

Cabinet Agenda

Date: Tuesday, 11th November, 2014
Time: 2.00 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

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

1. **Apologies for Absence**
2. **Declarations of Interest**

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

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

In accordance with Procedure Rules Nos.11 and 35 a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the meeting. Individual members of the public may speak for up to 5 minutes but the Chairman or person presiding will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given.

Contact: Paul Mountford, Democratic Services Officer
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

4. **Questions to Cabinet Members**

A period of 20 minutes is allocated for questions to be put to Cabinet Members by members of the Council. Notice of questions need not be given in advance of the meeting. Questions must relate to the powers, duties or responsibilities of the Cabinet. Questions put to Cabinet Members must relate to their portfolio responsibilities.

The Leader will determine how Cabinet question time should be allocated where there are a number of Members wishing to ask questions. Where a question relates to a matter which appears on the agenda, the Leader may allow the question to be asked at the beginning of consideration of that item.

5. **Minutes of Previous Meeting** (Pages 1 - 10)

To approve the minutes of the meeting held on 14th October 2014.

6. **Macclesfield Town Centre Housing Strategy (Ref CE 14/15-14)** (Pages 11 - 80)

To approve the Macclesfield Town Centre Housing Strategy.

7. **Poynton Relief Road, Preferred Route Assessment and Next Steps (Ref CE 14/15-7)** (Pages 81 - 98)

To consider a report recommending a preferred route for the proposed Poynton Relief Road and seeking approval to undertake further work.

8. **All Change for Crewe - Sydney Road Replacement Bridge (Ref CE 14/15-10)** (Pages 99 - 114)

To consider a scheme for a replacement bridge at Sydney Road, Crewe.

9. **Responding to the Views of Local People and Businesses about Car Parking in Cheshire East (Ref CE 14/15-23)** (Pages 115 - 120)

To consider a report responding to the views of local people and businesses about car parking in Cheshire East.

10. **Transport Service Solutions Ltd (Ref CE 14/15-30)** (Pages 121 - 128)

To consider a report seeking approval to establish a contract between Cheshire East Council and Transport Service Solutions Ltd for the delivery of transport functions.

11. **Highway Services Contract - Extension to the Service Period (Ref CE 14/15-24)** (Pages 129 - 134)

To consider a report seeking approval to extend the Highway Service Contract.

12. **Cheshire East Council Partnership with Congleton College (Phase 1)** (Pages 135 - 140)

To consider a proposal for the Council to work in partnership with Congleton College to enable young people to receive training and employability skills in a care setting and to develop a community resource in Congleton that will meet the changing needs of the community.

13. **Adult Social Care Charging Policy Review (Ref CE 14/15-31)** (Pages 141 - 146)

To approve public consultation in respect of changes to the Council's charging policies community-based services.

14. **Re-Commissioning of Sexual Health Services (Ref CE 14/15-21)** (Pages 147 - 156)

To consider a report on the re-commissioning of sexual health services in Cheshire East.

15. **Heritage and Cultural Renewal in Macclesfield (Ref CE 14/15-12)** (Pages 157 - 162)

To consider a phased programme of works to be undertaken in order to re-open Footpath 53, Step Hill, Macclesfield to members of the public.

16. **2014/15 Mid-Year Review of Performance** (Pages 163 - 218)

To consider a report setting out the Council's financial and non-financial performance at the mid-year stage of 2014/15.

17. **Property Search Fees** (Pages 219 - 220)

To consider an update report in respect of claims against the Council for refunds of property search fees.

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CHESHIRE EAST COUNCIL**Minutes of a meeting of the Cabinet**

held on Tuesday, 14th October, 2014 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, P Findlow, B Moran, P Raynes, D Stockton and
D Topping

Members in Attendance

Councillors Rhoda Bailey, S Corcoran, K Edwards, I Faseyi, R Fletcher,
M Grant, P Groves, B Livesley, P Mason, R Menlove, A Moran, B Murphy,
D Newton and A Thwaite

Officers in Attendance

Mike Suarez, Lorraine Butcher, Peter Bates, Anita Bradley, Caroline
Simpson, Heather Grimbaldeston, Brenda Smith, Steph Cordon and Paul
Mountford

Apologies

Councillors J Clowes, L Gilbert and S Carter

62 DECLARATIONS OF INTEREST

There were no declarations of interest.

63 PUBLIC SPEAKING TIME/OPEN SESSION

Mr Bob Mynett spoke in relation to the proposed peace pole on Scotch
Common, Sandbach and asked that the Council support the proposal.

The officers confirmed that the Council owned the land at Scotch Common
and would be able to facilitate the proposal. They also referred to a new
request for a peace pole at Alsager.

Although the proposed peace pole for Sandbach was to be considered
later in the meeting in relation to a notice of motion, the Cabinet took the
opportunity to express its support for the peace poles at Sandbach and
Alsager.

64 QUESTIONS TO CABINET MEMBERS

Councillor S Corcoran referred to the recent adjournment of the
examination hearing for the Council's Local Plan and asked if the Leader
would join him in hoping that the Local Plan would be approved quickly.

The Leader responded that he supported the break in the hearing as a way of ensuring that the views of local people and communities were not overshadowed by those of developers. He expressed his confidence in the Inspector and confidence in the process to date.

Councillor B Murphy asked the Leader if he was concerned about anything in particular in regard to the Local Plan and the hearing. The Leader responded that the Council had put forward a Local Plan which was robust.

65 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 16th September 2014 be approved as a correct record.

**66 NOTICE OF MOTION - MAKING OF ROADS ON NEW ESTATES
SUBJECT TO A 20 MPH SPEED LIMIT**

Cabinet considered the following motion which had been moved by Councillor R Fletcher and seconded by Councillor D Neilson at the Council meeting on 17th July 2014 and referred to Cabinet for consideration:

“Most, if not all, new approved Planning Applications for large estates have a condition that the developers build the road in a way that is unsuitable for driving at speeds in excess of 20mph.

However, it appears that not all residents or visitors to these estates are aware that the roads on these new estates are usually set at different levels can damage their vehicles if they drive in excess of 20mph.

Local garages have stated that the increase in damage to cars is being caused by potholes, the poor state of Cheshire roads, and driving at excess speed over road humps.

The Council therefore calls for official 20mph speed limits to be imposed when Cheshire East Planning Department imposes a condition that roads be built to ensure that speeds are limited to 20mph maximum and that any associated legal costs and erection of signs is paid for by the developers.”

The report examined the opportunities and effects of two options for the control of traffic speed on new estate roads which come forward through new development proposals. The options were either to create a design for the layout of new housing roads which would be self-regulating at a 20mph design speed, or to impose traffic regulation orders which would put in place legislative control for a 20mph speed limit.

The design-led approach to managing speed was appropriate and aligned with national policy and guidance. It did not include vertical traffic calming features such as road humps which were not supported by the Council. Traffic regulation orders were costly and could not be supported through planning conditions as they fell under Highway Legislation. Such orders would require signing maintenance and would be unlikely to be enforced.

It was confirmed that a design-led approach was already in operation in Cheshire East. It was acknowledged, however, that there were demands in some areas for 20 mph restrictions, including some existing estates and villages, and there would be merit in considering the wider issue of 20 mph speed limits throughout the Borough.

Councillor R Fletcher, the proposer of the motion at Council, attended and spoke on this matter.

RESOLVED

That

1. for new residential developments where it is appropriate and where there is Local Demand, the Council support the provision of a highway environment which creates a self-enforcing 20mph design speed;
2. the motion for imposing 20mph speed limits on all new developments be rejected; and
3. the relevant overview and scrutiny committee be asked to review the issue of 20 mph speed limits throughout the Borough.

67 NOTICE OF MOTION - PEACE POLE ON SCOTCH COMMON IN SANDBACH

Cabinet considered the following motion which had been moved by Councillor S Corcoran and seconded by Councillor G Merry at the Council meeting on 17th July 2014 and referred to Cabinet for consideration:

“This Council supports the efforts of Churches Together in Sandbach, with support from Sandbach Town Council, to plant a Peace Pole on Scotch Common in Sandbach.”

This was an international project where local areas were asked to plant a Peace Pole to promote world peace.

The report outlined the issues that would need to be considered in relation to the erection of a Peace Pole to establish community benefit.

The Cabinet had expressed its support in principle for the peace pole earlier in the meeting. However, the following conditions would need to be met:

- § the provision by the lead organisation of details of all necessary permissions to be obtained from the Council with confirmation that the costs would be met by the lead organisation;
- § confirmation of support from any other agencies that may need to be consulted;
- § confirmation that all costs for repairs and annual maintenance would be met by the organisation that wished to install the Peace Pole for the lifetime of the Peace Pole;
- § any liabilities for injury to persons or property related to the Peace Pole to remain with the organisation that wished to install it and not with the Council; and
- § that if for any reason the Peace Pole had to be removed, all costs for making good Council-owned land would be met by the organisation seeking the removal of the Peace Pole.

RESOLVED

That before any decision is made, evidence be provided that all necessary conditions as set out above can be met.

68 NOTICE OF MOTION - SPARE ROOM SUBSIDY

Cabinet gave further consideration to the following motion which had been moved by Councillor K Edwards and seconded by Councillor P Raynes at the Council meeting on 27th February 2014 and referred to Cabinet for consideration:

“In line with the aspiration to improve the quality of life of all in Cheshire East, this Council should be satisfied that there has been no harm done to the health and wellbeing of the residents who have been affected by the Spare Room Subsidy.

We therefore call upon this Council to carry out Health Impact, and Equality Impact Assessments on the effects of the implementation of the Spare Room Subsidy throughout the Borough.

In particular, the Council should assess the impact on those residents who have been detrimentally affected, because they have been in receipt of Housing Benefit Support since before 1996.”

An interim response had been considered by Cabinet on 29th April 2014 outlining the approach to be taken. This would require the undertaking of health, finance and equality impact assessments; and a review of those impacts on the housing waiting lists and availability of accommodation and on registered housing providers.

The report showed the number of households affected by the spare room subsidy across Cheshire East.

There had been a 30% increase since 2013/14 in the number on the waiting list looking for social housing, due to the increased demand to downsize with an increase of 12% by those facing overcrowding.

The report also set out details of the Health Impact Assessment. This showed that the majority of those affected could move and downsize and/or gain employment or increased hours, with only certain groups considered to be most vulnerable and most likely to be supported by a Discretionary Housing Payment. Further details were set out in the report.

The Corporate Welfare Reform Group was continuing to review and plan for the introduction of the wider welfare reforms, working with partners, and to evaluate the impacts on Cheshire East. The Benefits Team had been working with customers and stakeholders to help mitigate the impact and provide support and advice.

The Portfolio Holder for Finance asked that his thanks to Liz Rimmer and her team be placed on record.

