	2012	2015	2020	2025	2030	% increase between 2012 and 2030
65-69	23,100	24,800	22,100	23,600	27,800	20
70-74	17,000	19,200	23,400	21,000	22,500	32
75-79	14,000	15,100	17,500	21,500	19,400	39
80-84	10,400	11,000	12,700	15,000	18,600	79
85-89	6,500	7,100	8,200	9,800	11,800	82
90 and over	3,700	4,300	5,400	7,000	9,100	146
65 and over total	74,700	81,500	89,300	97,900	109,200	46

75 and over total	34,600	37,500	43,800	53,300	58,900	70
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Source Office for National Statistics (ONS) www.poppi.org.uk

In Cheshire East we have established 7 Local Area Partnerships (LAPs) with a remit to work with local people and partners to understand the issues, needs and preferences that are important in their area. The Laps vary in size with Congleton, the largest, having a population of over 90,000 and Poynton the smallest at about 23,000. The distribution of older people varies between the 7 LAPs: Poynton has the highest proportion of older people, being significantly above the national average for people over the age of 50 and especially for the age band 60-65; Congleton and Nantwich have slightly higher than average numbers of people aged 65 and over whilst Crewe is the only LAP with a younger age profile than the national average. More detail on LAP age profiles is available on our website². All the LAPs, except Crewe, have a lower than average population of 20-40 year olds with this being particularly marked in Poynton. This population profile suggests that the younger adult family members of older households may not be living closely enough to provide family support.

There are differences in life expectancy and healthy life expectancy between the LAPS. Based on responses to the 2008 Communities of Cheshire Survey by Cheshire County Council, the proportion of the population with a long term limiting illness³ varied as follows: Congleton 17%, Crewe 19%, Knutsford 16%, Macclesfield 17%, Nantwich 20%, Poynton 19%, Wilmslow 16% (England and Wales 2001, 18%). This data is set out in the LAP profiles.⁴

Table 2: life expectancy by local area partnership

LAP	Ward with lowest life expectancy (healthy life expectancy)	Ward with highest life expectancy (healthy life expectancy)
Congleton	Congleton North 76 (66),	Dane Valley 82 (76)
Crewe	Valley 73 (64)	Wells Green 83 (77)
Knutsford	Knutsford Over 77 (70),	Knutsford Norbury Booths 86 (82)
Macclesfield	Macclesfield South 74 (66)	Macclesfield Tytherington 85 (78)
Nantwich:	Barony Weaver 78 (69),	Bunbury 82 (76)
Poynton:	Poynton East 79 (73),	Poynton West 83 (77)
Wilmslow:	Handforth 79 (71)	Fulshaw 83 (78)

²

http://www.cheshireeast.gov.uk/community_and_living/research_and_consultation/cheshire_east_area_profiles/local_area_partnership

³ A long term limiting illness (LLTI) is a self assessment of whether or not a person has 'any long-term illness, health problem or disability which limits work or daily activities' based on a question asked in the 2001 Census

⁴ <http://www.doriconline.org.uk/search.aspx?txtQuery=lap+information+pack>

Life expectancy varies by ward from 73 in Valley Ward, Crewe to 86 in Norbury Booths, Knutsford. Overall the data indicates that whilst Crewe has a lower proportion of older people compared with the rest of Cheshire East, compared to other areas it is a population in poorer health, lower life expectancy and living for a longer period of time with poor health, suggesting a greater demand on care and health services. Knutsford, on the other hand has the longest life expectancy and in Norbury Booths ward, the shortest average period of living in ill health at 4 years.

1.3. Prevalence of Dementia

The increase in the older population, particularly those aged 80 and over, will result in a huge increase in the numbers of people suffering from dementia, with a predicted increase of over 4,000 people, a 78% increase from current levels.

Table 3: People aged 65 and over predicted to have dementia in Cheshire East, by age

Age Band	2012	2015	2020	2025	2030	% increase
People aged 65-69	289	308	274	293	346	20
People aged 70-74	465	528	640	575	617	33
People aged 75-79	820	884	1,023	1,251	1,127	37
People aged 80-84	1,250	1,304	1,516	1,784	2,213	77
People aged 85-89	1,311	1,428	1,633	1,967	2,339	78
People aged 90 and over	1,105	1,281	1,605	2,046	2,693	144
Total population aged 65 and over	5,240	5,732	6,690	7,915	9,335	78

Source Office for National Statistics (ONS) www.poppi.org.uk

Overall this shows a very significant increase in the need for services for people with dementia over the next 18 years. The Joint Commissioning Plan for Dementia sets out a range of actions to be taken locally in meeting the needs of people with dementia.⁵

1.4. Age profile of our learning disabled population

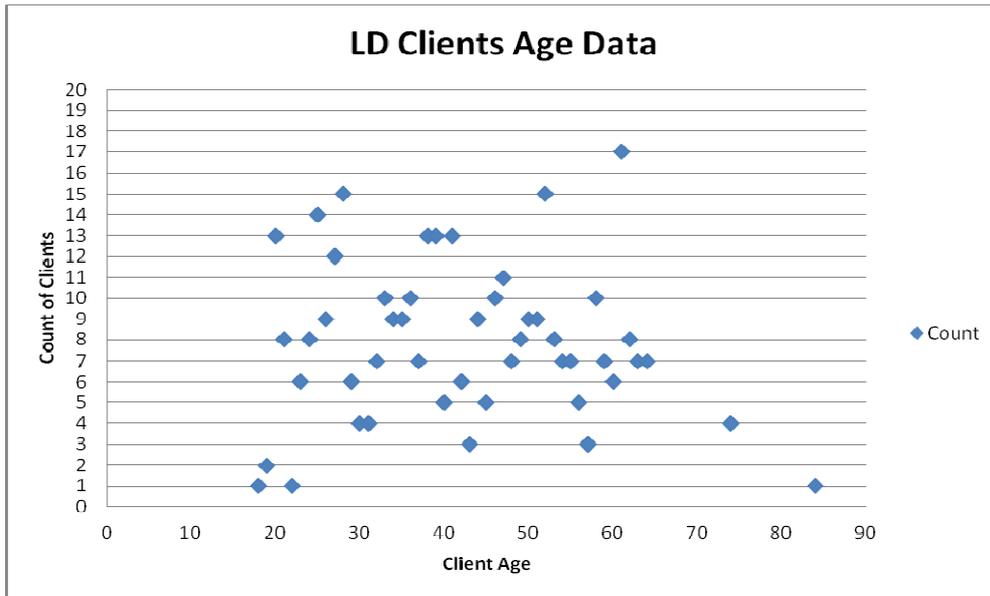
Our population of people with a learning disability is also aging and this population is prone to getting dementia at an early age than the majority of the population. The number of young people with multiple disabilities is also rising as medical advance help more premature babies survive for longer, many of whom have multiple disabilities.

The graph in Table 4 below shows that a third of our clients with a learning disability are aged 50 and over. For those living with parents, the age of the parents will be 70 and over and will be less able to care for their children. Table 4 shows the projected population growth over the period up to 2030.

⁵ http://www.cheshireeast.gov.uk/social_care_and_health/health_advice/memory_issues/dementia_strategy.aspx

This is taken from the Institute of Public Care projecting adult needs and service information (PANSI) and Projecting Older People Population Information System (POPPI). The figures are not precise and are regarded as an overestimate for populations with a low population of South Asian heritage as this community has a higher prevalence of learning disability. Nevertheless it is a useful indication of the rate of population growth at about 10% overall, with larger percentage increases in the 65 and over age ranges, and a projected numerical increase of about 90 people by 2030. This suggests that we will need a small increase in supply of services over this period of time.

Table 4: Graph illustrating age profile of clients with a learning disability



Source: CEC Adults Finance Period 7 2011

Table 5 :People aged 18-64 predicted to have a moderate or severe learning disability, and hence likely to be in receipt of services, by age (this is not a direct correlation to people with critical and substantial needs under the fair access to care criteria)

Age band	2012	2015	2020	2025	2030	% age difference
People aged 18-24	166	161	148	148	164	0.9
People aged 25-34	195	217	241	243	240	-21.8
People aged 35-44	304	282	280	319	337	-12.0
People aged 45-54	298	306	287	253	259	13.0
People aged 55-64	235	235	266	282	262	-9.5
People aged 65-74	141	155	159	156	177	26
People aged 75-84	51	55	63	76	78	53
People aged 85 and over	110	121	134	150	154	110
Total population aged 18-64	1,408	1,431	1,464	1,509	1,554	

Source Office for National Statistics (ONS) www.poppi.org.uk; www.pansi.org.uk

These figures compare with a

snap shot of service users showing 879 as at September 2010⁶. The difference between this figure and the predicted number of 1408 is likely to be due in part to differences between the proportion assessed as having critical or substantial needs under fair access to care and the prevalence data categories of severe and moderate. It is also consistent with the previously stated assumption that the methodology overstates the prevalence rate in areas with a low South Asian population.

1.5. The population with a severe and enduring mental health problem

The Institute of Public Health population projections show no significant increase in the numbers of people with a severe and enduring mental health problem up to 2030. As poor mental health is often associated with poorer physical health than the general population we can assume that we will be required to meet the needs of frail elderly people with mental health problems as their physical needs increase. The snap shot taken for our analysis of population pressures showed a total of 1,441 adult social care clients with a mental health problem in September 2010 (see footnote 6 below). This relates to people aged under 65 but is otherwise undifferentiated between ages. The total predicted population for people with mental health problems is 35,000. Only a relatively small proportion of this population are in receipt of care services and a very small proportion of these are using supported housing.

1.6. People with a physical disability

Predictions of the population of working age is based on prevalence rates from the health Survey for England 2001 and shows an increase up to 2025 based on the population profile. However, the proportion of this population that will need care services is low and predicted to remain largely stable.