RESOLVED

That Cabinet write to the Rt. Hon. Ian Duncan Smith MP with the findings of the study, and with the suggestion that the following areas be considered for review:

- § Having a clear definition within the Housing Benefit rules with regard to minimum size criteria for a bedroom;
- § Allow a bedroom for a child where there is regular access (e.g. a child stays at least one day a week overnight);
- § Consideration be given to allowing an additional bedroom where a couple are unable to share, matching the rules where children are unable to share a bedroom due to the medical needs of one of them;
- § An additional bedroom be allowed where it is required to store medical needs;
- § Local Planning authorities should encourage the building of more one and two bedroom accommodation.

69 MACCLESFIELD MOVEMENT STRATEGY (REF CE 14/15-6)

Cabinet considered the development of, and consultation on, a Macclesfield Movement Strategy.

The report addressed how the Local Plan development proposals had informed the Infrastructure Plan and the impact on the local highway network. It proposed a major multimillion pound investment to address key

highway pinch points and improve transport networks to deliver a 'Movement Strategy' for Macclesfield.

The report suggested a mechanism to ensure that new developments fairly contributed towards delivering the future highway improvements contained in the Movement Strategy.

This approach was also being developed in the Council's other key growth areas, including Congleton and Crewe, to ensure that key investment in critical new highway improvements was secured from new development ahead of adoption of the Local Plan and associated Community Infrastructure Levy.

RESOLVED

That Cabinet

1. approves the development of and consultation on a Macclesfield Movement Strategy, which will include prioritisation of highway improvement schemes, complemented by a package of sustainable travel improvements;
2. approves the establishment of a Local Member Forum to review the development and delivery of the Macclesfield Movement Strategy;
3. approves that the following locations be prioritised for the delivery of highway improvements immediately and that work commence on detailed scheme development and consultation:
 - ◆ A536 Congleton Road / Park Lane junction – 'The Flowerpot'
 - ◆ A536 Congleton Road / Moss Lane junction signalisation
 - ◆ A523 Silk Road minor lining improvements
 - ◆ A523 Mill Lane lining and widening improvements
4. notes that longer term, highway improvement schemes, as a minimum, will be required at the following key locations to accommodate the anticipated Local Plan development, the delivery of these improvements to be prioritised based on the pace and location of future development:

Silk Road	<ul style="list-style-type: none"> • Silk Road / Hibel Road junction and Hibel Road improvements
Chester Road	<ul style="list-style-type: none"> • A537 Chester Road / Ivy Road roundabout improvements • A537 Chester Road / Fieldbank Road junction improvements • Broken Cross roundabout improvements
Cumberland Street	<ul style="list-style-type: none"> • Cumberland Street corridor capacity improvements
Park Lane	<ul style="list-style-type: none"> • A536 Park Lane / Churchill Way roundabout improvement and Park Lane widening
Prestbury Road	<ul style="list-style-type: none"> • Prestbury Road roundabout improvements
Byron's Lane	<ul style="list-style-type: none"> • Signal optimisation and/or upgrade

5. authorises the appointment of Counsel to provide an opinion on the most appropriate way to secure the funding from developers towards the costs of these works and also to suggest a method for dealing with s106 obligations where the Council is the landowner;
 6. subject to the Counsel's opinion and progress with the Local Plan, authorises the Director of Economic Growth and Prosperity to approve the preparation of a Development Brief / Supplementary Planning Document for Local Highway Infrastructure to support the economic growth of Macclesfield, Congleton and Crewe to ensure that new developments fairly contribute towards new and improved infrastructure prior to the adoption of a Community Infrastructure Levy;
 7. delegates authority to the Head of Strategic Infrastructure in consultation with the Portfolio Holder for Housing and Jobs to take forward and deliver the initially prioritised schemes, subject to the Council's arrangements for the endorsement of the business case;
 8. notes the likely requirement for third party land to deliver the full benefit of the improvements to the Flowerpot junction and that approval is granted to enter into discussions with affected landowners and that the Chief Executive or his identified nominee, in consultation with the Cabinet Member for Prosperity & Economic Regeneration, and subject to taking advice from the Head of Legal Services and the Chief Operating Officer or their identified nominee(s), be given delegated authority to acquire options or interests in land required to facilitate the works;
 9. approves that any Council-owned land that is necessary for the delivery of the highway improvements identified in (3) above is made available and transferred for highway purposes; and
 10. delegates authority to the Director of Economic Growth and Prosperity in consultation with the Portfolio Holder for Housing and Jobs to submit a planning application (if required) for the schemes identified in (3) above.
- 70 **CHESHIRE EAST MUNICIPAL WASTE STRATEGY 2030 (REF CE 14/15-6)**

Cabinet considered the adoption of the Cheshire East Municipal Waste Strategy 2030.

The Municipal Waste Strategy 2030 had received strong endorsement from the public during its consultation phase with nearly 800 responses received, the majority of which agreed with the strategic objectives.

The strategy outlined the key aims and objectives for future municipal waste management in Cheshire East, the public consultation on these objectives and steps that would be needed to implement them.

The strategy would provide the Council with a long-term strategic policy and offer protection against the possibility of challenge from the waste industry over its waste and recycling activities; it would also assist the long term sustainability of its operations. Furthermore, the strategy would provide a vehicle to set measurable objectives for the Council's alternative service delivery vehicle, Ansa Environmental Services, in accordance with the aims, objectives and priorities of the Council.

Cabinet agreed the following amendments to the strategy:

Page 109 – removal of paragraphs under the heading 'Reduce the number of HWRCs'

Page 122 – removal of Optimisation of HWRC network

Page 144 – removal of the word 'efficiency' under the second recommendation

RESOLVED

That the Cheshire East Municipal Waste Strategy 2030 as amended be adopted.

71 HURDSFIELD COMMUNITY HUB (REF CE 14/15-25)

Cabinet considered a proposal for the creation of a community hub at Hurdsfield, Macclesfield.

At its meeting on 1 April 2014 Cabinet had approved a proposal "Outcomes of Creating Stronger Communities Review and How We Make It Happen. One element of that proposal was the creation of five pilot 'Community Hubs' including one at Hurdsfield in Macclesfield. The capital programme for 2014/15 included an item 'Redevelopment of Hurdsfield Family Facilities' with a value of £995,000. This was intended to provide for the rebuilding of the existing family centre due to its extremely poor condition.

The report sought confirmation that it was appropriate to utilise the capital allocation to deliver not just a new family centre but one that was flexibly designed so that it would also function as the community hub for that area, thus contributing to the Stronger Communities approach.

RESOLVED

That Cabinet

1. notes the work done to date on this project;

2. agrees that it is appropriate to utilise the original capital allocation of £995,000 to redevelop Hurdsfield as both a family centre and a community hub (within the physical restrictions of the site); and
3. authorises the Head of Communities and the Principal Manager-Early Help to proceed with the commissioning of the necessary capital works subject to a robust detailed business case being endorsed by TEG and EMB.

72 ADULT SOCIAL CARE COMMISSIONING STRATEGY

Cabinet considered a report on the Adult Social Care Commissioning Strategy.

The report sought approval for the Adult Social Care Commissioning Strategy 2014 -2017 at Appendix 1 of the report and the supporting Annual Delivery Plan at Appendix 2.

The Adult Social Care Commissioning Strategy 2014 -2017 was a three year strategy supported by an annual Delivery Plan. The Delivery Plan was a working document that was revised annually to reflect the progress of plans and identify further stages of those plans. This would be the tool used to ensure continuous improvements to support the delivery of better outcomes.

Further details were set out in the report.

RESOLVED

That the Adult Social Care Commissioning Strategy and the supporting Delivery Plan be approved.

73 CHESHIRE EAST ENERGY SUPPLY OFFER (REF CE14/15-16)

Cabinet considered a report proposing a strategic partnership with an energy supplier with the aim of enabling competitive energy pricing for residents of the Borough and supporting those in fuel poverty.

The alleviation of fuel poverty amongst Cheshire East residents was a key priority for the Council and it had been investigating a range of potential initiatives to address this. A number of local authorities were looking at mechanisms for reducing fuel poverty in their areas but Cheshire East Council had developed a real opportunity to achieve this and also create an energy offer that could benefit all residents in the Borough.

The solution, one of the first of its kind in the UK, would see the Council take a lead role in a strategic partnership with registered housing providers to enter into a formal contractual arrangement with an energy supplier. The Council's partnership with the energy supply company (preferred bidder) would enable competitive energy pricing for all residents but with

the added benefit of supporting those in fuel poverty who were currently penalised by their circumstances. It was stated that the more people signed up the better the price would be.

In order to identify and appoint an experienced industry partner, the Council had undertaken a fully compliant OJEU competitive dialogue procurement process in collaboration with the registered providers.

RESOLVED

That Cabinet

1. approves the selection of Bidder B as the preferred industry partner based on the Summary Bid Evaluation Report set out in Appendix 1 to the report following a fully compliant OJEU competitive dialogue process;
2. authorises officers (in consultation with the Registered Providers) to undertake clarification and fine tuning of the contractual arrangements with the preferred bidder identified in the report at Appendix 1;
3. delegates authority to the Chief Operating Officer as Section 151 Officer to negotiate and enter into a Strategic Alliance Agreement with the Registered Providers whereby the Council will be appointed the Lead Partner;
4. delegates the decision to award the contract to the Preferred Bidder to the Chief Operating Officer as Section 151 Officer in consultation with the relevant Portfolio Holder and the Head of Legal Services and Monitoring Officer;
5. authorises the negotiation of an agreement with the Preferred Bidder in relation to the use of the "Cheshire East" brand and logo for the purposes of promoting the energy supply offer and to authorise the Head of Legal Services and Monitoring Officer to complete the relevant agreement; and
6. authorises the Chief Operating Officer as Section 151 Officer and the Head of Legal Services and Monitoring Officer to take any necessary and consequential action arising from the above recommendations as set out in (1) - (5) above, only to be exercised in consultation with the Leader of the Council and the Finance Portfolio Holder.

The meeting commenced at 2.00 pm and concluded at 4.00 pm

M Jones (Chairman)

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 11th November 2014
Report of: Strategic Housing Manager
Subject/Title: Macclesfield Town Centre Housing Strategy (Ref CE 14/15-14)
Portfolio Holder: Councillor Don Stockton, Housing and Jobs

1. Report Summary

- 1.1 Housing and the sense of Community have been widely accepted as being of central importance to the success of any town or city in the UK. This view has been acknowledged within the Macclesfield Town Centre vision for which will ultimately position the town for the challenges of the 21st century.
- 1.2 The Macclesfield Town Centre Housing Strategy is designed to support this vision and demonstrate the role which Housing will play in the rejuvenation of Macclesfield.
- 1.3 The strategy itself has grown out of the **In-Town living project** as a need was identified to provide strategic guidance towards articulating the vision of the project which aims to bring empty / underutilised residential buildings and sites back into use. The strategy also provides specific information on the population and housing make-up of the town as well as to evidence the requirement for further housing in the area. The strategic direction links into the **Brownfield** project and the agreed approach approved by Cabinet in September 2014
- 1.4 The Macclesfield Town Centre Housing Strategy and the In-Town Living project aims together will produce several important benefits which will consequently support the regeneration in the town. Direct benefits would include:
 - Ensuring a vibrant and financially resilient town centre as well as supporting the local economy in the town both in the day and at night,
 - It would bring empty / underutilised buildings back into a useable condition thereby improving the overall look of the town centre areas,
 - It would also naturally provide increased pedestrian footfall in town centre which would also improve security for both residents and business owners alike.
- 1.5 Several actions have been identified within the strategy which will essentially govern the next stages of the In-Town Living project. A summary of those actions is as follows:

- Research must be conducted to identify further empty / underutilised properties & sites throughout the identified focus areas in the town centre and then converse with the owners of those properties to ascertain the barriers which have prevented re-use of those properties.
- Work must then be done utilising currently available tools such as the Council's Empty Homes Loan, which can assist owners to bring properties back into a useable condition.
- Assistance must be given to registered providers (RP's) seeking to bring empty units back into use as affordable housing which would then be allocated off Cheshire Homechoice.
- Assist ongoing work with sub-regional and internal partners to create a standardised but enhanced Empty Homes Tool-Kit which can then be presented to property owners and show them what assistance is available.
- Seek to attract additional funding streams to Macclesfield to support further In-Town living developments and link with other Macclesfield projects.

Although Macclesfield has been selected as a pilot area for the In-Town living project the underlying premise is that it can be reproduced in any of the towns across the borough.

2. Consultation Outcome

- 2.1** Following approval for consultation the draft strategy was made available for public viewing and comment over a 6 week period.
- 2.2** Consultation has also been ongoing with the members of the In-Town living partnership group throughout the drafting process. Furthermore, comments have also been sought from Macclesfield members prior to public release.
- 2.3** The consultation process has resulted in several enhancements to the final document including to some of the information within the strategy, and a redefinition of the "focus areas" which were originally identified by the project group.

3. Recommendations

- 3.1** That the final version of the strategy (*included within this report*) is approved by the cabinet.

4. Reasons for Recommendations

- 4.1** Approval of the Macclesfield Town Centre Housing Strategy will provide the catalyst towards enabling the Council to:
 - Articulate the vision, aims and objectives of the In Town Living project, demonstrating how housing is going to play its part in the regeneration of Macclesfield.

- Map the current empty or underutilised residential and commercial properties within the identified areas in order to identify owners and try to work with them to bring the properties back into use. Empty properties are a wasted commodity and in an area where there is high housing need for both affordable and private rented accommodation we need to find innovative solutions to bring them back into use.
- Realise **Outcome 5** of the Council's Three Year Plan: *People Live Well and For Longer*.
- Proactively provide a boost to **Outcome 2** of the Council's Three Year Plan: *Cheshire East has a strong and Resilient Economy*.
- Realise Priority 5 of the Council's Three Year Plan: *Securing housing that is locally-led, community-based, and meets local needs*.

5. Wards Affected

5.1 Macclesfield Central

6. Local Ward Members

6.1 Councillor Ken Edwards Councillor Janet Jackson

7. Policy Implications

7.1 The Macclesfield Town Centre Housing Strategy links to a number of other strategic work packages which are currently ongoing and includes:

- The Macclesfield Town Centre Vision, which identifies the needs and challenges faced by regeneration in Macclesfield Town Centre.
- The Housing Strategy – contributing towards the priorities to facilitate the development of both market and affordable homes and to make the best use of our existing housing stock.
- The Local Plan - Housing is mentioned substantially within the proposed local plan document which further enhances its position as an integral part of strategic planning throughout the borough and on a more local level in Macclesfield.
- The Vulnerable and Older Persons Housing Strategy – There is an identified need to provide supported accommodation within the Macclesfield area.
- Brownfield development work – Within Cheshire East there are a number of Brownfield sites located in our town centres (including Macclesfield) which would lend themselves towards residential re-development.

7.2 The strategy will set the direct of travel and articulate the vision of the In-Town Living project group and demonstrate the part that Housing can play in the regeneration of Macclesfield.

8. Implications for Rural Communities

- 8.1** As the strategy focuses on Macclesfield Town Centre, bringing empty or underutilised buildings back into residential use there would be no implications for rural communities other than to say that increasing the number of residential units available in the town centre would go some way to reducing the need to build on greenfield land in the future.

9. Financial Implications

- 9.1** The Strategy highlights the existing funding opportunities, which can be accessed by owners of empty homes. This includes working with Registered Providers who can access Homes and Communities funding and also Cheshire East's Empty Homes Assistance scheme, which provides loans of up to £10k. This scheme forms part of the Private Sector Assistance capital allocation.
- 9.2** Action MTCHS 5 contained within the strategy's Action plan is to seek to attract funding sources to support In Town Living development for example institutional investment. The Housing department has recently submitted a business case for a capital allocation of £150,000 which if approved would provide a strong financial base and would ultimately assist towards successfully realising MTCHS 5.

10. Legal Implications

- 10.1** There are no statutory requirements to produce or publish Town Centre Housing Strategies. There may be legal implications in relation to the actions, especially around possible future funding for example State Aid issues. These will be considered when developing the business case for individual projects.
- 10.2** It is noted that a consultation exercise has been undertaken. Case law has established four principles for consultation:
- (i) It must be undertaken at a time when proposals are still at the formative stage
 - (ii) It must include sufficient reasons to allow those consulted to give intelligent consideration and an intelligent response
 - (iii) Adequate time must be given for the consultation; and
 - (iv) The product of consultation must be conscientiously taken into account when the ultimate decision is made.

Cabinet must therefore satisfy itself that the consultation has been conducted correctly and take the results of the consultation into account in reaching the decision requested by this report.

11. Risk Management

- 11.1** It has been acknowledged that if no action was taken to regenerate Macclesfield, the town would run a very serious risk of further decline. Furthermore, there is the potential that should commercial / retail vacancy rates continue to rise there would be increased security concerns for those businesses which survive. Those concerns would not only be in a physical respect i.e. for the safety of their premises but also in a financial regard as there would potentially be further reductions in town centre footfall and consequently less money flowing through the area.
- 11.2** In a financial respect, with less money in the town there would be a further knock on effect which could lead to Macclesfield losing more money and investment to other towns in the region, having a continued detrimental impact.

12. Background & Options

- 12.1** The Macclesfield “In Town Living” group was established in 2013. From the beginning it was clear that in order for In-Town living to be a success the project must have a collective approach across both the private and public sectors. As a result a partnership has been created between Cheshire East Council, Peaks & Plains Housing Trust, Symphony Housing, as well as a number of local private entrepreneurs, and consultants. All members of the partnership have contributed their professional knowledge and experiences to ensure that the project is a success.
- 12.2** The group have identified a number of aims including:
- Identify suitable empty / underutilised residential & commercial properties in town centre area and work with the owners of those properties to bring them back into a useable condition,
 - Assist registered providers to deliver Affordable Housing units in the town centre,
 - Seek to introduce a mixture of tenure types into the town centre area,
 - Stimulate interest for future projects in Macclesfield Town Centre area,
- 12.3** Completion of the Macclesfield Town Centre Housing Strategy is the next phase of the In-Town Living project and enables us to achieve the aims above.

13. Access to Information

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

Name: Karen Carsberg / Mike Smith
Designation: Strategic Housing Manager / Housing Policy Officer
Tel No: 01270 686654 / 01270 686649
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2014

Macclesfield Town Centre



Housing Strategy

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Section 1

Introduction

Aims of this Strategy:

This strategy has been created as a complementary document to support the Macclesfield Town Centre Vision, Cheshire East Local Plan and by extension the regeneration and improvement program currently ongoing in Macclesfield in partnership with the “Make it Macclesfield” forum. Within the Town Centre Vision, Housing and the Community have been recognised as being of integral importance to the success of any sustained regeneration.

This strategy we will set out how Housing can play its part in the regeneration through encouraging people to move into the town centre (In-Town Living) by bringing underutilised properties and sites back into use and / or assisting in the conversion of commercial properties into residential uses. This will all be accomplished by taking a strategic partnership approach working across private and public sector organisations. We will also seek to attract funding streams for future developments by showcasing successful developments in the Town Centre area.

Furthermore, the strategy will also provide an overview as to why Britain’s town centre’s need to be regenerated and what’s happening at a local level to achieve rejuvenation and revitalisation of Macclesfield.

Strategic Links & Visions:

This document has links with other strategic work ongoing throughout Council departments, those links and the visions of those strategies are detailed as follows:

Macclesfield Town Centre Vision

“Macclesfield: A warmly regarded destination for residents, visitors and businesses.”

This is the main document which identifies the needs and challenges faced by regeneration in Macclesfield Town Centre. As previously noted, Housing has an important role to play within the regeneration:

“We will support an appropriate mix of living accommodation within the town centre, providing homes for a range of people to promote an inclusive community at the heart of the town, to support town centre businesses, improve vitality and ensure people feel safe and welcome at all times.”

Cheshire East Council’s Housing Strategy (2011-2016)

“Cheshire East’s strategic vision for housing is to support the creation of balanced and sustainable communities. The mix of property types and tenures will support economic growth, and high quality homes will meet the needs of current and future generations. Everyone will be able to reach their potential, regardless of where they live.”

The Housing Strategy links heavily into this document as it refers to the “Make it Macclesfield” program and the redevelopment which will have taken place by 2030 along with the hope that *“more people will live and work in the town centre, adding vibrancy during the day and into the evening, which together with the environmental improvements will have created a safe and desirable place for residents and visitors alike”*.¹

It also acknowledges the need to tackle the empty homes in the borough and bring them back into use, whether that be in the town centre of Macclesfield or elsewhere in the Borough.

Cheshire East Council – Three Year Plan (2013-2016)

“Our purpose is to serve the people of Cheshire East Borough through fulfilling our community leadership role well, ensuring quality and value in Public Services and safeguarding the most vulnerable in society.”

The Three Year Plan established 5 outcomes for the council of which Housing services intersect two of these outcomes in the main:

Outcome 2: Cheshire East has a strong and resilient economy.

Outcome 5: People live well for longer

Cheshire East Council – Local Plan

Sections from the vision:

“In 2030 and beyond, Cheshire East will be an economically prosperous area...Well designed new employment and housing developments will have been developed to meet local needs in locations that reduce the need to travel...In the main, new developments will have been directed to the Principal Towns of Crewe and Macclesfield to support regeneration priorities.”

Housing is mentioned substantially within the proposed local plan document which further enhances its position as an integral part of strategic planning throughout the borough and on a more local level in Macclesfield.

Sustainable Community Strategy – “Ambition for All”

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

The vision and priorities within the sustainable community strategy (SCS) have specific references for Housing. The SCS identifies the need for affordable housing, improving and

¹ Cheshire East Council – Housing Strategy 2011-2016

maintaining the condition of our existing stock, bring empty homes back into use, as well as providing housing solutions for our ageing population and those with specialist needs. It also recognises the importance of partnership working between the Council, Social and Private Housing providers and developers to increase Housing provision.