Table 6: People aged 18-64 predicted to have a moderate or serious physical disability, by age, projected to 2030

Moderate disability	2012	2015	2020	2025	2030
People aged 18-24	1,091	1,058	963	959	1,054
People aged 25-34	1,655	1,798	1,907	1,835	1,739
People aged 35-44	2,761	2,554	2,531	2,873	3,024
People aged 45-54	5,529	5,665	5,286	4,627	4,637
People aged 55-64	7,167	7,122	7,986	8,567	8,016
Total population aged 18-64 predicted to have a moderate physical disability	18,202	18,196	18,674	18,862	18,469

⁶ ADULT SOCIAL CARE GROWTH PRESSURES, Cheshire East, March 2012

Serious disability					
People aged 18-24	213	206	188	187	206
People aged 25-34	158	171	182	175	166
People aged 35-44	838	775	768	872	918
People aged 45-54	1,539	1,577	1,472	1,288	1,291
People aged 55-64	2,790	2,772	3,109	3,335	3,120
Total population aged 18-64 predicted to have a serious physical disability	5,537	5,502	5,718	5,857	5,700

Source Office for National Statistics (ONS) www.pansi.org.uk

Table 7: People aged 18-64 with a physical disability supported by social care in care homes, and those in receipt of social care through self directed support and/or direct payments, projected to 2030

	2012	2015	2020	2025	2030
People aged 18-64 with a physical disability in residential and nursing care during the year, purchased or provided by the CASSR	35	35	35	35	35
People aged 18-64 with a physical disability in receipt of social care through self directed support and/or direct payments provided or commissioned by the CASSR	488	488	492	496	494

Source Office for National Statistics (ONS) www.pansi.org.uk

1.7. Tenure

Based on the 2001 census, 78% of the population of Cheshire East and 75% of pensioners are owner occupiers. This is higher than the national average of 68%. A much lower percentage are in social rented accommodation with 11.5 % of pensioners and 12.5% of the population as a whole in the social rented sector compared with 17% and 19% across England as a whole. Some of these figures will change as the new census data becomes available, but the overall picture of a high percent of older people being owner occupiers in Cheshire East is unlikely to alter radically.

The average house price during the period July to September 2012 was £226,197, ranging from £341,559 for a detached house to £130,392 for a flat.⁷ Some houses, especially in the Crewe and Nantwich areas, are on the market for as little as £80,000 which is much lower than the cost of new extra care and sheltered flats in the Cheshire East. Housing options will need to take into account that, whilst prices of retirement housing are very affordable compared with their house prices for many owner occupiers, there are still some older people who cannot sell and buy outright.

⁷ http://news.bbc.co.uk/1/shared/spl/hi/in_depth/uk_house_prices/counties/html/county17.stm?#table

1.8. Financial pressures

The 2012/13 net revenue budget for adult services is £91.4m. This represents 35% of the council's net budgeted spending on services of £259.8m. The adult service budget has overspent in each year since the inception of Cheshire East.

Table 8: Overspending against Budget (figures £m unless stated)

Year	Budget	Outturn	Overspend	%
2009/10	75.7	78.4	2.7)	3.6
2010/11	69.4	78.1	8.7	12.5
2011/12	95.0	97.9	2.9	3.0
2012/13 (projection)	91.4	96.4	5.0	5.4

For future years the budget process has an in-built factor to reflect demand and cost growth of approximately £5m pa (c4.5%). Thus the Adults' budget is currently planned to grow from £91.4m in 2012/13 to £102.8m in 2014/15. However the authority is currently modelling an expected funding shortfall of £13m in 2013/14 and a further £7m in 2014/15 and adult services will be expected to bear at least a proportion of the expected future funding shortfall.

The challenge for the authority, as with all local authorities, is to provide care services for a rapidly increasing population of older people with a shrinking budget. Modelling by the LGA of local authority expenditure compared with income shows the portion spent on social care increasing to over 50%⁸ of income, whilst Barnet Council is predicting that by 2022/23, social care spending for adults and children will exceed the total council income in what is known as the 'Graph of Doom'.

1.9. Personal budgets

Direct payments are local council cash payments for people who have been assessed as needing help from social services, and who would like to arrange and pay for their own, independently contracted, care and support services. Personal budgets are an allocation of funding given to users after a social services assessment of their needs. Users can either take their personal budget as a direct payment, or - while still choosing how their care needs are met and by whom - leave councils with the responsibility to commission the services or nominate a service provider to manage their budget on their behalf (or they can have a combination of these options). These replace services that have in the past been provided by, or funded by, the local authority and are not in addition to these services. This is therefore a very different way of providing services and using the councils care budget.

The draft Care and Support Bill, Caring for our Future, which was published in July 2012, proposes that all service users be entitled to a personal budget as part of their support plan. This has implications for the financing of services including supported housing. Councils and providers will need to incorporate personal budgets into care planning. It is possible that service users may choose external providers for some or all non-core services.

⁸ Funding outlook for councils from 2010/11 to 2019/20: preliminary findings LGA

Analysis of PSSEX1⁹ data for 2010/11 shows that Cheshire East performs well compared with our statistical neighbours for the number of our clients using direct payments. However we have block contracts for many of our supported housing services and personal budgets will mean that contracting in this way for care services will no longer be possible for supported housing for people with statutory care needs. Contracts for support services will need reviewing.

⁹ Personal Social Services Expenditure Data

2. Supported Housing for older people

2.1. Our local strategies

We have recognised in Cheshire East that our aging population will create a number of challenges for us. This challenge is set out clearly across a range of local strategies which aim to improve the quality of life for our residents and deliver sustainable development. These include:

- Ambition for all - Cheshire East's sustainable community strategy 2010 to 2025
- Moving forward 2011-2016 – Cheshire East housing strategy
- Extra care strategic housing market assessment
- Regional supporting people strategy
- Joint strategic needs assessment
- Cheshire East joint health and wellbeing strategy
- Aging well in Cheshire East programme
- Overview and scrutiny review of residential care
- Joint commissioning plan for dementia
- Draft adult social care market position statement April 2012

2.2. What do older people want?

There has been considerable research into the views of older people in Britain regarding their preferences for where they live as they age, how they would like services to be delivered and the difficulties faced in finding out about services.

The Wanless Report 2004¹⁰ identified the following preferences for people should they need care:

Table 9: housing preferences of older people

Preference	%
Stay in my own home with care and support from friends and family	62
Stay in my own home but with care and support from trained care workers	56
Move to a smaller home of my own	35
Move to sheltered housing with a warden	27
Move to sheltered housing with a warden and other social care services such as hairdressing and organised social outings	25
Move in with my son or daughter	14
Move to a private residential home	11

¹⁰ 'Securing Good Care for Older People', Derek Wanless, 2004, HMSO

Move to a local council residential home	7
Move to a residential home provided by a charitable organisation	3
None	1
Don't know	2

It is clear from this that whilst there is a strong preference for staying in the family home, at least 35% of respondents in this research would consider moving to a smaller home and about 25% would consider sheltered housing of some sort. However older people can find it difficult to find the right information to help with making decisions about where to live whilst at the same time decisions involve strong emotional attachments to a family home. These difficulties result in older people feeling that they have little control over their future choices. *'They may find themselves in residential care before they are ready for it; or staying at home, at risk, when housing with care may be a better option. It is not uncommon for a decision to move to specialist housing to be made after an older person has been hospitalised, and without proper involvement of the older person themselves in the decision making process.'* (Lifetime homes, lifetime neighbourhoods, CLG 2008).

However, when asked about suitable housing options should they be unable to live independently in their own home, 80% of respondents to a 2011 YouGov poll for the National Housing Federation¹¹ were positive about downsizing to a smaller, more manageable home and 65% liked the idea of living in a self-contained home with support or care available if required.

A strategy to meet the housing and support needs of older people needs to ensure that there is a range of options available and that older people have access to adequate information, advice and support about these options in order that they can make real choices.

2.3. Views of older people in Cheshire East

Older people have been consulted on the development of a number of our strategies and we have carried out some specific consultation for the development of this strategy. The Ageing Well Plan identifies positive aspects and concerns from the point of view of older people:

Positive aspects

- Cheshire East is generally a good living environment where people feel safe
- We have good quality statutory services
- The police support local communities
- We have thriving voluntary organisations and faith organisations
- There are good opportunities for volunteering
- There is a good sense of community in some areas
- There is a good variety of accommodation available, including extra care housing
- Local colleges provide good opportunities for older people

¹¹ Breaking the mould, re-thinking housing for older people, National Housing Federation, 2011

- There is good access to transport in our more urban areas

Concerns

- Variation in quality of life and life expectancy across the area
- Levels of apathy among older people
- Our responses to social exclusion need to be more innovative and creative
- Services feel disjointed
- Communication about services available is ineffective
- Issues affecting our rural communities, including social isolation, fuel poverty, hidden poverty, decline in village life, closure of post offices, poor broadband access and poor public transport links
- Variable quality of care, particularly in care homes and making decisions about care
- Improving access to services is not just about addressing physical issues; we need to address people's perceptions

In a focus group of 14 older people living in more urban areas of Cheshire East a majority of the participants conducted for this strategy in autumn 2012 thought that it was best to consider moving to more suitable housing when it became difficult to manage and a number had already done so. Access to transport was identified as an important issue with several participants living in properties that they felt would not be suitable for people who could no longer drive even though adaptations would be very feasible. Participants felt that easy access to services was vital and adequate space for family visitors and for equipment in the event of disability was also very important. For some, good neighbours are one of the best things about where they live and conversely, those whose neighbours have moved, or who had moved home away from neighbours, felt their lack acutely. Living within a community is felt to be important; for some it is essential that this is within a mixed community whereas for others a community of older people is preferable.

Affordability of housing and care was a major consideration amongst the focus group, many of whom were familiar with extra care developments locally. These were identified as unaffordable with high housing costs and high care costs even for those with no care needs. Others were hoping to move but had been unable to sell their homes.

The Extra Care SHMA¹² identified considerable interest in Extra Care housing with 7.4% of the population over 45 indicating that they would consider move into Extra care housing with 12.9% willing to consider sheltered housing. The report states that a total of 3,000 families indicated that they would be interested in sheltered or extra care housing for relatives moving into Cheshire East ie people moving from outside the Borough. This indicates considerable potential demand for specialist housing in Cheshire East.

The table below sets out the reasons given for moving into extra care accommodation. These varied views indicate that meeting the needs of older people requires a range of housing options both with and without support or care and across a variety of tenures, but that affordability is an important consideration. These findings are similar to those set out in our housing strategy, Moving Forward 2011-2016.