Cheshire East Council's – Vulnerable and Older Peoples Housing Strategy

The Vulnerable and Older Peoples Housing Strategy was created to achieve three main outcomes which link in to this strategy:

Outcome 1: *“People are supported to live in their own homes independently for longer”*

Outcome 2: *“People can receive the support they need in a wide range of specialist, supported accommodation within the Borough”*

Outcome 3: *“People are able to make informed choices about the accommodation, care, and support options within the Cheshire East”*

From the outcomes discussed number 2 is the most relevant to this strategy as whether there is a requirement to provide supported accommodation in the Macclesfield Town Centre area will be explored later within this document.

National Planning Policy Framework (NPPF)

“Planning Policies should be positive, promote competitive town centre environments and set out policies for the management and growth of town centres over the plan period. In drawing up local plans, local planning authorities should...allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in the town centres.”

The NPPF is substantially linked with this strategy as it establishes the need for town centres to be prioritised by local authorities with respects to their ongoing planning policies.

Section 2

In Town Living Project

Within this section we will provide an explanation of what “In-Town Living” is, what we’re hoping to achieve, the benefits to embarking on a project of this type and the dangers to the town centre area if no action were taken.

Vision

“To bring empty or under-utilised properties back into a useable condition and to stimulate interest to support a rejuvenated town centre”

What is “In-Town Living”?

As the name suggests the idea behind In-Town living is simply to increase the number of people living in a town centre area. This idea (*albeit under different names*) has been a key requirement of multiple regeneration projects across the UK as it has the ability to provide a consistent stream of people to a town centre area which can then provide key support for town centre retail and service sectors and provide a more secure financial future for those areas.

In-Town Living in Macclesfield

This strategy will focus solely on Macclesfield as this area is about to undergo a major regeneration and redevelopment programme which is designed to re-position and revitalise Macclesfield and secure its place as a genuine 21st Century town whilst incorporating its rich history spanning over 750 years.

New commercial developments and services for the Town Centre are only part of the cure. Housing has been identified, at a national level, as being of integral importance to the success of any regeneration project. In Macclesfield it’s hoped that increasing the numbers of people living in the town centre will bring increased financial stability and resilience for existing businesses, support the exciting new retail developments which are about to be built and stimulate interest in Macclesfield as a viable and prosperous area which new businesses will want to move to.

In-Town Living – Aims

In Macclesfield we’re seeking to increase the number of people living in and relying on the town centre area by utilising a number of different approaches working across the public and private sector.

The basic aims of the project are to identify suitable commercial and / or residential premises in the town centre area (*see image 1*), which are currently empty, or underutilised, and assist the owners of those properties to bring them back into a useable state. Whether that is in line with the property’s current / previous use i.e. commercial back into commercial or residential back into residential would depend on the circumstances of the building.

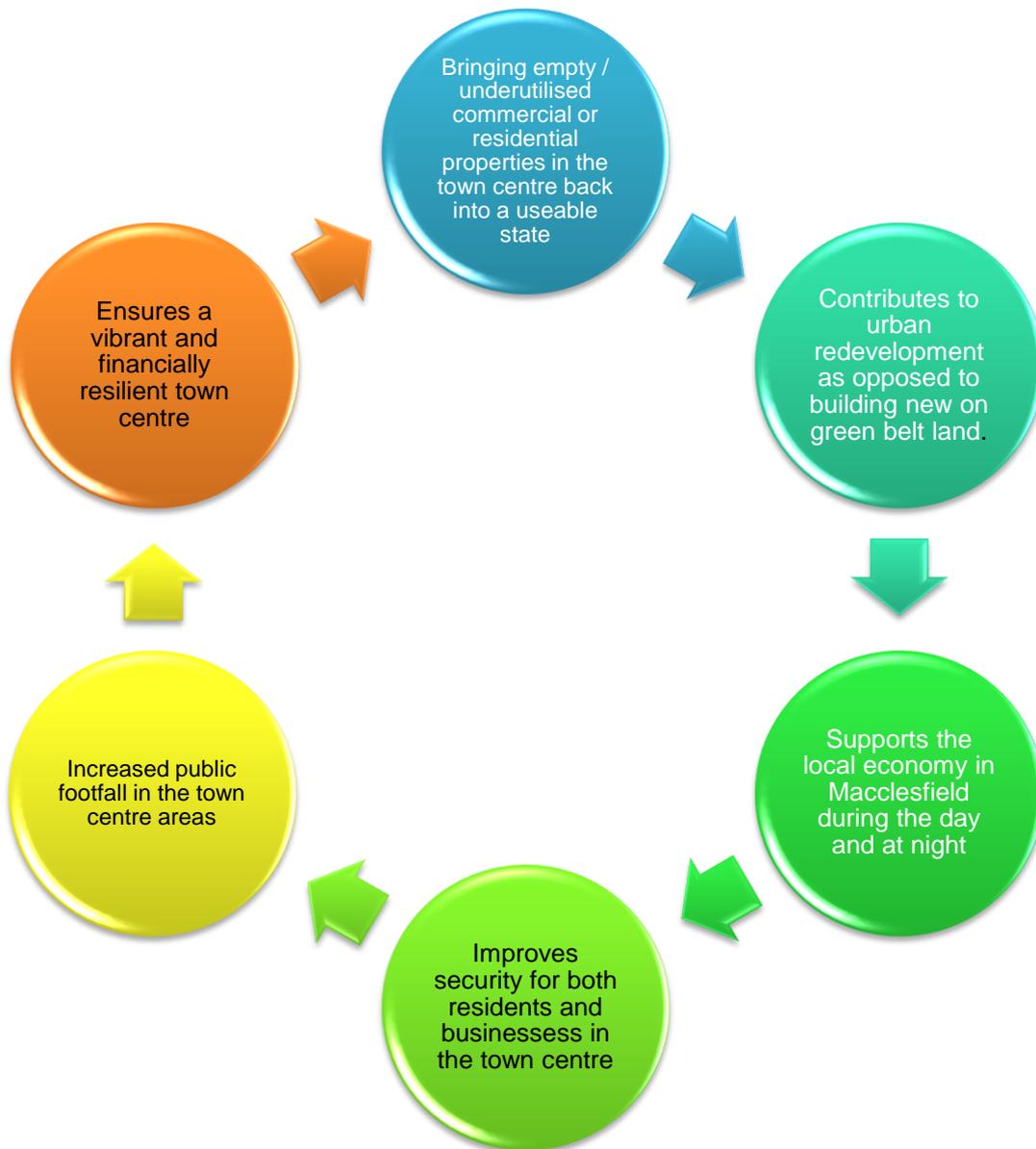
However, if it is deemed to be more appropriate we can provide the mechanisms and advice to assist owners to convert a building into another use such as identifying commercial

premises which could prove to be suitable for conversion into a solely residential property or a mixed use property which as you will see later in the strategy has been done recently with great success.

Furthermore, we will seek to introduce a mixture of tenures to the area to enable the creation of a mixed and balanced community in the town centre which from a housing perspective will cater for the requirements of those who are economically active as well as those requiring state assistance. This premise again supports one of the core principles of Cheshire East Council's Local Plan (*Submission Document*).

Benefits to In-Town Living

A successful in-town living project would be able to provide various benefits for the town centre area which are all interconnected:



Risks – If we do nothing

It has been acknowledged that if nothing was done in Macclesfield the town would run a very serious risk of further decline, even when you consider that the economic recession has technically come to an end.

Furthermore, there is the potential that should commercial / retail vacancy rates continue to rise there would be increased security concerns for those businesses which survive. Those concerns would not only be in a physical respect i.e. for the safety of their premises but also in a financial regard as there would potentially be further reductions in town centre footfall and consequently less money flowing through the area.

In a financial respect, with less money in the town there would be a further knock on effect which could lead to Macclesfield losing more money and investment to other towns in the region and it could become a ghost town.

As you can see there is a causal link between all the identified risks where in-action now could lead to an irreparable domino effect.

In-Town Living Partnership

From the beginning it was clear that in order for In-Town living to be a success the project must take a collective approach involving both the private and public sectors. As a result a partnership has been created between Cheshire East Council, Peaks & Plains Housing Trust, Symphony Housing, as well as a number of local private entrepreneurs, and consultants. All members of the partnership have contributed their professional knowledge and experiences to ensure that the project is a success.



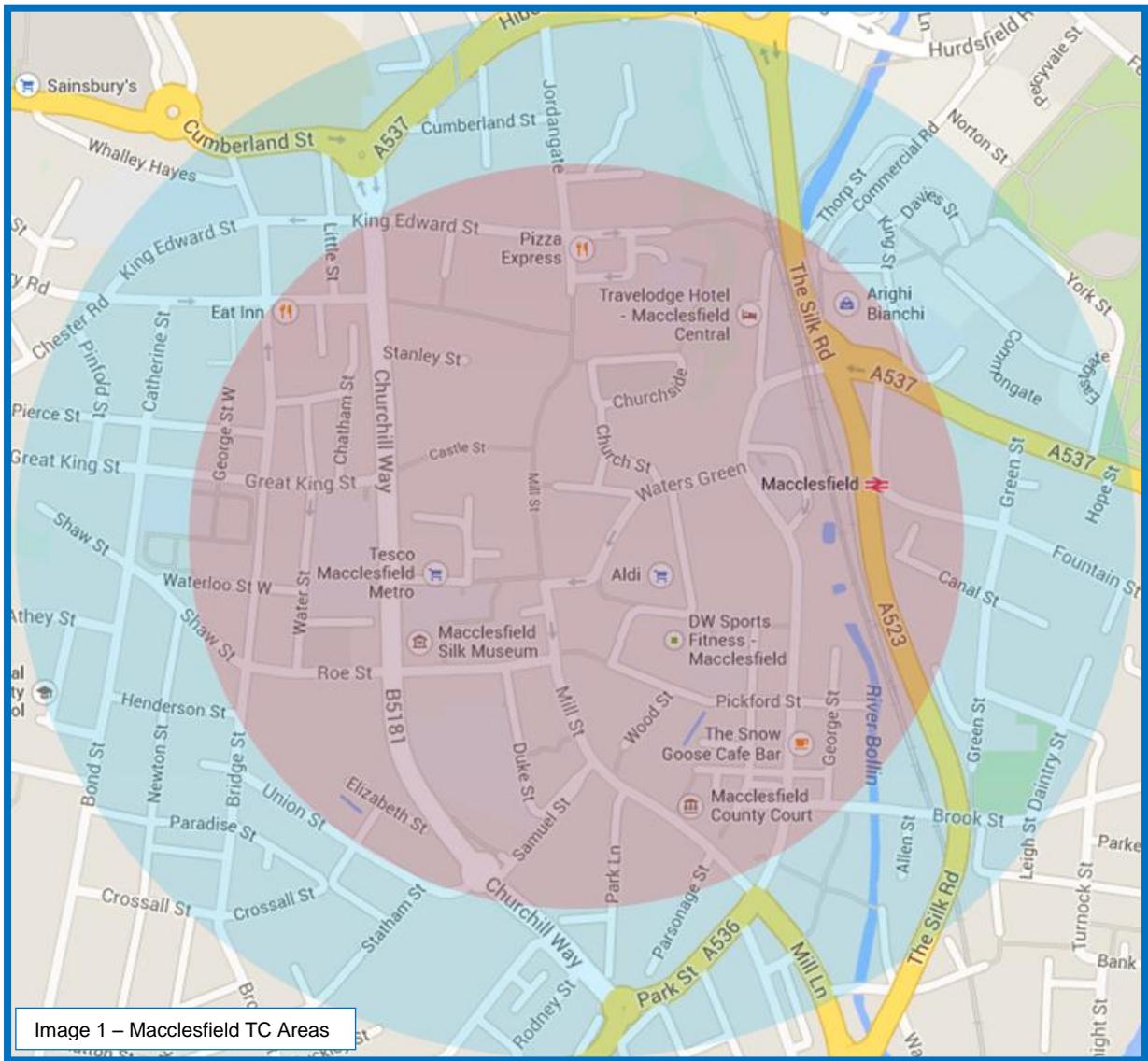
In-Town Living Focus Area

The image below provides a visual representation of the areas which In-Town living is focusing on. As you will see the area is broken into two main parts. The inner core centralising around the main shopping and pedestrian areas of Mill Street, Chestergate, Castle Street, Market Square and Park Green is coloured red.