¹² Cheshire East Strategic Housing Market Assessment: Extra Care Housing, 2012

Table 10: Reason for moving given by those considering extra care (from SHMA)

Reason for moving	% stating reason by age group		
	60 to 74	75 and over	All 60+
Want larger property or one that was better in some way	8.0	0.0	5.8
Need smaller property, difficult to manage	25.4	61.7	35.6
Need smaller property for other reasons	31.0	22.6	28.7
Cannot afford rent/mortgage payments	2.9	0.0	2.1
Need housing suitable for older/disabled person	27.7	62.4	37.5
Want to buy	17.6	18.3	17.8
Lacking or needed separate kitchen/bathroom/toilet	5.8	0.0	4.2
Major disrepair of home	0.0	1.7	0.5
Want own home/live independently	1.8	9.6	4.0
Divorce/separation/family stress	0.6	1.7	0.9
Marriage/to live together	0.0	0.0	0.0
Forced to move	1.9	0.0	1.3
To be closer to family/friends to give/receive support	6.6	29.3	13.0
To be closer to family/friends for social reasons	8.2	11.6	9.1
To move to a better neighbourhood/more pleasant area	18.6	18.1	18.5
To be closer to facilities e.g. shops, doctors	21.1	37.6	25.8
To be closer to work/new job	0.0	0.0	0.0
To be in a particular school catchment	0.0	0.0	0.0
Want smaller garden	18.3	48.7	26.9
Want larger garden	4.6	0.0	3.3
Harassment/Threat of Harassment/Crime	0.7	1.5	1.0
Overcrowding	0.0	0.0	0.0
Base	565	221	785

Source Cheshire East Strategic Housing Market Assessment: Extra Care Housing, 2012

2.4. Supply of housing with care and support for older people in Cheshire East

Registered care

In Cheshire East we have an extensive supply of registered care homes with and without nursing care. There are currently 4043 registered care home places in the borough provided by 103 homes; 46 of these provide some nursing care. However, less than 1400 of these places are currently funded by the council. The rest of the bed spaces are taken up by Cheshire East residents funding their own care and people who move in from outside the borough, many of whom are funding their own costs. Self funders who run out of money migrate to social care funding as the council has a

statutory duty to provide care for people who meet the criteria for care and who are assessed as being unable to afford to pay. Self payers who run out of money fall into this category. The Dilnot Commission 2011¹³ has proposed setting a cap on the amount individuals should pay for care but as yet this has not been implemented.

Extra care housing

There is no single definition of Extra Care housing. The Strategic Housing for Older People Resource Pack, published by the *Housing Learning and Improvement Network* has the following description: 'primarily it is housing which has been designed, built or adapted to facilitate the care and support needs that its owners/tenants may have now or in the future, with access to care and support twenty four hours a day either on site or by call. It is generally based on the following principles:

- To promote independence – the provision of self-contained accommodation designed to enable individuals to live independently within the community, and promote their well-being and quality of life.
- To be empowering and enabling – the availability of flexible, person-centred care and support services which empower and enable individuals to maximise their independence and promote health and wellbeing.
- To promote social inclusion – services and buildings designed to promote social inclusion and alleviate social isolation.'

Although Extra Care schemes vary widely the Resource pack identifies three main types:

- Retirement village, which is a large scale development for which there are no entry requirements and which is predominantly housing for sale
- Large scheme, which aims for a balanced community on terms of care needs, often set as a third/a third/ a third in terms of high/medium/low needs, and with a mix of tenures; an allocation panel manages access at least for rental units.
- Small scheme for residents who already have care needs, often 100% rental and with nominations managed by a panel.

Extra care housing is still relatively new and until recently evidence on the impact, benefits and limitations was in relatively short supply. More recently a number of papers have built up clearer and more objective view of the outcomes from extra care.

Extra Care housing can provide increased independence and reduced care needs for its residents', however the often made claim that it provides a home for life is not necessarily the case as about a third of residents subsequently move into residential care. This can cause considerable resentment in residents who have really not expected to move again. For others however, extra care can deliver all the care necessary up to end of life¹⁴. Residents with dementia can live successfully in extra care housing but where their behaviour causes distress to other residents a move into residential and nursing care is more likely¹⁵.

¹³ <http://www.dilnotcommission.dh.gov.uk/>

¹⁴ Improving housing with care choices for older people: an evaluation of extra care housing, 2011

¹⁵ Extra Care' Housing and People with Dementia, Housing and Dementia Research Consortium, May 2009

Schemes that are intended to have a balanced community are frequently reported to experience difficulties in maintaining the balance of resident needs: a high proportion of high needs clients can prevent the allocation of further places to people with high needs. In Cheshire East the opposite problem prevails with a much higher proportion of low and medium level clients than originally intended when the schemes were first commissioned. A fixed ratio of tenure types can also be difficult to achieve, especially at the present time, with a depressed property market making it difficult to find buyers. The combination of a balance of needs and tenure types can make for a hugely complicated allocation process.¹⁶

The recently published HAPPI 2¹⁷ report identifies that the current economic climate is making it harder to develop specialist housing for older people with adequate space standards within the new 'affordable rent' regime and within the private sector as the cost of larger accommodation and communal space is putting prices up.

2.5. Extra care in Cheshire East

Table 11: Extra care and registered provision by Local Area Partnership

Local Area Partnership	Registered care units	Extra care units
Congleton	905	116
Crewe	611	229
Knutsford	491	70
Macclesfield	826	75
Nantwich	413	119
Poynton	435	0
Wilmslow	362	53

We have a range of extra care provision in Cheshire East; there are 256 units in three schemes funded through a PFI initiative originally set up by Cheshire County Council, 236 units provided by Registered Providers (RPs previously known as RSLs) in 4 schemes and 202 units in 7 private schemes, most of which are small scale and between 12 and 20 units. This gives a total of 694 units of extra care across the borough as a whole. However the table illustrates the uneven distribution of extra care between the local area partnerships which in part reflects the different approaches of local RPs and the fact three PFI schemes were originally developed in one per council in 3 district council and therefore three of the LAPs did not benefit.

¹⁶ Comparative evaluation of housing with care for later life, 2007, *Croucher, Hicks, Bevan and Sanderson*

¹⁷ Housing OLDER PEOPLE our Ageing Population: Plan for Implementation, all party parliamentary group on housing and care for older people, Nov 2012

The three PFI funded schemes were originally commissioned to deliver a third/ third/third split of high/medium/low needs and a 60/20/20 split between rented/shared ownership/full ownership. This has proved very difficult to deliver, with particular difficulties in allocating the high needs places; the current split is: 18% /20% /62%, as at September 2012. This has been attributed variously by stakeholders to weaknesses in the original allocation processes which did not have sufficient pre-allocation processes, so that the early occupiers did not meet the intended split; the short timescale for allocating vacancies and an strong emphasis amongst social care staff for keeping people in their own homes so that moving home whilst still managing with care is not necessarily one of the options discussed.

The problems in the housing market have also resulted in difficulties for the providers in selling the target proportion of the flats. 57 sale flats were transferred to social rent in April 2010; 11 of these have been re-sold, as at October 2012. Shared ownership has been popular.

When the PFI extra care housing was planned assumptions we made about savings to the social budget based on the planned proportion of high needs being taken up and that these residents would otherwise have been in residential care. Savings were estimated on the assumption that the care costs of residents in extra care would be less than if they were in registered care. The failure to allocate sufficient high care cases to extra care means that savings are not being realised.

Feedback on the extra care schemes in Cheshire East, gathered through the scrutiny review of registered care¹⁸, concluded that most residents of these schemes were happy; most were able to live out their life at the scheme and residents with dementia were successfully accommodated. However there were concerns about the isolated nature of larger schemes and the separation of the residents within the extra care schemes from the wider community. A recent focus group considered the schemes to be expensive.

Elsewhere some providers are starting to pilot different financial arrangements to mitigate the cost of long term care. The Joseph Rowntree Housing Trust has introduced a range of flat fees for care and support costs at its Hartrigg Scheme. Residents pay the same fee over the whole of their residence. The fee is dependent on the age at which they move in and the level of service selected. The younger you move in the lower the fee. You can opt not to include care in the fee but if care is subsequently needed it has to be paid as and when it is needed.

The Extra Care Charitable Trust is piloting a product called 'Care for Life'; residents pay a premium and will receive care and support until the end of their life. Examples of the costs are: at age 73 a lump sum of £24,496 and £915; at age 80 £21,000 lump sum and £1,200 per annum. There is no need for residents to subsequently sell their home to sell for care. If the Dilnot report is implemented it may have an impact on these types of schemes, depending on the cap on contributions. The higher the cap the more such schemes remain cost effective solution.

2.6. Sheltered housing in Cheshire East

There is a considerable supply of sheltered housing (housing for older people with alarm services and in most cases a support service) both private sector and social housing sector, across the borough with considerable variation in the distribution. In the Macclesfield area there are over 550 units of private sector accommodation to buy or rent and 240 units of social sector sheltered housing provided by Peaks and Plains, the LSVT¹⁹ RP, with other RPs providing a further 270 units of

¹⁸ Residential Provision to Review Overview and Scrutiny Review ,Adult Social Care Scrutiny Committee, November 2011 – May 2012

¹⁹ LSVT _ Large scale voluntary transfer – refers to the transfer of local authority housing stock

RSL sheltered housing that offers support, 100 with alarm only and 230 units of age specific housing with no alarms or support provided. In the Congleton area there are 300 units of private sector provision; 206 provided by Plus Dane the main RP provider and 161 units provided by other RPs.

Crewe and Nantwich have the smallest supply with 154 units in the private sector and 186 provided by Wulvern Housing. All three of the large RPs have reconfigured their sheltered housing and have decommissioned older outdated stock, although some bedsit stock still remains. The remaining stock is in the more urban areas and market towns where access to services is generally better than the surrounding rural areas.

Only Wulvern is currently actively engaged in the development of extra housing with two schemes, one of which has opened recently. Plus Dane Group has one extra care scheme which is a new development on an old care home site. There is considerable concern about the risks inherent in further extra care developments because of the uncertainty around long term care funding and housing benefit levels. With the numbers of older people rising and the costs of care rising there are anxieties about the robustness of the current funding system. The latest report into the issue, the Dilnot Report²⁰ July 2011 recommended capping individual contributions to limit the amount an individual will pay. So far there are no definite plans for reform and concerns about funding remain. And although the local housing allowance caps do not apply to social housing, the ongoing changes to benefits are still causing uncertainty, especially linked to changes to funding for new social housing which is now required to have rents at 80% of market rents. Peaks and Plains Housing Trust are currently reviewing their strategy in relation to extra care housing and deciding whether to actively develop extra care.

The larger extra care schemes may compete with the existing supply of sheltered housing for those who can afford the service and care charges. However, as the PFI extra care schemes do not attract any Supporting People (SP) funding, residents on low incomes who are eligible to receive SP funding for the support charge in sheltered housing will only be able to access sheltered housing.

The imminent welfare changes have resulted in RPs contacting their under occupying tenants below retirement age whose housing benefit will be reduced; 'downsizers' have been placed in the highest priority band for choice based lettings to support this. Not unexpectedly, 80% of these residents wish to stay put, although this may change once the benefit reductions have been introduced. Officers from RPs report that tenants who are willing to consider a move expressed a very strong preference to stay on their current estate to stay in touch with their existing networks and bungalows are particularly popular. This highlights the importance of suitable local housing options in making a move viable for older people.

2.7. Staying put and maintaining independence

Housing and support for older people is not just about specialist schemes or personal care services. For the vast majority who wish to stay in their family home for as long as possible, it is important that the property can be adapted to meet changing needs. Our housing strategy, Moving Forward 2011-2016 identified the following priority:

Developing the Home Improvement Agency service across Cheshire East, to offer:

²⁰ <http://www.dilnotcommission.dh.gov.uk/>

- a wider range of practical low-level services such as handyperson services, home safety and security, and gardening;
- a rapid response to meeting older peoples' needs for home adaptations;
- Guidance through the funding options for home repairs;
- Support to employ contractors to carry out home repairs and adaptations, reducing opportunities for rogue traders and bogus callers;
- A range of services for older people who aren't eligible for or don't want to access social care for equipment and adaptations.