The outer core extends the project area out to include the rest of Chestergate, King Edward Street and Jordangate in the northern end of town down to the lower end of The Silk Road, Park Street and Mill Lane in the south, this area is coloured blue.

As you will see later within the strategy the main schemes so far have been located within the Inner Core, however, we are keen to ensure that any potential schemes outside of the main area are also considered.

Macclesfield Town Centre



Section 3

Britain's Town Centres – The National Picture

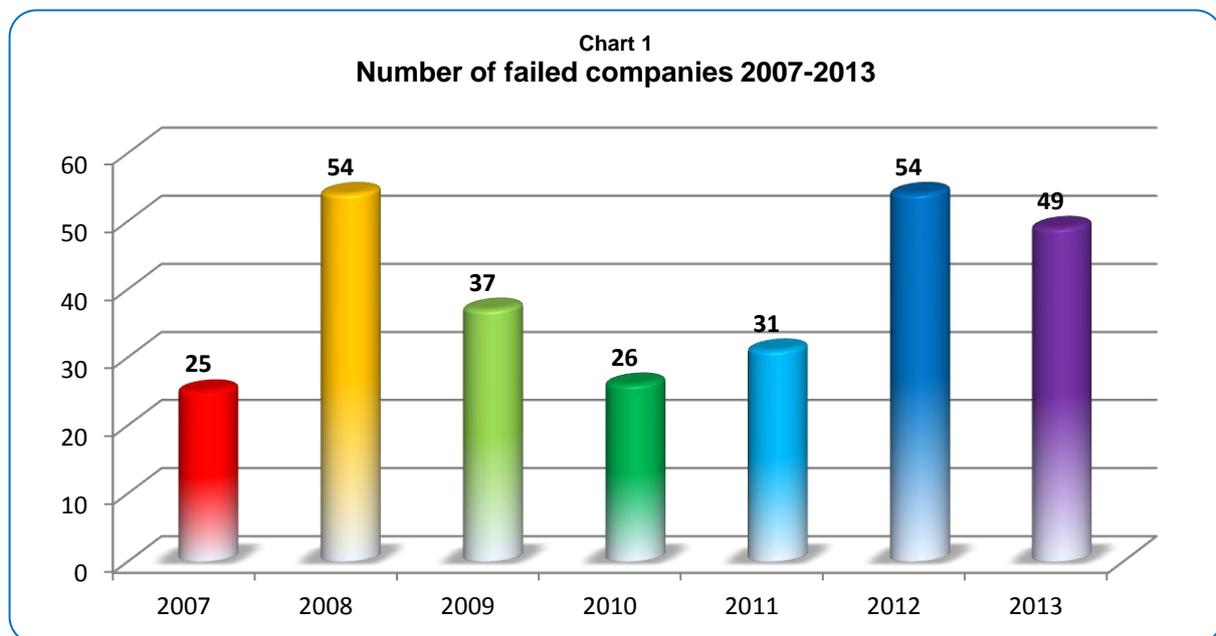
This section is designed to provide an insight into the current state of Britain's town centres, what impact the economic downturn and recession has had and what action has been taken at a national level in an attempt to return our town centres to prosperity.

Background – Why town centres have to change

Britain's town centres and associated high streets have been facing the biggest ever threat to their continued existence. Many have argued that town centres have been on a downward spiral for over a decade but the recent economic downturn and resulting recession led to the closure of more independent and big brand high street chains than at any other point in recent history, the aftermath of these events have left high streets and town centres with high numbers of vacant premises and a substantially reduced footfall.

Facts & Figures

- Some areas in the North West have reported that 2008 – 2013 high street commercial vacancies within town centre areas have reached as much as **20%**².
- General footfall in town centres areas has reduced by an estimated **5%** 2009 - 2012³ but in some areas this figure is considerably higher.
- The number of companies which have failed (the majority of which were on the high streets in town centres) stands at **276**⁴ between Jan 2007 and December 2013 across the UK (*chart 1*).
- The 276 companies which have failed meant the closure of **24,793** (*chart 2*) stores and affected **223,547** employees (*chart 3*).



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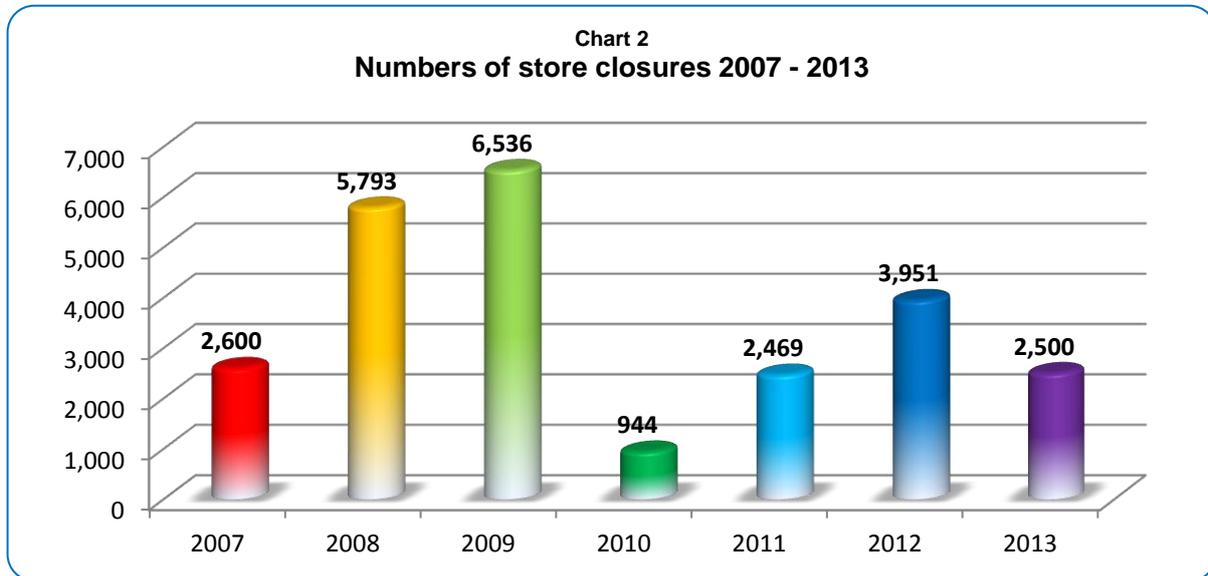
² Experian Town Centre Futures Report

³ Experian Footfall Estimate 2012

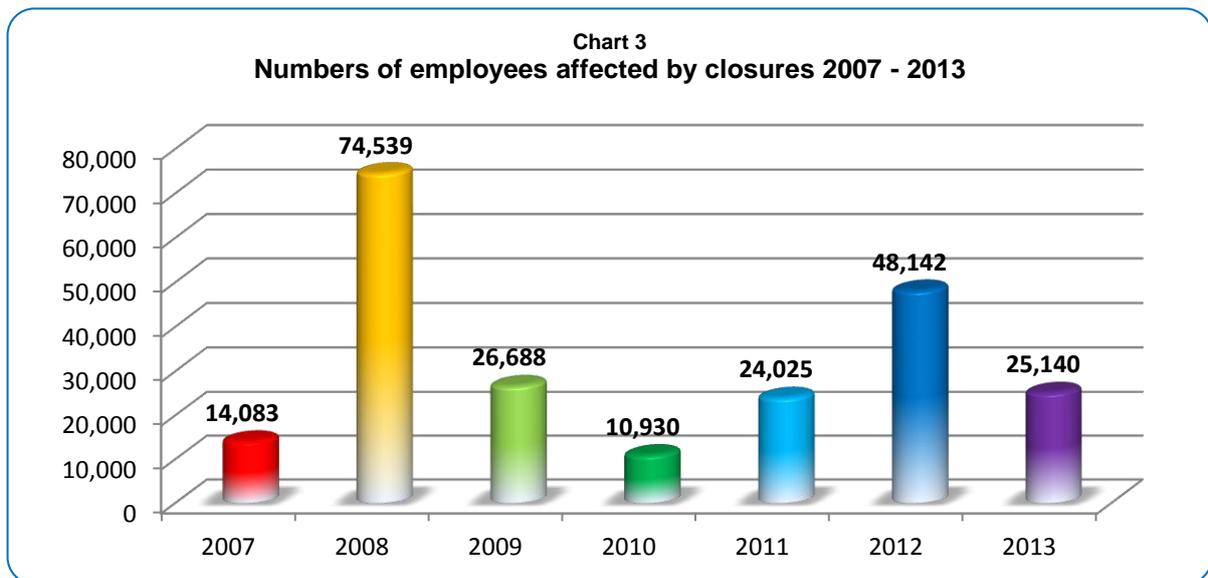
⁴ Centre for Retail Research data

⁵ Graph created utilising figures from the Centre of Retail Research

Chart 1, shows the numbers of companies which have failed in each year between 2007 and 2013. The above numbers include many companies which would have previously been defined as “anchor” companies for town centres. Prime examples of these would include Woolworths, JJB Sports, HMV, Zavvi, T J Hughes, Blockbusters, Jessops, & Game to name a handful.



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Charts 2 & 3 show the numbers of stores which closed and the numbers of employees affected by those closures between 2007 and 2013.

In chart 2, there is a very noticeable increase in store closures in 2008 and 2009 as this was when the economic recession took hold. Between Q2 2008 to Q1 2009 the UK's GDP decreased by 7%, of which store high street closures and businesses failing contributed greatly.