For new developments the use of Lifetime Homes Standards²¹ reduces the need for adaptations in later life by ensuring that properties are built in such a way that accessibility is maximised and adaptations can be easily installed. Again, this has already been addressed in our housing strategy within the following priority:

Working in partnership to provide accommodation with a greater range of tenure options that is of good quality and better design, and meets Lifetime Homes standards, offering longevity and flexibility for the changing needs of ageing

Beyond buildings, where ever people live, whether it is in the family home, a downsized property or sheltered accommodation, an active social life and support network is important in keeping healthy both physically and mentally. With rising thresholds for accessing local authority funded social care finding ways for people with low to moderate needs to get the help and support they need will be increasingly important. The feedback from residents in the Aging Well Plan identified that whilst in some places there is a strong community in Cheshire East, there are areas of social isolation, disjointed services and poor communication.

Across the country, initiatives are developing to promote and support mutual support and care and social activity within the community. Southwark Circle²² and Suffolk Circle²³ are examples of membership networks which provide practical help in exchange for tokens and enable people to organise social events with like minded people, including helping with transport. Care4Care²⁴ is a volunteer care network where volunteers can accrue care credits in exchange for care they provide. The credits can be banked for future use or used for care for a relative. The scheme is currently being piloted in the Isle of Wight and is once the pilot has been evaluated it will be worth assessing for local applicability.

2.8. Reablement and intermediate care

These are two important tools for helping older people maintain their independence for as long as possible. Cheshire East offers a free re-ablement service to clients who are likely to meet the critical or substantial levels under the FACS criteria at a time of increased need to help restore independence and enable people to stay in their own homes. The North West Joint Improvement Partnership Reablement Assessment March 2010 demonstrated that over 30% of clients in the

²¹ <http://www.lifetimehomes.org.uk>

²² <http://www.southwarkcircle.org.uk>

²³ <http://www.suffolkcircle.org.uk/>

²⁴ <http://care4care.org>

survey no longer needed care and over 20% had their package reduced at the end of the reablement period²⁵.

East Cheshire NHS Trust provides intermediate care in the community or in a number of specialist settings:

- Langley unit at Macclesfield district general hospital, which is a 30 bed unit (30 beds, 17 generic beds, up to 6 specialist rehab beds and 7 transitional beds)
- Aston Ward at Congleton war memorial which is a 28 bedded unit- 21 generic and 7 transitional beds.
- Hollins View Macclesfield is a support centre run by Cheshire East council which provides 10 residential beds.
- Belong Care Village in Macclesfield provides 11 beds in an independent nursing home.

The aim is to prevent unnecessary and avoidable hospital admission for people who have experienced an acute health event that has resulted in a change in physical functioning; help people recover faster and to achieve their full potential following illness or injury; facilitate safe and timely discharge from hospital where there is a rehabilitation need and/or potential to improve physical functioning and maximise independent living.

2.9. Need and demand for housing with care and support

The demand for most types of service is not directly related to need as factors such as knowledge of services, ability to pay and ability to access a service all play a part. There are particular difficulties for older people in making decisions about their best housing choices when they need to consider finance, care and housing issues whilst also considering leaving a place of great emotional attachment. One of the consequences of this is that *'it is not uncommon for a decision to move to specialist housing to be made after an older person has been hospitalised, and without the proper involvement of the older person themselves in the decision making process.'* (Lifetime homes, lifetime neighbourhoods, CLG 2008).

The Institute of Public Care provides projections for the demand for residential care through the Projecting Older People Population website (POPPI). Such projections are useful indicators of potential demand but should not be taken as precise figures as they are based on standard ratios across the country and do not take into account of such factors as health variations or the impact of availability of supply [how does this compare to 1400 funded beds; surely we can't be talking about 1700 self-funders? Baseline figure looks too high to me]. In Cheshire East is the projected demand up to 2030 is as follows:

Table 12: Projected demand for residential care

Residential care population projection for Cheshire East	2012	2015	2020	2025	2030

²⁵ "Making the Strategic Shift" Efficiency Programme, March 2010, A report of research carried out by North West Joint Improvement Programme and compiled by CN Research

Total population aged 65 and over living in a care home with or without nursing	3,126	3,443	4,022	4,854	5,722
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Projecting Older People Population website (POPPI)

The supply of residential care places, at over 4,043 is almost 1,000 place in excess of the projected current demand for residential care services for Cheshire East and continues to be in excess of projected demand beyond 2020. Kerslake and Sitwell 2004²⁶, suggest that at least one third of residential care placements and as much as 2/3 (66%) could be avoided through an earlier move to housing with care. Although this work is now quite old and some practices may have improved since then, if only 20% of the projected residential care placements are avoided through the provision of alternatives, the projected demand for 2025 reduces to 3883 and remains below the current level of provision. This excess of residential care places, over and above the local demand, draws people from outside the borough including self payers who may migrate to social care funding at the point when their care costs are highest.

Our Scrutiny report on residential²⁷ care noted that

'it is in the interest of private care homes to accept residents before they are ready. It was explained that with Council funded care, residents are assessed and placed appropriately but with private care, homes were incentivised to accept 'healthier' residents as they would pay for care over a longer time period. The longer residents are in residential care, the more likely it is that their capital will be reduced to the extent that they will need to migrate to Council funded care.'

Cheshire East has a higher proportion of admissions to residential care directly from hospital than other authorities in the north west – 4.5% of hospital discharges for people aged 65 and over; this is second only to Cheshire West with 4.6%, whilst for the best performers the figure is less than 1.5%. (NHS North West). This is attributed to hospital admissions from care homes which result in a discharge back to the care home.

Social care managers are keen to keep people living independently at home as long as possible. An increased emphasis on reablement and interim care is reducing admission to residential care with the authority performing well overall on residential care admissions. However, Cheshire East has much higher number of resident weeks in nursing care placements than comparative councils at 35,000 compared with 19,000 for average of our statistical neighbours, indicating much longer average stays than is common elsewhere. The average weekly costs are lower at £440 compared with £513. In theory one explanation for longer stays could be relatively poorer health in Cheshire East; however the data on life expectancy and disability free life expectancy does not support this. If the reason is not poorer health then the explanation may be that a client in Cheshire East is more likely to be assessed as needing health care at an earlier stage than elsewhere in the country. This needs further investigation and there is some concern that the problem results, at least in part, from self payers migrating to social care funding. We will need review our processes in order to understand the issues in more detail.

As with registered care, estimating future demand for housing with support is not an accurate science and much depends on preferences, particularly for those who may chose to move before

²⁶ Kerslake A and Stilwell P (2004). What makes Older People choose Residential Care and are there alternatives? Housing Care and Support; 7 (4): 4-8.

²⁷ Residential Provision Review Nov 2011 – May 2021

they develop care needs. The Older Person's Housing Tool Kit²⁸ includes a set of prevalence figures that can be used to estimate demand but the paper does not set out the assumptions on which the prevalence data is based and the figures should be treated with some caution.

²⁸ Quoted in STRATEGIC HOUSING FOR OLDER PEOPLE Planning, designing and delivering housing that older people want, Housing Improvement and Learning network, 2011

Table 13: Estimated demand for sheltered and extra care housing in Cheshire East – based on model from the older person’s housing toolkit:

	Number per 1,000 populations aged 75+	Year				
		2012	2015	2020	2025	2030
Cheshire East 75+ population		34,600	37,500	43,800	53,300	58,900
Conventional sheltered housing to rent	60	2076	2250	2628	3198	3534
Leasehold sheltered housing	120	4152	4500	5256	6396	7068
Enhanced sheltered housing (divided 50:50 between that for rent and sale)	20	692	750	876	1066	1178
Extra care housing for rent	15	519	563	657	800	884
Extra care housing for sale	30	1038	1125	1314	1599	1767
Housing based provision for dementia	6	208	225	263	320	353

The supply across Cheshire East is well below these estimated figures for all types of sheltered and extra care places and whilst it would be unwise to follow the figures too closely there is a clear indication that additional provision of extra care is needed. The Extra Care SHMA clearly demonstrates interest in extra care housing from both residents and their families. Providers of social sheltered housing have reduced their supply and decommissioned out dated stock. There is sufficient demand for the remaining stock, with reservations about the remaining bedsit accommodation, but despite the projections above, little indication of an undersupply of this traditional model. The larger extra care schemes, with their ‘wellbeing’ allocation, are in direct competition with traditional sheltered housing and the newer schemes may be more desirable.

Residents’ difficulties in selling their homes are having an impact on demand. Redbridge Council is piloting a scheme called ‘Free Space’ which enables homeowners to lease their property to the council in exchange for a smaller home to address this issue. If this can be shown to be effective we may wish to consider implementing something similar.

2.10. The impact of welfare benefit changes

Changes to the welfare benefit system including housing benefits must also be taken into account in planning for extra care housing. There are two issues; firstly, the caps for local housing allowance, which vary across the borough set a maximum rent for extra care housing; tenants reliant on housing benefit may only be able to afford a one bedroom property at the LHA rate. These currently ranges between £78.46 and £102.49, depending on which Broad Market Rental Area applies, although in some areas a two bed property may be affordable with an LHA ranging from £91 to £126 The introduction of the universal credit may have further implications but the detail is not currently

available. This creates some uncertainty for potential developers as the long term affordability levels for tenants on housing benefit is uncertain.

As discussed previously, the introduction of an under-occupation rule, whereby tenants on housing benefit with empty bedrooms will have their housing benefit reduced is likely to lead to a number of older households whose children have left home needing to move home, although this does not apply to people of pensionable age. However, it is currently unclear how this applies to households where there is both a member of pensionable age and one of working age but this is probably quite a small group. Older households having to move as a result of these changes will need advice and guidance in deciding where to move to. Indeed this will be a useful point to consider whether a move to sheltered or extra care is advisable.

The introduction of universal credit will bring in a benefit cap which limits the total a household can receive in benefits. Again this does not apply to pensioner households but the same query exists regarding mixed households. Taken together this means that there is less uncertainty regarding the benefits payable to pensioner households than for those of working age.

3. Supported Housing for People with a learning disability

3.1. The supply of housing and support for people with a LD in Cheshire East

Cheshire East council is a major provider of supported housing for people with a learning disability in the borough with 169 units spread across the borough. Care is provided by our in house service Care4ce through 5 supported living networks. Our clients live in a mixture of small group homes, groups of flats some live in the wider community.