⁶ Graph created utilising figures from the Centre of Retail Research

⁷ Graph created utilising figures from the Centre of Retail Research

In chart 3, again there is a large peak in the numbers of employees being made redundant in 2008; whereas there isn't the same corresponding peak in 2009 as was seen with the store closures information in chart 2. This is likely because larger high street companies employing more people closed in 2008, and although there were more store closures in 2009 the majority of these stores had smaller employee footprints.

National Action on Town Centre Decline

The government has acknowledged the dangers to town centres and has begun to take action. In March 2011 the Prime Minister and Deputy Prime Minister asked Mary Portas to conduct an independent review (*Portas Review*) into the state of Britain's high streets and town centres. In December 2011 she reported on her findings.

Within the review she stated (in relation to town centres) "*unless urgent action is taken much of Britain will lose, irretrievably, something that is fundamental to our society.*"⁸ She comments that there are many examples where out of town retail parks and supermarkets have "*drained the traffic and retail offer from our town centres*"⁹ but she acknowledges that this is not in isolation and indeed there are other factors which have caused this decline, and that essentially the high streets of Britain didn't adapt enough or as quickly as they could have done.

"Although some high streets are thriving, most have a fight on their hands. Many are sickly, others are on the critical list and some are now dead."

(Portas Review, Dec 2011)

The decline of town centres and high streets has been ongoing for some time and as the Portas Review has stated there was more than one element which must be assessed to explain this decline. This belief is shared within Beyond Retail – Redefining the shape and purpose of town centres report states that the "*retail sector has experienced the perfect storm since 2008*"¹⁰. The report highlights three key factors which have combined and created the town centres which many areas are now left with.

- 1) The recession which began in 2008 proved to be bigger and last for much longer than previous economic downturns.
- 2) The growth of internet shopping has been substantial, particularly over the last 5 years. The report states that this has been fuelled by "*improved wireless connectivity and a huge uptake in mobile and tablet usage*"¹¹. Non-store sales (mostly online) as a proportion of all retail expenditure has increased from around 6% in 2006 to 12% in 2013 and accounts for an estimated £34 billion per year¹²
- 3) 25 year lease expiries, between 2012 and 2015 a significant number of shopping centre and high street retail leases will expire as well as a number of more recent 10 year leases¹³

⁸ *Portas Review, Dec 2011*

⁹ *Portas Review, Dec 2011*

¹⁰ *Beyond Retail – Redefining the shape and purpose of town centres*

¹¹ *Beyond Retail – Redefining the shape and purpose of town centres*

¹² *Experian, Retail planner briefing note 10.1, September 2012*

¹³ *Jones Lang LaSalle, Property Predictions, 2012*

The recession and growth of online shopping has had a vast impact as consumer spending power was reduced, more stores closed and consequently the town centre had a triple-hit as stores closed and meant less footfall in the shopping areas which weakened other businesses / shops by default leading a general downward spiral



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The future of Town Centres – What can be done?

When looking to the future of town centres, many analysts predict that high streets in their current form will continue to be threatened, especially if online sales continue to grow, in fact by as soon as 2017 it's estimated that online sales will account for 28% of all non-food sales¹⁵ and over 20% of all sales (including food) in the 2020's¹⁶. It is also assumed that should the growth of multi-channel sales continue there may be a reduced requirement for retail floor space within town centres.

Although there may be a requirement for less retail units in the future there is a strong belief that many of the larger brands are seeking larger retail units which provide a better offer for their business and where they'd be able to display their full product range and provide an exciting shopper environment backed by the latest technology.¹⁷

The Portas Review created a comprehensive package of **28** recommendations to government on ways to stop the decline of town centres and return them to prosperity. Samples of the recommendations relevant to this strategy can be found on the next page.

¹⁴ Illustration Recreation of diagram from Department of Business, Innovation and Skills – Genecon & Partners (2011) *Understanding High Street Performance – Citing Colliers International*

¹⁵ Javelin Group "Transforming the Retail Enterprise" – Presentation 03/05/13

¹⁶ Experian, Retail planner Briefing note 10.1, September 2012

¹⁷ Beyond Retail – Redefining the shape and purpose of town centres

Those recommendations were as follows:

12) Address the restrictive aspects of the "Use Class" system to make it easier to change the uses of key properties on the high street.

Portas highlighted the above because in relation to Council Tax as she saw it as a major "unnecessary restriction" on businesses to change their building uses. She feels that if this is addressed it would have a big impact on the numbers of empty properties on the high streets and could lead to more residential properties. However, she also urged caution with its use because she still feels that there needs to be diversity in town centre areas.

Since the Portas Review, the government has been consulting on this very issue and has recently implemented changes to the use class system which can be seen in appendix 4.

19) Explore further disincentives to prevent landlords from leaving units vacant.

This was highlighted because she argues that when an important property on the high street is left empty it can bring down the attractiveness and desirability of an area generally. Naturally when a property is left vacant it can lead to security issues for all surrounding properties and can reduce the value of those properties and businesses.

She also argues that empty properties whether they are commercial or residential are a problem for everyone, not just the landlord who owns it. As a result she has made suggestions such as:

- Removing council tax rate relief for empty units unless the owner is looking for an alternative occupant.
- Imposing financial penalties on landlords with a significant portion of their portfolio left empty.
- Educating landlords in their responsibilities with regards to maintaining and promoting their vacant units.

28) Run a number of High Street Pilots to test proof of concept.

The idea behind this was to combine some of the recommendations she had made throughout the review and establish pilot towns which could then test out the recommendations as a whole package in the hope of providing a high street which offered more to businesses and the community at large.

The government's response to the Portas Review was published in March 2012 and acknowledged that a lot needed to be done to rejuvenate town centre areas. As a result they took two of Mary's recommendations on board and allowed the creation of Town Teams which would then be able to establish a pilot scheme in their towns which became known as the "Portas Pilots".

To begin with the government established a fund of £1 million and 12 pilot towns were selected to have a share of that money. However, due to the popularity of the idea the

government later increased that funding and the number of pilot towns from 12 to 24. The government also introduced the following:

- £500,000 investments to enable Business Improvement Districts (BID's) access to loans for their set-up costs.
- A High Street Innovation Fund – this was a £10 million fund which was going to Local Authorities which had high numbers of empty shops in town centres.
- A £1 million future high street X-Fund which was rewarded to areas which delivered the most innovative and effective ways of rejuvenating their town centres.

This was also coupled with the introduction of the new National Planning Policy Framework which acknowledged the importance of town centres and that local authorities should put them first within their planning decisions and when creating local plans.

The national planning policy framework sets out a series of guidelines which should be adhered to when local authorities are creating their local plans but one of the guidance which is particularly relevant to this strategy is:

Local Authorities should “*recognise that residential development can play an important role in ensuring the vitality of centres and set out policies which encourage residential development on appropriate sites.*”

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The above statement and general planning policy guidance is also reflected within Cheshire East's Local Plan.

The **12** original Portas Pilots were:



Within each of the main areas above, Housing played a part and was rightfully recognised as being of vital importance to revitalising the town centres.

Naturally the closest of these towns to Cheshire East is **Stockport** and upon reviewing the projects which they have undertaken as part of their town centre rejuvenation it is clear that there is much which we can do to replicate their successes from a Housing perspective.

Stockport's regeneration has been ongoing long before the Portas Pilots were created. From a Housing perspective they began with a project called the Hillgate Townscape Heritage Initiative in the mid to late 1990's.

So far the Housing regeneration has involved 16 major projects all in the Hillgate area along with 13 minor projects and has delivered substantial results. Stockport has naturally seen a substantial increase in residential occupancy in the area which has brought with it increased

¹⁸ National Planning Policy Framework – March 2012

footfall and spending power to the town centre which supports the businesses and further retail regeneration in the area.

Stockport has utilised a range of tenures within the projects including working with social housing providers as well as private landlords and shared ownership schemes. The regeneration has also encouraged companies to the area which weren't there previously and has further enhanced the town.

Town Centre Regeneration in Macclesfield

Cheshire East is currently undertaking a large regeneration project focussing in Macclesfield.

Why regenerate Macclesfield – Making the case

Macclesfield has been chosen for regeneration because despite having an historic core and relatively affluent population the town has not been fulfilling its potential. It's been observed that Macclesfield has been losing out to regional rivals as the place to visit and spend money.

The existing offer in Macclesfield Town Centre is limited and has proven to be unattractive to multiple retailers who have been seeking larger format, modern units as a result these retailers have been going to competing areas such as Grand Junction Retail Park in Crewe, the Peel Centre in Stockport or the Trafford Centre. In Macclesfield national comparison retailers have been choosing Lyme Green Retail Park as opposed to the Town Centre.

All these factors have resulted in Macclesfield being unable to attractive multiple retailers and to develop an enhanced leisure offer. This has resulted in Macclesfield's position in the retail hierarchy dropping from 163rd to 208th between 2007 and 2010 (as determined by Venue Score UK Shopping Venue Rankings)¹⁹.

Furthermore, the percentage of vacant units in the town centre has been rising from 10% in 2011 to 12.56% in 2012²⁰. There has also been a 13% drop in the comparison floor space between 2006 and 2012 as well as a 14% drop in the number of comparison goods units²¹.

The picture of decline within the Town Centre is set against the backdrop of local unemployment levels in the southern and eastern part of Macclesfield which are higher than the national average.

Macclesfield Town Centre – The Facts:

- £40m is estimated to have been lost by 2016,
- The proposed Wilson Bowden scheme will create 850 – 900 permanent jobs as well as further jobs created during the construction phase,
- Macclesfield has 29% less quality retail space compared with the UK national average,

From public feedback it has been identified that in order for Macclesfield town centre to thrive it would need to offer:

¹⁹ White Young Green Planning and Design Cheshire Retail Study Update Apr 2011, Appendix 3, Pg 3 and VenueScore Tables 2013-14 – As detailed within CEC Statement of Reasons.

²⁰ AMT Town Benchmarking Report 2013 – As detailed within CEC Statement of Reasons

²¹ White Young Green Appraisal of Retail Matters for Planning Application 12/1213M – As detailed within CEC Statement of Reasons

- Quality fashion along with leading high street brands,
- A leisure offer – including quality cafes and restaurants,
- Convenience goods and petrol stations,
- Independent retailers,
- An improved culture offer (such as cinema's, theatres, music and community venues)
- Convenient and plentiful car parking,
- A safe and secure environment,
- Effective town centre management including attractive marketing and events,

Not doing anything is clearly not an option, without investment and regeneration it's estimated that some areas of the town centre such as Mill Street could be left with up to 46% vacancy rates naturally this would be coupled with a substantial reduction in the money being spent on the high street.

The outcome from the above was the creation of the Silk Street scheme in a joint venture between developer Wilson Bowden and the Council.

Silk Street Project

History of the project

The process in realising the Silk Street Project has been ongoing for many years given its incredibly complex nature. It was begun in 2005 by the then Macclesfield Borough Council which created a developers brief which set out the Council's aims for the development of the Town Centre area.