Table 14: Cheshire East support housing provision for people with a learning disability

Local area partnership	Cheshire East supported living network places	Number of placements with other providers
Congleton	42	39
Crewe	23	48
Knutsford	31	11
Macclesfield	40	65
Nantwich	11	36
Poynton		2
Wilmslow	22	7
Total	169	208

We are currently, at December 2012, funding an additional 219 placements, 11 of which are out of borough. These are provided through a mixture of block and spot contracts. We have large block contract with Alternative Futures who are a major partner and with whom we currently have 83 placements. Lady Verdin Trust are another major provider with whom we have 39 placements and we work with a further 20 providers so there is a well developed local market. These placements however are not evenly spread across the borough as the table below shows. Poynton, Wilmslow and Knutsford have far fewer placements than the other LAPs.

Although some officers expressed concerns about a lack of places locally for people with the most complex needs, especially autism and co-diagnoses, we are currently only funding 11 out of borough placements and the majority of our high cost placements are in borough. We have 23 placements costing £3,000 per week or more and all but two of these are local.

Data from the personal social services expenditure return (PSSEX1 2010-11) analysis shows that we fund a much higher level of nursing care for clients with a learning disability than our statistical neighbours, with more than double the number of client weeks and our costs are about 10% higher. This means that we are spending about £1m per year more than our neighbours. With a shrinking budget it is important that we ensure that all referrals are appropriate and that effective reviews are

undertaken on a regular basis, with clients moved to a more independent setting if this is appropriate.

Much of the provision in Cheshire East is shared housing and there is a very strong consensus amongst stakeholders that this model is no longer fit for purpose. The schemes were originally established for small groups of people moving out of hospital with the introduction of care in the community and are predominantly shared houses or bungalows. Many of these households have lived together for some time and when a vacancy occurs it can be difficult to find a suitable candidate to fit in with the household. This is not to say that it is not possible to fill vacancies. Some that have been expected to be a challenge have worked well and others have not worked where a good fit had been expected. This leads to vacancies, but because of the nature of the contract, the cost remains the same.

We have also been identified as an example of good practice in the use of telecare for people with a learning disability²⁹. Through the use of telecare such as door sensors, epilepsy sensors and bed sensors, we have enabled people with a learning disability to move from group homes to independent accommodation and reduced care package costs.

3.2. Service user views

We held a series of 4 focus groups with a total of 21 service users, both residents of supported housing and people living with family. In addition we held a small number of telephone conversations with carers who were unable to get to the focus groups. The participants had mixed views about the type of housing they would prefer. A majority expressed a preference for shared housing, largely because it would provide company and prevent loneliness and isolation. Some participants did express a preference for more independent living and their own front door and one group expressed a preference for their own kitchen and bathroom but with shared communal facilities. There was a recognition that those sharing should have compatible needs and concerns was expressed about large age differences. The majority were content with their current housing and only a small proportion had any immediate plans to move home. These were not expressed in terms of dissatisfaction but were about readiness to move.

Participants highlighted the following aspects of support as important:

- Consistency of staff
- More female staff
- Help with money and budgeting
- Activities
- Household routines such as shopping, cooking and paying bills
- Help with getting out and about and transport

Participants also wanted greater support for 'letting go' and this was a very emotional issue for some participants and could prevent moving into greater independence. A number felt that did not have

²⁹ Putting People First Transforming Adult Social Care, 2012, DoH

much information about what was available and one carer reported difficulties in finding out how to access housing for the person he cared for.

There is some indication that carer's expectations of independent living may be very difficult to afford where one-one 24 hour care is needed for independent living.

There is clearly some divergence between the views of providers & commissioners and those of service users about the suitability of shared housing and any developments of more independent living will need to take on board the concerns expressed about the potential for loneliness.

3.3. Demand for supported accommodation for people with a learning disability

The population of people with a learning disability is projected to grow slightly between now and 2030. Drivers in terms of the need for supported housing are:

- people currently living with their parents who are approaching an age when they may no longer be able to look after them;
- people currently living in supported housing whose needs change e.g. through aging and who can no longer manage in their current home or who want to move to a more independent setting
- young people making the transition to adulthood

Our data shows that a third (approximately 300) of our clients are aged 50 and over and we can expect that for those who still live with their parents that an increasing number will need alternative housing as their parents struggle to cope or die.

3.4. Options for Future provision

Stakeholders are unanimous in seeing independent flats where each person has their own front door as the way forward and for some, small extra care type schemes are considered a good solution. This view is not however shared by service users, many of whom are much more positive about shared housing

Fully independent housing is also potentially more expensive. Firstly, single occupancy accommodation for people with considerable care needs may lead to increased care costs where care has to be provided individually instead of shared. Secondly, a reduction in the amount of shared housing is likely to be managed through the running down of existing provision as voids occur. This could result many shared properties running with voids for a long period of time, whilst staffing levels have to be maintained to provide adequate care. The cost of this will be very high. The alternative would be to encourage clients to move out of their home into alternative accommodation once voids occurred in their scheme.

If the cost of developing more independent accommodation proves prohibitive in the current financial context then we will need to consider how we can remodel our shared housing to better meet needs in the longer term.

The Department of Health has produced a very informative review³⁰ of the costs of a whole range of housing alternatives for people with learning disabilities. It covers the impact of recent changes to the housing benefit regime, capital and revenue costs. As both the capital and revenue housing finance has been subject to change in recent years, a close reading of the DoH report is essential reading in understanding the relative costs of different options for different providers as housing benefit eligibility will be crucial to scheme viability. Schemes for which only the local housing allowance (LHA) rates are payable appear unworkable for specialised housing and even enhanced LHA (for non-resident overnight carer support) produces a shortfall in most illustrations. Rental subsidy for 'exempt accommodation' which includes some supported housing will be excluded from universal credit and for the time being will continue under the existing housing benefit rules. So exempt accommodation allows for higher rents to be charged but future is uncertain.

Stakeholders have also identified the use of existing extra care schemes as having potential for clients with a learning disability. In general these schemes are currently aimed at older people. People with learning disabilities may benefit from extra care type provision at an earlier age than the general population, although it is not likely to be suitable for very much younger clients. Extra care may also provide a solution to providing a home for an aging parent with their learning disabled adult child.

A further consideration for us is whether or not to retain our services in house. There are a number of risks for us as a provider:

- the introduction of personal budgets for all social care clients may lead to reduced demand for some aspects of our services, impacting on viability
- remodelling or re-providing will be resource intensive and we may prefer to commission an external provider to deliver this
- there will inevitably be downward cost pressures and is the council best placed as a provider to manage these?

³⁰ Illustrative Cost Models in Learning Disabilities Social Care Provision, DoH 2011

4. Mental health services

The Cheshire and Wirral NHS Trust has recently reviewed the community mental health service and is reconfiguring its service to increase the emphasis on recovery using a stepped approach to recovery (StAR). There has been a comprehensive consultation with service users by the NHS Trust on the proposals. Housing is seen as a key factor in promoting recovery and for those living in housing with care and support. This is therefore an excellent opportunity to consider how supported housing services can support this model.

4.1. Supply of services

Adults social care services are currently funding 54 placements in a range of settings, 9 of which are out of borough. Of these 27 are with East Cheshire Housing and 10 are with the Richmond Fellowship and 8 are with Alternative Futures. Within Cheshire East we only use these three providers; this does not promote choice or competition and supported housing services have not been tendered. We have recently tendered our floating support services. Placements are concentrated in only three local area partnerships which means that some clients will be unable to be supported near to family if they live in the other LAPs

Table 15: distribution of mental health placements in Cheshire East

Local area partnership	Number of placements
Congleton Local Area Partnership	22
Crewe Local Area Partnership	3
Macclesfield Local Area Partnership	21

Clients access services through a placement panel which includes providers and following some changes in recent years, is considered to operate effectively. Officers have expressed some concerns about the lack of choice and a lack of emphasis on recovery in some services. Richmond Fellowship report that they have a waiting list of 5 people who are currently on a ward and ready for discharge which indicates a shortage of places at the moment. RFHT indicate that their clients generally stay about 2 years after which the majority of clients are ready for independent living and there is no shortage of suitable independent accommodation.

We will need to investigate further the extent to which our services promote recovery and moving into a more independent setting. If, as stakeholders believe, this is not happening consistently enough, generating greater throughput will create better access to places by generating more frequent vacancies as well as having a positive impact on recovery.

The services in Cheshire East have been inherited from the previous authority and appear to have grown up over time without a clear strategic overview. With the changes underway at the mental health trust, we have an excellent opportunity to reconfigure our services for the future.

4.2. A pathways approach

A pathways approach to supported housing for people with mental health problems has been developed by Camden Council.³¹ This approach identifies:

- a set of principles for the development of services,
- a number of different housing settings from care homes to independent housing with a number of entry points depending on need, and
- clear outcomes for service users.

Oxfordshire County Council and PCT have followed a similar approach³² and have developed a pathway that sets out the role of services from universal and mainstream through to residential care. The benefit of such an approach is that it sets out a comprehensive range of services covering all clients. Developing a pathway like this for Cheshire East will involve looking beyond supported housing services and working with Cheshire and Wirral health trust and clinical commissioning groups (CCGs) to map the full range of services and build the pathway.

Oxfordshire County housing and support pathway

The services

Services provided within this framework have the following elements:

- The majority of provision is designed to be of 'short term' nature (i.e. an average stay of no more than two years).
- Floating support services are also specialist These services would be offered on short and long term basis depending on the level of presented need.
- The level of support provided would range from intensive to medium to low in both these services.
- Service availability would range from housing, support, and care services being available 24 hours a day, 365 days a year, to brief visiting support provided in people' own homes, depending on the type of service and level of need.

Six service types

The Oxfordshire pathway would contain the following six types of service:

- **Universal and mainstream services** – general needs housing, support and assistance from universal services (such as Citizens Advice Bureaux, Jobcentre Plus, Shelter housing advice).
- **Floating support** – visiting at home service designed for people living in independent housing setting. Level of support would range from intensive less than 24 hours a day to medium and low, with on call service element where appropriate. Short and long term provision
- **Intensive supported housing** – designed to be a local alternative to residential care. Intensive support available on-site 24 hours a day, 7 days a week, Short term provision

³¹ A good practice guide to mental health pathway services, LB Camden 2007, www.camden.gov.uk

³² <http://www.oxfordshirepct.nhs.uk/your-health/mental-health/documents/Appendix4-OxfordshireFrameworkDecember.pdf>

- **Transitional supported housing** – designed to provide a bridge between more intensive services and independent living. The level of on-site rehabilitative support is generally higher than can be provided through home visiting floating support. Short term provision
- **Long-term supported housing** – designed for people who will not be able to make the transition to independent living. On-site support would be at medium to low level, with on call service element where appropriate. Long term provision
- **Residential care** – intensive, high level (24 hours a day, 7 days per week) care and support in a registered care home.

4.3. Options for future for services in Cheshire East

In developing our services we will need firstly to work with Cheshire and Wirral NHS trust to see how housing can fit into their developing model, understand the feedback from service users and whether that has any messages for the role of supported housing.

This is an excellent opportunity for us to use the pathways approach to map out the services that we need and the outcomes that we wish to achieve for our clients. We can then recommission supported housing to deliver the range of services and outcomes that will support recovery and independence. At this stage we will also be able to consider the spread of services across the borough and address the current uneven distribution

5. Services for people with a physical disability

We have a very small number of people with a physical disability. We are currently funding 7 placements in care homes and supported living and PSSeX1 data indicates that our costs are comparatively low. No issues regarding the supply of services have been identified during the research for this strategy from feedback from both officers and service users.

5 people with disabilities attended 2 focus groups, 3 of whom lived at home either on their own or with family. None of the participants had any issues with their housing or plans to move but awareness of supported living options was very limited. Focus group participants did indicate that extra care housing sounded like a good idea and may be appropriate in the future.

Whilst the lack of feedback does suggest that there are no burning issues, the overall lack of feedback may indicate that we are not sufficiently engaged with this sector. It would be prudent to review our links with carers and users groups and consider whether we should be doing more to around engagement.

6. Our Strategy

The aim of this strategy is to support the delivery of supported housing in Cheshire East that:

- promotes living in the most independent setting possible;
- promotes independent living for as long as possible;
- provides choice in location, accommodation type, tenure, affordability and support arrangements; and
- maximises value for money

The issues that we are addressing are, in the main, very different for each of the client groups covered by the strategy and we have therefore set these out in different sections below. There are however two issues that arise across the sector as a whole and these are covered first.

6.1. Cross client group issues

Personal budgets

The draft care and support bill, Caring for our future, will bring in personal budgeting arrangement for all social care clients (excepting those in residential care) and this will have an impact on our contracting arrangements and in particular, block contracts. We will need to revise our contracting arrangements to accommodate personal budgets. To do this we will:

- review contracting practices elsewhere that include an element of personal budgeting
- consult with providers on to make this work locally
- develop a contracting approach that meets the legislative requirements, taking account of good practice and the views of our stakeholders

The ultimate shape of any changes will be determined by the final legislation for which the timetable has not yet been published. We can therefore not be certain of our delivery timescales for this work or the detail of the legislative drivers.

Nursing care costs

Our costs of nursing care are higher than comparator authorities for older people, people with a learning disability and people with mental health problems. With all these client groups our number of client weeks is higher .i.e. we have more people /longer stays and for our learning disability clients the weekly costs are also higher. It is important that we get the level of care and its duration right both for quality of care and for cost reasons. It is best practice to support people to live in the most independent setting possible; this helps promote independence rather than dependence and clearly it is not cost effective to pay for care that is not needed. The reasons for a comparatively high use of registered care are not entirely clear; it could be the initial assessment processes, review process or a combination of both and may result from our organisational culture. We will have to explore the reasons behind our nursing care usage in order to bring it line with comparator authorities. The data on the proportion of people with a limiting long term illness does not in any way indicate that our population is of poorer health than the average. Indeed for many wards our population has very good health and therefore we would not expect to see higher than average demand for nursing care.

In order to reduce our nursing care usage and bring it more inline with our comparator authorities we will:

- review our assessment processes
- carry out case reviews of clients in receipt of nursing care to establish whether placements are still appropriate
- revise our processes in light of these reviews to ensure that people are only placed in nursing care when is fully appropriate and the duration is

6.2. Supported housing for older people

We want housing that enables older people to live in the most independent setting possible for as long as possible, with the right support services. This means that we need a range of housing types and tenures with varying affordability, in accessible locations and with different options for the delivery of care and support.

Our processes must enable older people to make timely choices about moving home or staying put. This means the availability of good information and a willingness to discuss moving home as well as staying put. We must ensure that care and support can be delivered in flexible ways and that support is available to those on low incomes who do not qualify for social funded help. There are four elements to this strategy.

The first element is an emphasis on processes that prioritise independent living to reduce unnecessary admissions to residential and nursing care or to hospital and maximise an individual's ability to manage independently. In Cheshire East we already have well established reablement and intermediate care services but there is further work to be done to reduce admissions to registered and nursing care directly from hospital and to reduce the average length of stay in nursing care in line with national averages.

At the moment, when considering how to help an individual maintain independence at home, the emphasis is on helping people to stay exactly where they are. Whilst this is clearly a well documented priority, there is also considerable evidence that older people are willing to consider downsizing providing the right accommodation is available. Bringing this into discussions about maintaining independence at an early stage may enable some older people to move into more suitable accommodation at an earlier age, preventing or reducing the need for expensive adaptations and avoiding the need for a sudden need to move following a crisis.

Secondly, we need to address the oversupply of registered care and undersupply of extra care housing and promote a range of housing options for older people including a mixture of tenure options and locations across the borough.

Thirdly, there needs to be a more co-ordinated approach to the provision of information so that it is easy to access and available consistently from a wide range of agencies as identified in both the Aging Well Plan and housing strategy.

Fourthly, there will be an increasing need for people below the FACS eligibility thresholds to receive help at home. We need to explore ways of promoting mutual support so that help is at hand for those who are unable to afford to pay for services or anxious about getting a trustworthy person.

6.3. Promoting independence

The data on admissions to residential care from hospital and the number of resident weeks in nursing care indicate that despite existing approaches that promote independent living there are weaknesses within the system. There is a lack of clarity regarding the reasons for these two issues and as a priority we should carry out a more detailed investigation into hospital discharge to residential care and the assessment processes for nursing care. Strategies will be dependent on the findings and it will be important to establish to what extent the issue is primarily one of a lack of appropriate placements such as intermediate care or housing with support for both short and long term placements or a result of patient, carer and social care worker expectations.

There is some support amongst stakeholders for the use of some extra care housing as a supply of short-term housing and care provision to promote independence before returning home or pending a move. However there are some concerns about the affordability of this, especially under the current contracts for the PFI scheme. It is likely that the demand for intermediate care will increase as the population ages. We do have a high number of intermediate beds but we may also want to explore the use of extra care and sheltered housing for short term stays either, through adjustments to the contracts for the PFI schemes or with RSL providers.

It is also important that we include discussions about alternative independent housing with older people who come into contact with the council or voluntary services as a matter of routine. To do this we need to ensure that staff in housing and social care services are well briefed on the range of options available and change our culture so that discussing whether or not to move is seen as part of any discussion of long term needs. Our aim will be reduce hurried decisions at a time of crisis rather than promote any particular solution.

It will of course be essential that there are housing options to move to which brings us to the second priority, addressing supply.

To promote independence we will:

- Review how our residents move from hospital to residential (including nursing) care to identify why we have a high proportion of such moves and introduce strategies to bring the proportion in line with other authorities in the North West
- Review the process of assessment for nursing care to identify why we have such a high number of resident weeks in comparison with other authorities and put in place strategies to bring the number down to a level that is at least comparable with our statistical neighbours,
- In the light of the findings regarding our processes, we will assess whether we have enough housing with care and intermediate care to meet our needs and support discharge to alternatives to residential care
- We will work with our staff and other agencies to develop a culture that sees discussions about moving home to something more manageable as a natural part of any assessment of needs for older people

6.4. Improving the supply of accommodation for older people

At the moment, our supply of older people's accommodation is characterised by an oversupply of registered care and under supply of alternatives.

6.4.1 Registered care

The oversupply of registered care and the resulting inward migration of clients from outside of Cheshire East poses a considerable challenge as long term self paying residents who run out of funds migrate to social care funding. As the provision is privately run the council has little direct control on existing services and can only look planning controls to manage new developments.

6.4.2 The planning context

The planning landscape has changed considerably since May 2010 with substantial changes to the approach to both policy and decision-making. The National Planning Policy Framework was published in March 2012. The Framework replaces all existing national planning guidance and statements, including Planning Policy Statement 3: Housing. It makes a presumption in favour of 'sustainable development' and impacts policy and decision-making. The SHLAA and SMHA, core documents in the development of planning policy under PPS 3: Housing, continue to be key documents for understanding local housing need under the new National Planning Policy Framework. However, as noted in the SMHA, it may need to be updated if there is to be a move away from the current approach to the provision of housing for vulnerable people. The SMHA is based on:

- Review of extra care provision (Peter Fletcher Associates)
- Whole systems modelling project commissioned by Cheshire County council in 2005 based on 2005 population projections to 2010
- Older people's housing strategy 2006
- Cheshire supporting people strategy 2005-2010.

The Localities Act 2011 abolishes regional strategies as well as introducing more flexibility for decision making about social housing at a local level. Local authorities are still obliged to ensure that social homes go to the most vulnerable in society and those who need it most. The Secretary of State for Communities and Local Government has indicated that all regional strategies will be revoked over the coming months. The North West Regional Spatial Strategy has not yet been revoked. Some authorities continue to use regional spatial strategies as a material consideration when making planning decisions.

At a local level, the East Cheshire Local Plan is being prepared which will set the future direction for local planning decisions. This will continue to be a core planning document at a local level under the provisions of the new National Planning Policy Framework. In Cheshire East, Issues and Options, Sustainability Appraisal and Place Shaping consultations have been undertaken. There is an opportunity to influence the policies in the Local Plan while it is being developed. The following recommendations are taken from 'Housing our ageing population – plan for implementation (HAPPI 2).

The local authority could:

- ensure their Local Plans give prominence explicitly to meeting the needs of their ageing population, encouraging private and social providers to bring forward HAPPI-style projects;
- recognise that housing for older people has environmental and sustainability advantages in its

density and lower traffic use, while being less likely to arouse public opposition;

- set the tariff for CIL (Community Infrastructure Levy) payments for retirement apartments for sale at levels that recognise the additional gains from such housing, e.g. with charges set on a per dwelling basis, rather than on a per square meter basis, to enable the larger internal floor areas of HAPPI standards to be met; and consider halving the CIL for specialist housing and waiving it where communal facilities are open to the wider public;
- act sensitively when negotiating Section 106 Agreements for affordable housing in recognition that retirement housing brings other benefits but costs more to develop than flats for young people

There is however concern that existing Council policies do not support the refusal of new applications for residential nursing home provision and enable new developments regardless of local need. A review of the existing saved policies for Cheshire East supports this view. At present, planners are reliant on the saved policies in existing local plans. There is limited scope within these plans to support the refusal of planning applications for residential nursing homes. Indeed, the Maccelsfield Saved Policies support the development of residential nursing homes. Policy DC5 sets out the criteria that must be used including proximity to local facilities, balance with residential use, car-parking provision and protection of amenity. Other relevant policies are contained in the Congleton Supplementary Planning Document: Affordable Housing and Mixed Communities (2006), which makes provision for extra care, supported and adapted housing.