In November 2005 Wilson Bowden Developments (WBD) were chosen as the "preferred development partner" to work with the Council.

In 2007 the Macclesfield Town Centre comprehensive redevelopment strategy was approved by Macclesfield Council as the guidance for the general redevelopment and the development agreement was signed between the Council and WBD.

In 2008 WBD submitted a planning application for the area but this was consequently withdrawn.

2010 the Macclesfield Economic Masterplan was prepared by CBRE to set out actions to guide future developments and to ensure that the benefits to the economy, environment and facilities of the town are maximised.

In 2012 a detailed planning application was submitted by WBD again which was supplemented by revised plans in January 2013 and the scheme received planning committee approval in June 2013 and construction work is due to begin in 2014.

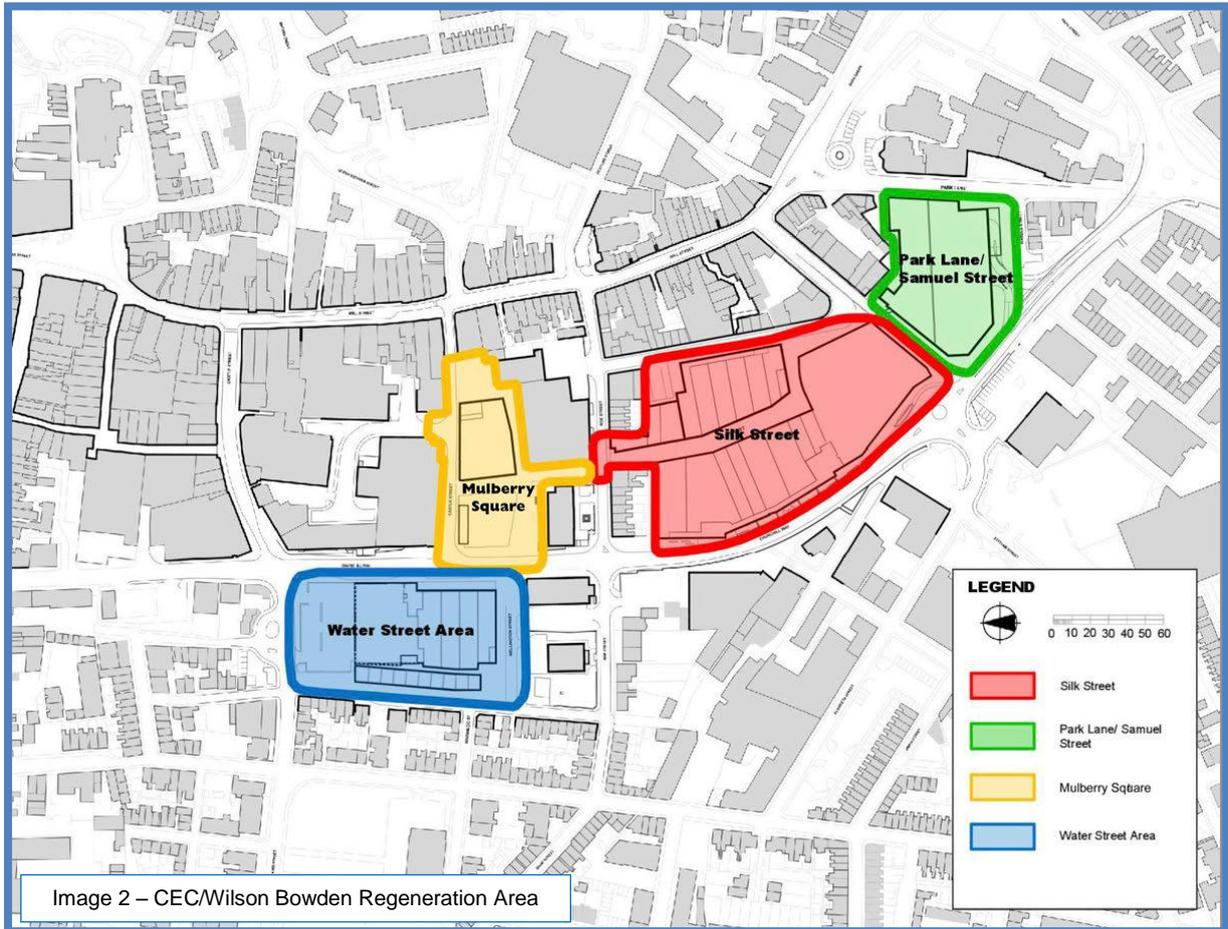
Project Details:

A plan of the development area can be found on the next page. However, once the development is complete it will deliver the following:

- A new Cinema building which would provide 9 screens and a café / foyer area.
- 4 Restaurant areas underneath the Cinema building,
- 10 residential dwellings (eight 2 bed houses and two 4 bed houses) for private sale,
- 100 space car park below the cinema – accessed from Great King Street
- Additional on-street parking of 26 spaces on Water Street and 29 spaces on

Wellington Street.

- A new town square called Mulberry Square
- A new retail building proposed to the east of the new town square,
- A new multi-storey car park which would provide an additional 718 spaces over 3 levels.
- Various public realm improvement works are proposed,
- A new large department store and up to 22 larger format retail stores,



Commenting on the design Councillor Michael Jones, Leader of Cheshire East Council said:

“The Silk Street scheme is a once-in-a-generation opportunity to radically revitalise and boost the economy of Macclesfield and unlock its potential. It is a key part of the council's and community partners' plans to regenerate the town's rich silk heritage, creating a cultural quarter”

Some illustrations of the successful designs for the silk street scheme are included below:



Image 3, is an aerial view of the silk street development overlooking Churchill Way.



Image 4, is a view looking south down the development.



Image 5 - CEC/Wilson Bowden Designs

Image 5, is the view overlooking the new Mulberry Square at the heart of the development.



Image 6 - CEC/Wilson Bowden Designs

Image 6 is the view from Churchill Way looking towards the new cinema.

Silk Street Project – Benefits

The council is satisfied that the redevelopment will make a significant contribution to the improvement of the economic, social and environmental well-being of Macclesfield and the wider area.

With regards to economic benefits, the scheme will deliver a significant number of larger format modern retail units which provide an attractive proposition to retailers and leisure operators and will go some way to reversing the decline of the retail offer in the town centre.

Increases in footfall and trade are also expected as a result of the scheme which will benefit the existing businesses in the area.

Furthermore, Cheshire East Council has allocated £50K towards a 'Phase One' shop front improvements fund for shops on Chestergate and Market Place. Chestergate has a strong independent retail sector with a growing café culture. It lies within the Historic Market Quarter, the traditional heart of the town.

The Chestergate Shop Frontage Improvement Scheme aims to improve the visual impact of this part of the town, part of which lies within a designated conservation area. High quality shop frontages will make the area feel more welcoming to local residents and visitors, improve the image and contribute towards a stronger sense of identity.

The development will provide much needed employment in the town centre. It's predicted that the scheme will provide 850 – 900 (net) additional full time jobs with further direct jobs resulting from the construction process.

It is also anticipated that the scheme will act as a catalyst to stimulate further inward investment in the locality.

In terms of the environmental benefits, the scheme will make much more efficient use of the prime town centre land and in turn reduce the need to develop Greenfield sites outside of the town centre area.

The scheme will enhance the appearance of the currently visibly poor locations and setting of the grade II listed Heritage Centre through the creation of the new town square.

There are also various social benefits from the scheme which will see the enhanced retail offer provide better for the retail needs of the community and the department store will provide more comparison goods which aren't currently available in Macclesfield.

Furthermore, the scheme will enhance the leisure offer in the town providing opportunities for socialising in the evening as well as during the day; this is particularly addressed through the new cinema and restaurants on offer.

Finally the improvements in the public realm and facilities in the town centre will provide a more attractive residential location, encouraging further development, population growth and a highly sustainable location.

It's clear to see that the new development will be vast and will have a large beneficial impact on Macclesfield and its residents. Housing will be part of this redevelopment and increasing residents in the town centre would enable the new development to remain vibrant and sustained.

Section 4

Area Profiles

Within this section we will provide detailed breakdowns of the Town Centre area then expanding outwards to include all of Macclesfield Town to provide a comparison between the areas with regards to population levels, age breakdowns, and tenures. Furthermore there will be a section providing a breakdown of the demand for all types of Housing in the town centre and Macclesfield areas.

Macclesfield – In Focus**Brief history of Housing in Macclesfield**

There has been a settlement on the site of what is now called Macclesfield for at least a thousand years. The settlement itself has Saxon origins and was seen as an attractive area due to the extensive forests nearby which provided good hunting grounds. Macclesfield was noted within the Domesday Book in 1086 and was officially chartered as a borough in 1261 by the future king Edward I.

Once Macclesfield became a borough Housing began to play a significant role in the town's development. Properties known as "Burgages"²² were created inside of the town boundaries and the owners were required to pay a rent which contributed to the wealth of the area and the Monarchs. Over time these properties were re-build or updated and became what would now be referred to as Town Houses.

By the end of the 13th and into the 14th centuries Macclesfield became the administrative centre for Eastern Cheshire and started to expand. This expansion was helped by its geographical position standing along important salt and other trading routes leading to Derbyshire and Yorkshire. The kinds of trade in Macclesfield started to change over time from Wool to Silk which is now widely associated with Macclesfield's heritage.

The major changes and expansion of Macclesfield came with the introduction of industrialisation in the 18th Century. Charles Roe famously opened his water powered textile mill 1743-44 which was soon followed by a dedicated Silk Mill in 1756. Macclesfield Town was soon recognised as being the largest producer of Silk in England and some suggest the world.

In the later part of the 18th Century "Garret" houses were constructed which were three storey buildings which had workspaces for weaving in the attic, in fact the weaving industry was largely supported by people working in their own houses until the 1830's when more larger purpose built mills became the norm. Some houses of this design of these still exist today in the southern part of Macclesfield in places such as Paradise and Newton Street.

As Charles Roe's manufacturing business increased and more mills were opened by other companies in the town the population increased rapidly. Indeed between 1801 and 1851 the population of Macclesfield Town increased from 8,743 to 29,648.²³ This represents a population increase of 239% in the 50 year period. Along with more mills being opened (70 by 1834) this increase was likely partially due to the railway and canal networks coming to Macclesfield with the Macclesfield Canal being completed in 1831 and the railway in 1845 bringing better communications and opportunities for trade.

In common with most industrialised towns in England in the 19th Century the types of accommodation in Macclesfield changed and smaller terraced or worker houses were

²² *A Short History of Macclesfield – Dorothy Bentley Smith*

²³ *A vision of Britain through time – Population Statistics*

constructed as the century went on. As with many parts of England the standard of these types of accommodation was poor, but these buildings improved in standard slowly with a series of national policy changes which focussed more on sanitation and better planning for construction.