The North West Regional Spatial Strategy, under policy L4, seeks to ensure an appropriate housing mix to '*ensure the construction of a mix of ensure that new housing development does not have an adverse cumulative impact on the existing housing stock and market*'. While it is the Government's intention to abolish this strategy under the provisions of the new Localities Act, there is scope to continue to use this policy for decision-making, in conjunction with other supporting policy developments.

The new National Planning Policy Framework should also be used. Until March 2013, the local authority has some discretion over the weight it gives the National Planning Policy Framework as a material consideration when determining planning applications. The framework states: *where the development plan is absent, silent or relevant policies are out-of-date, permission should be granted unless:*

– any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole

The National Policy Framework also clearly states that:

Local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three. Significant adverse impacts on any of these dimensions should be avoided and, wherever possible, alternative options, which reduce or eliminate such impacts should be pursued.

Until new planning policies are in place, it is considered the refusal of further residential nursing home development while new local plan policies are developed could be justified using a combination of:

- the SMHA and existing policies that support a move away from residential care to extra care housing

- supported by the National policy framework which supports sustainable development

In order to take this forward we will:

- follow the guidance from HAPPI 2 in developing our Local Plans so that they support us in turning down planning applications that will increase the supply of registered care and promote the development of alternatives
- use existing policies, as outline above, and our evidence of an oversupply of registered care to refuse applications for registered care until our Local Plan is finalised.

6.4.3 Increasing the supply of extra care housing

Table 7 shows the very uneven distribution of extra care provision across Cheshire East and our strategy must include addressing the inequality of supply, concentrating on those areas initially with the lowest supply.

The current economic climate is having an impact on the affordability of extra care housing (HAPPI 2) which is reflected in the views of Cheshire East stakeholders. As well as issues with amenities and space standards, providers are concerned about the viability of care services. Future developments may be restricted to larger developments with the full range of services or smaller schemes with less communal space and fewer services. The current affordable housing funding regime is causing some concern regarding the viability of developing affordable extra care housing with costs of higher space standards and communal space.

The long term development of extra care services will need to be an iterative process that takes account of changes to benefits, social care funding and social housing subsidy arrangements.

We will also want to consider how we can introduce a range of financing options such as those being piloted by the Joseph Rowntree Trust and Extra Care Housing Trust to give residents greater certainty over the charges.

Staffordshire County Council has adopted a definition of extra housing and the SHMA recommended that we follow suit. Developing a shared definition with partners and stakeholders will assist us in clarifying together how we want to develop extra care locally and contribute to a specification for future developments. However, the Staffordshire definition was developed prior to the impact of the current economic environment and needs to be tested against the current economic climate and local priorities.

The Staffordshire definition of Extra Care Housing

The basic principles of extra care:

- Living at home not in a home
- Having one's own front door
- Renting or owning a property

- Providing culturally sensitive services delivered within a familiar locality
- Delivering flexible care delivery based on individual need – that can increase and decrease according to the individual circumstances
- Affording the opportunity to maintain or improve independent living skills
- Providing accessible buildings with 'smart' technology that makes independent living possible for people with physical or cognitive disabilities including dementia (assistive technology1)
- Building a real community including mixed tenures and mixed abilities, which contributes to the wider community and benefits from other services (leisure, IT, art, culture etc)

Minimum standards

- Self contained flats with kitchen and bathroom facilities that support and enable independence and the delivery of care services
- Staff facilities- office and sleep over room
- Barrier free spaces that are accessible and aid residents mobility
- Communal facilities lounges, dining and day rooms
- Guest facilities and
- Staff on site to maintain the building and manage the delivery of care and support services

Aims:

- Promote and maintain independence and choice for older people regarding their housing, support and care
- Provide long term support and care in an independent housing setting
- Prevent unnecessary admission into hospitals or long term residential care
- Assist in the reduction of delayed discharge from hospitals
- Build and develop partnerships between Staffordshire County Council and the housing, health, voluntary and private sectors
- Assist in the meeting of performance assessment framework (PAF) targets to reduce the number of residential care admissions and increase the number of persons with packages at home

Support the development of Extra Care Housing both for people who wish to rent, and those

who are owner occupiers

There are a number of other challenges in delivering more extra care housing in addition to the economic issues. The current experience within Cheshire East and elsewhere demonstrates the difficulties in delivering balanced communities and pre determined splits in tenure. Uncertainties regarding the funding of personal care are making providers nervous about committing to new developments and feedback regarding some of the provision in Cheshire East highlights the potential for creating social isolation if the location is not extremely accessible.

Nevertheless, the experience of neighbouring Staffordshire indicates that with the right approach there is continuing interest in developing more schemes. Staffordshire have adopted a flexible approach so that providers can design their own schemes apart from core criteria laid down in the commissioning process. Providers are now keener to provide care in order for the scheme to stack up and larger schemes mitigate the uncertainties of personal budgets. The creation of hub and spoke models also enables providers to improve viability of care services by extending services beyond core scheme.

There are examples of extra care housing elsewhere which is successful in generating community use of communal rooms and services but this has not happened within Cheshire East. For successful community use it is important that the communal space can be separated from living accommodation.

A number of interviewees and the wider literature highlight the importance of pre-allocation of places for new schemes so that the initial allocation goes smoothly; high needs places need to be allocated last although an example was given of the use of temporary registered care accommodation to enable high needs clients to be pre-allocated places.

The prevailing climate supports the development of larger schemes or villages. The development of more extra care schemes in Cheshire East will be dependent on the availability of sites that can deliver a viable scheme whilst also providing good access to services and public transport.

With the current uncertainties surrounding the development of extra care housing setting long term targets for delivery may result in undeliverable aspirations. We can however clearly see that the distribution across Cheshire East is uneven. This means that, in Poynton, older residents seeking to stay in the area but move to older persons housing will only be able to consider registered care or ordinary sheltered housing and in Knutsford there is no affordable extra care offer, although there is a large private scheme. Our focus group indicated that it is important for some people to stay in their local area and therefore we need to ensure that choice is available locally across the borough. Macclesfield and Wilmslow both have lower levels of provision than Crewe, Nantwich and Congleton but Macclesfield has a mix of providers whilst Wilmslow has an RP provider only.

We will therefore initially focus on addressing the current imbalance of provision which leads to a hierarchy of LAP areas for promoting further mixed tenure extra care.

First priority: Poynton and Knutsford

Second priority: Macclesfield and Wilmslow

Third priority: Crewe, Nantwich and Congleton

However affordability issues for low income households will mean that they are excluded from excluded from extra care housing as a preventative measure unless the support and care costs for low need or 'wellbeing' households can be subsidised e.g. through Supporting People. Once they meet the threshold for social care funding these costs will be covered but there will be an inequality of access. Low income households needing to downsize may only be able to consider non-specialised or sheltered housing.

We also need to address the problems owner occupiers are having in selling their properties which are preventing downsizing and moving to extra care and other alternatives.

In order to take this forward we will:

- develop a Cheshire East definition of Extra Care Housing that takes account of the current economic climate and sets our core criteria for future Extra Care developments
- carry out an appraisal of potential sites to identify which meet our core criteria in terms of size, location and accessibility
- engage with potential providers to establish the appetite for new development locally and the degree of flexibility needed to create a viable option
- consider how we can reduce costs so that low income households have a choice to move to extra care housing if they are not eligible for social care
- consider how we can incorporate new financing arrangements to give residents greater financial security
- review deliverability and take up of schemes to assess the viability of further developments in the light of prevailing economic climate
- support the development of private extra care schemes within the planning process
- review the Redbridge 'Free Space' scheme and consider whether we can introduce something similar

6.4.4 Sheltered housing and un-supported accommodation

Sheltered housing has been suffering recent years from a change in expectations with many smaller schemes with bedsits and shared facilities being decommissioned or reconfigured. RP providers report an acceptable level of demand for the majority of their remaining schemes and it is important that this option remains. Bungalows remain a very popular option especially within general needs estates. Recent exercises with under-occupying tenants on housing benefit has highlighted the popularity of a move within the same estate to a bungalow, but also suggests that flats could also be an option if sufficiently desirable and with access to a garden.

Focus group feedback also indicates the importance of accommodation that is close to amenities and public transport. There are already a number of floating support services with Cheshire East and increasing telecare provision demonstrating that off site support and the increasing variety of electronic assistance can adequately support older people in non-specialised accommodation.

To meet the demand for downsizing to non-specialised housing we will

- promote the development of owner occupied, shared ownership and affordable accommodation built to life time home standards in urban centres where there are good amenities
- support the provision of accommodation for downsizing households within existing estates
- promote the use of lifetime home standards more widely
- monitor the demand for social sheltered housing to assess, on a regular basis whether the current supply is meeting demand

6.4.5 Improving information and guidance

The importance of having good information easily available has been highlighted in our Aging Well plan and housing strategy.

We will improve the availability of information to older people by:

- working with Age UK to create a local information pack on the options for moving home and staying put across Cheshire East
- helping local people who have successfully downsized to tell their stories and bring positive messages to the fore
- ensure that older people approaching our housing options service are provided comprehensive information on all their options, including extra care
- work with social care staff to ensure that they are able to sign post their clients to effective housing advice and information and see this as part of their role.

6.4.6 Promoting mutual support

Peer support schemes are one way to both promote help with practical jobs and provide a social network. Both are important in maintaining the health and well being for older people and will be increasingly important as more people are ineligible for assistance with social care but still in need of some help and assistance.

To promote mutual support we will:

- We will consider supporting the implementation of a peer support scheme, similar to the Suffolk and Southwark Circle schemes.

6.5. People with a learning disability

Our aim for people with a learning disability is to create a range of supported options that can meet the needs of our clients in the longer term in a cost effective way. This means catering for our current service users as they and their families' age and meeting the needs of the younger population as they reach adulthood. We need to consider:

- people living in supported housing who may prefer to move into a more independent setting ;
- adults currently living with their family who may chose to move out of the family home;
- adults currently living with their family whose carers are having difficulty managing and who therefore need to consider moving even if it is not what they really want;
- young people who will reach maturity over the next few years who may chose to live independently rather than stay at home

For some people the choice of whether to live independently will depend on what is available. Families will be more or less reluctant to promote independent living for the person they care for depending on their view of the suitability of the options.

The main issue raised has been a need for more independent accommodation although this is less of a priority amongst service users than commissioners and providers. With a substantial proportion of our clients aged 50 and over we also need to consider whether for some we will be able to meet their needs in supported housing that is traditionally considered to be for older people, such as sheltered housing and extra care. However, some of our extra care housing has been identified as remote from services and may not be suitable for people with a learning disability if it inhibits access to services.

Younger people with learning disabilities may have more complex needs than the current population because of medical advances that make survival following premature birth more likely. It is also likely that more and more adults with a learning disability will also have physical disability needs. We will need to ensure that we fully consider future needs, however the population projections do not indicate any significant increase in numbers.

However, given the potential for additional costs, for example in the provision of 24 hour cover, it is important to establish the costs of different models and how well they will meet the needs for both our existing future clients.

To consider in more detail the options for more independent housing we will:

- work with providers to model the care costs of providing more independent accommodation for our existing client profile in a range of different settings e.g. smaller units of shared accommodation, groups of independent flats with staff on site, fully independent flats.
- apply our modelling to the profile of young people approaching transition to establish if the future needs can be met through any preferred option for our existing clients
- model the financial impact of voids at our shared housing in the event of a proportion of clients choosing more independent alternatives
- use these modelling exercises to determine the extent to which more independent living is financially viable in the longer term and develop
- review the future of our in-house provision in the light of the outcome of the modelling exercises and the work on personal budgets

We also need to be more creative in thinking about the use of other types of supported accommodation such as sheltered housing and extra care for our older clients. We will

- explore with providers of sheltered and extra care housing their capacity to meet the needs of older people with a learning disability
- develop clear guidance on the availability and suitability of extra care housing
- ensure that commissioners are aware of the potential for using extra care housing and discuss this with clients where appropriate

6.6. People with mental health problems

Our aim for people with a mental health problem is to develop a housing pathway, with a choice of provider, which supports recovery and enables the majority of our clients to move into an independent setting after a period of time in supported housing. In order to achieve this we first need a clear picture of the extent to which our current provision supports recovery and moving on into independence and an assessment of how well we prioritise recovery in our working practices. We need to develop our pathway alongside the changes that are being implemented in the community mental health teams and with the local GP commissioning groups who will have responsibility for primary mental health care.

We firstly need to understand whether or not our current practices and the services we use are sufficiently focussed on recovery and support our clients in moving into independent living. We will therefore review our existing placements to identify how long each individual has been in their current setting and whether there is a clear plan in place to support their recovery and move into a more independent setting. This will also help inform our assessment of the number of places that we need. Although there is some indication of a shortfall in places, we may not need additional places if a greater focus on throughput generates more vacancies over time.

Secondly we will work with all our stakeholders to develop a Cheshire East housing pathway for people with mental health problems. We will work on this with our health partners at the mental health trust and GB commission consortia, service providers and service users.

Thirdly, once we have developed our pathway and understood how well our services currently perform we will recommission our services to deliver our pathway across Cheshire East with a focus on outcomes for clients.

The key actions in delivering refocused services are to:

- review our current services to establish how well they support recovery and movement into independent living;
- develop with our partners and service users a clear housing pathway with a focus on recovery;
- recommission our services in line with this pathway; and
- revise our contracting approach to focus on outcomes and moving on into independence

6.7. People with a physical disability

Our research for this project has not identified any particular issues with services for people with a physical disability and the level of provision is very low. This may mean that a low demand is adequately met and not further action is needed. However, the low level of response may also indicate that we are not sufficiently aware of the issues for people with a physical disability and we will therefore review our links and communication with this sector to ensure that we are indeed properly aware of the needs and issues of this group of people.

CHESHIRE EAST COUNCIL

CABINET

Date of Meeting:	4 th March 2013
Report of:	Head of Human Resources and Organisational Development
Subject/Title:	Pensions Discretions
Portfolio Holder:	Councillor Barry Moran Portfolio Holder for Performance

1.0 Report Summary

- 1.1 This report outlines two additional Local Government Pensions Discretions that must be considered by the Council and included within the Council's current Employer Discretions by 31 March 2013.

2.0 Decisions Requested

- 2.1 Cabinet is requested to consider the report and agree to the recommendation to exercise its discretion in the following two cases.
- 2.2 **First discretion to be considered:** Whether to release benefits early to employees who left local government with an entitlement to a Tier 3 ill health pension which has since come to an end. Employees in such circumstances cannot currently access their pension before the age of 60, leaving a period where they would not receive a pension. This new discretion enables employees in these circumstances to apply for payment of the deferred pension between the age of 55 and 60 (under Regulation 30 of the Local Government Pension Scheme) on compassionate grounds.
- 2.3 **Recommended:** That Cabinet adopts the discretion to provide for the early release of pension to a former employee who has a suspended Tier 3 ill health pension, on or after 55 and before the age of 60, where such release on compassionate grounds can be satisfied.
- 2.4 **Second discretion to be considered:** Where suspended (deferred) pension benefits are released in the above circumstances, whether or not to waive (on the grounds of compassion) any reductions that would otherwise apply to the member's pension and lump sum.
- 2.5 **Recommended:** That Cabinet does not adopt this discretion to waive, on compassionate grounds, the actuarial reduction applied to the release of pensions benefits paid early under regulation 30.

3.0 Reasons for Recommendations

3.1 To comply with the Local Government Pension Scheme (Miscellaneous) Regulations 2012, which came into force on 1 October 2012.

4.0 Wards Affected

4.1 None

5.0 Local Ward Members

5.1 N/A

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

6.1 N/A

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

7.1 There would be no direct financial cost to the Council in adopting the recommendation in this report to treat former employees who have previously received a Tier 3 ill health pension, in a consistent way with other former employees who have not (where such employees were members of the LGPS). Whilst the costs of early release of pension would eventually be absorbed into the next valuation for the Council, the overall impact would be negligible given that the historical number of applications have been very low, averaging one a year.

7.2 The report also recommends that Cabinet does not adopt the discretion to waive, on compassionate grounds, any actuarial reduction applied to the release of pension benefits paid early under Regulation 30. Therefore there are no costs associated with this aspect.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 Employers are required to review and update and publish their Pensions Discretions in line with the Local Government Pension Scheme (Miscellaneous) Regulations 2012.

9.0 Risk Management

9.1 No risks were identified.

10.0 Background

10.1 Currently an employee of the Council can be granted retirement on the grounds of ill health where the Independent Registered Medical Practitioner (IRMP) determines from the evidence that they are permanently incapable of discharging the duties of their employment.

- 10.2 However, where the IRMP judges that the employee is medically capable of undertaking any gainful employment within three years, a Tier 3 benefit is awarded to the employee as a short term interim pension. Tier 3 benefits are time limited for a maximum of three years or sooner if the employee is able to return to work within the 3 years. The pension is therefore suspended at the end of the three year period, or earlier if the employee is able to return to work and remains deferred until the employee reaches normal retirement age. It should be noted that there are three tiers of ill health pension benefits with Tiers 1 and 2 providing for the permanent release of pension (with differing levels of enhancement). Tier 3 however differs in two ways, in that it does not provide for an enhancement and is time limited.
- 10.3 'Gainful employment' is defined in the LGPS regulations as paid employment for not less than 30 hours in each week for a period of not less than 12 months.
- 10.4 As a result of the Local Government Pension Scheme (Miscellaneous) Regulations 2012, which came into force on 1 October 2012, employers are now required to incorporate two additional discretions, detailed in sections 2.2 and 2.4 and in the table below, into their published policy by 31 March 2013.
- 10.5 The current Pensions Discretion Policy already allows deferred pensioners to request early release of their pension under regulation 30 of the Local Government Pension Scheme, on compassionate grounds. However, it does not specify that this would also include former employees whose Tier 3 pension benefit has been stopped or suspended (which will be no later than three years after it was awarded).
- 10.6 Where early release is granted for deferred members,(as stated above, which can only be on compassionate grounds), the Council's current Pensions Discretion Policy states that pension benefits will be actuarially reduced for deferred members (unless the deferred member is in the protected '85 year rule' group). Therefore the current Pensions Discretions Policy does not waive, on the grounds of compassion, any reductions that would otherwise apply to the deferred member's pension (unless they are in the protected group.)
- 10.7 It is proposed that the Council apply the same discretions that would apply to former members requesting early release of their pension on compassionate grounds (as stated in the table below), to a former member who has previously received a Tier 3 ill health pension which has now ceased. The rationale being that once a Tier 3 pension has ended (no longer than three years after being granted) the former employee shouldn't be treated any differently to any other former employee who may request to have early release of their pension on compassionate grounds. This provides for consistent treatment of pensions for former employees.

- 10.8 Typically, the Council received approximately one request per year on this basis and so the number of occurrences the Council would apply this discretion would be few and far between.
- 10.9 The table below lays out the Council's current policy on the application of the discretions whereby the Council presently considers early release of pensions on compassionate grounds. The shaded part of the table illustrates how these two new proposed discretions would apply, should they be adopted.

Discretion	Current Policy on the Discretion	Proposed Policy on the Discretion
<p>Choice of early payment of pension</p>	<p>Policy for Active Members. – Early release of pension to an active employee will only be approved where the Council is satisfied that such release represents value for money, or is on compassionate grounds. The Council will release benefits on compassionate grounds in full for active members.</p> <p>Policy for Deferred Members (former employees) – Early release of pension to a former employee will only be approved where the Council is satisfied that such release is on compassionate grounds. See footnote.</p> <p>Benefits will be actuarially reduced for deferred members (unless the deferred member is in the protected '85 year rule' group).</p>	<p>No change</p>
<p>Early payment of pension – ill health</p>	<p>Requests from ex employees with deferred benefits who seek early release of their pension on the grounds of ill health will be referred to an IRMP who will certify whether or not the</p>	<p>No change</p>

	ex employee is permanently incapable of undertaking the duties of their former employment because of ill health and that they have a reduced likelihood of obtaining any gainful employment before age 65 or for at least three years whichever is the sooner.	
Where a Tier 3 ill health pension has previously been suspended, discretion to grant an application for release of deferred pensions benefits on or after 55 and before age 60 on compassionate grounds.	No current policy	Policy for Deferred Members – Early release of pension to a former employee who has a suspended Tier 3 ill health pension, on or after 55 and before the age of 60, will only be approved where the Council is satisfied that such release is on compassionate grounds.
Where a Tier 3 ill health pension has been suspended, discretion to waive, on compassionate grounds, the actuarial reduction applied to the release of a deferred pension paid early (i.e. on or after age 55 and before age 60 under Regulation 30.	No current policy	Policy for Deferred Members: The Council will not be adopting this discretion to waive, on compassionate grounds, the actuarial reduction applied to the pension paid early under regulation 30 (unless the deferred member is in the protected '85 year rule' group).

Footnote: *Requests for release on Compassionate Grounds - Such cases normally arise as a result of an employee's/former employee's need to give up work to care for a very dependent relative. Pension release will not be agreed where the care needed is temporary (e.g. in terminal cases). Decisions will be based on the circumstances of the individual case and not on the cost, although this issue will need to be addressed if release is agreed.*

11.0 Access to Information

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

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