Although the Silk industry in Macclesfield began to decline at the end of the 19th and into the 20th Centuries (with the exception of a brief revival in the inter-war years) other industries came to the area and Macclesfield again diversified. In the town centre more shops began to open to cater for a more materialistic change in society but the historic market had constant presence.

In terms of housing, the early 20th century began to see the creation of accommodation constructed by local authorities. In 1919 Lloyd George passed a law requiring Council's to provide "homes fit for heroes" for soldiers and their families returning after World War One and Macclesfield had its first Council built house not long after. Although Macclesfield wasn't bombed during World War Two the population boom after the war did have an impact on the area and indeed the population grew from 35,999 in 1951 to 44,401 in 1971²⁴ which naturally led to an increase in the construction of new Council built accommodation. The types of accommodation changed once more, houses began to have indoor toilets, dedicated drainage, front and rear gardens and perhaps more importantly usually only one family per household.

By the end of the 20th Century Macclesfield's former industries had disappeared to be replaced by newer forms but not in the town centre. The centre of town is now firmly based around shopping and to a lesser extent services, but again in recent years these too have witnessed a decline with shops closing and fewer people visiting the town centre area. There is no doubt that Macclesfield has evolved in almost every way over time and indeed as author Dorothy Bentley Smith states "Macclesfield's success has been its ability to adapt to change"²⁵

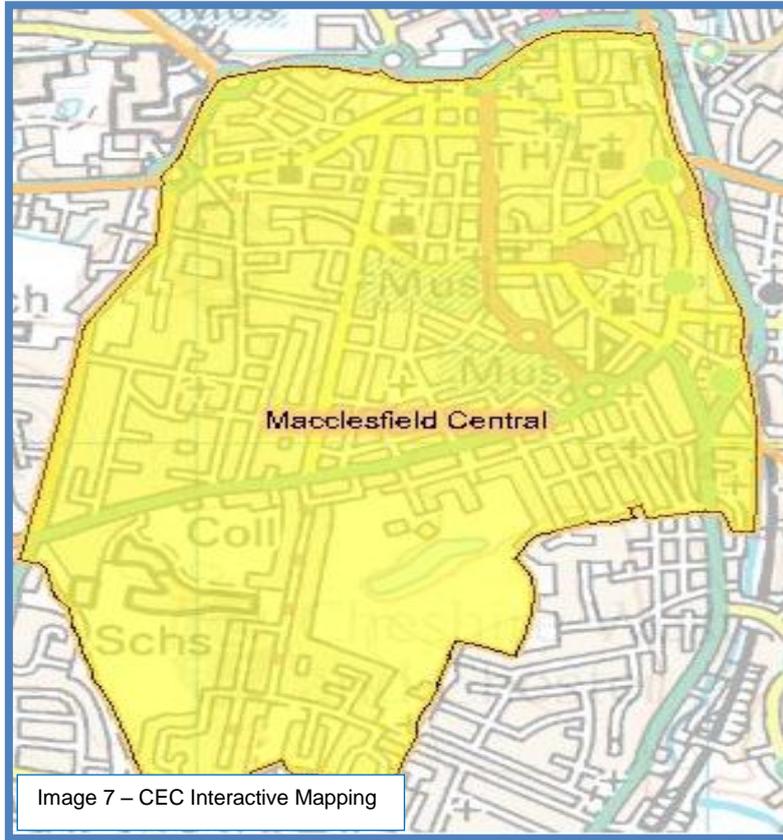
From a Housing perspective very few properties have been built in the town centre for many years but with the impending regeneration to the area it's time for a revival.

²⁴ *A Vision of Britain through Time – Population Statistics*

²⁵ *A Short History of Macclesfield – Dorothy Bentley Smith*

Population:

Please note – Although In-Town Living is focusing on the Town Centre, there are no population figures for such a small area, as a result all population figures for the Town Centre (unless otherwise specified) will be based on the Macclesfield Central Ward (pictured below).



Population Levels Compared:

Macclesfield’s population has seen many peaks and troughs over time with rapid expansion in the 17th and 18th centuries along with periods of decline in the 19th and early 20th centuries. The following charts provide a breakdown of the population levels for Macclesfield Central between 2009 and 2012 (as determined by the mid-year estimates provided by the office of national statistics) and then Macclesfield Town as a whole. The chart (below) provides a breakdown of Macclesfield Central Ward population between the stated years.

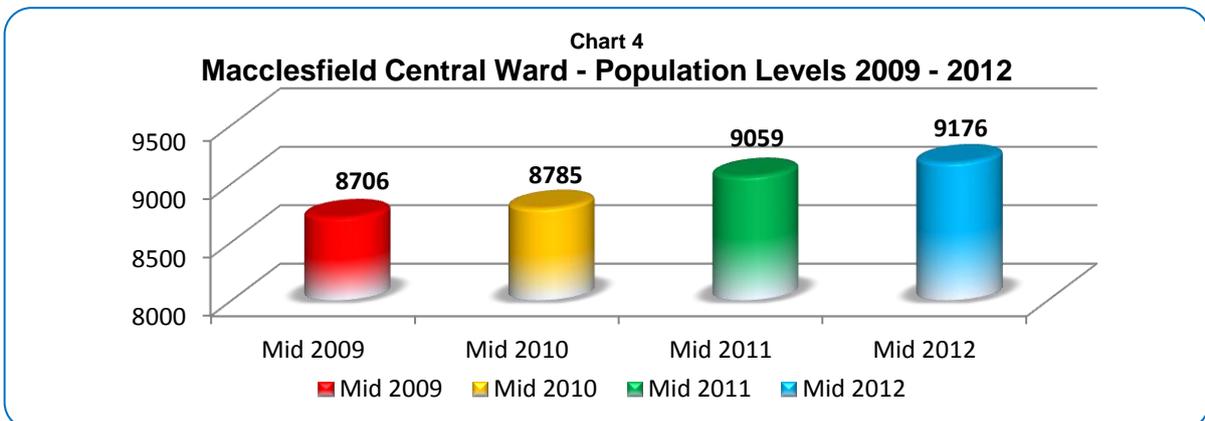
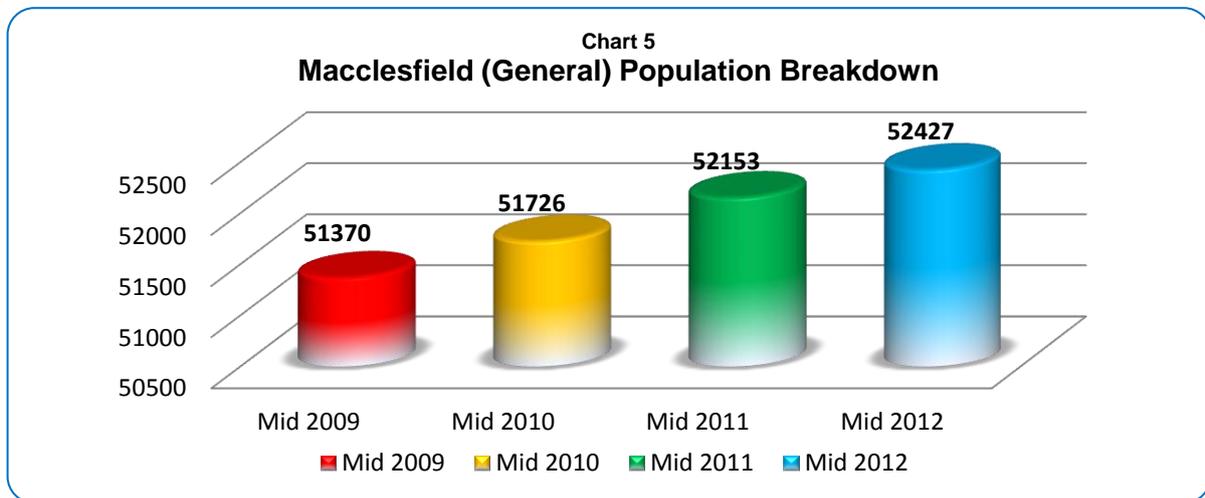


Chart 4 shows that between 2009 and 2012 (*mid-year estimates*) the population of Macclesfield Central Ward has increased from 8706 to 9176 which represents an increase of 470 people (5.1%) over the period.

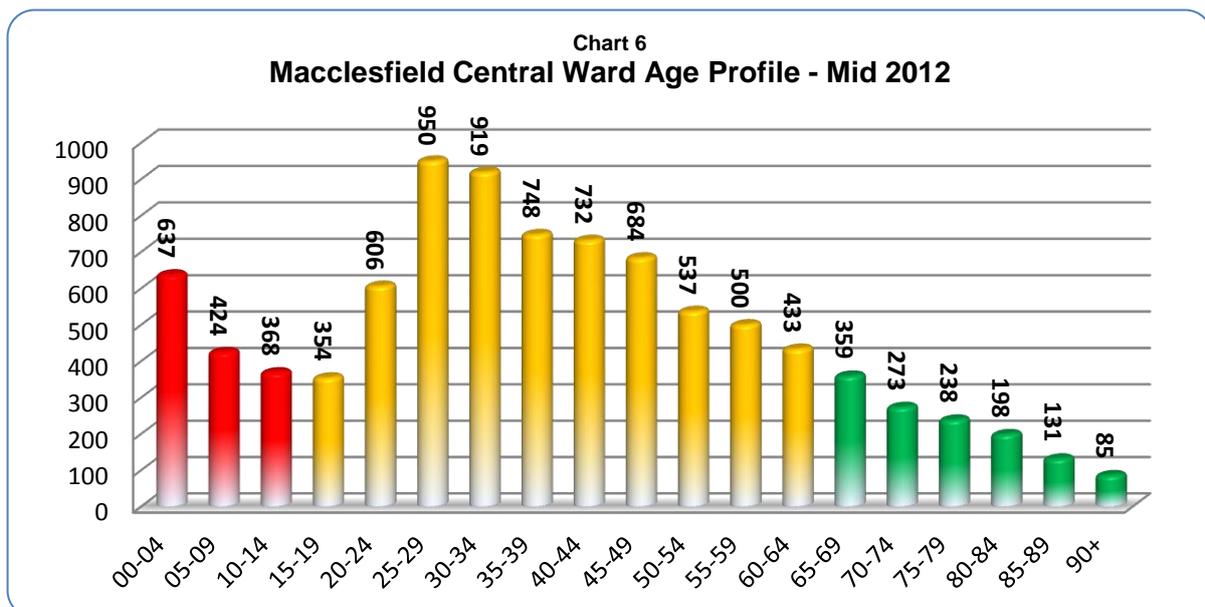
The following (*chart 5*) provides a population breakdown of Macclesfield Town as a whole again between 2009 and 2012 (*mid-year estimates*).



The chart (above) shows that Macclesfield Town as a whole has witnessed a similar increase in population size over the period increasing from 51,370 in 2009 up to 52,427 in 2012 this is an increase of 2% over the period which confirms that the population in Macclesfield Central is increasing at a faster rate than the town at large.

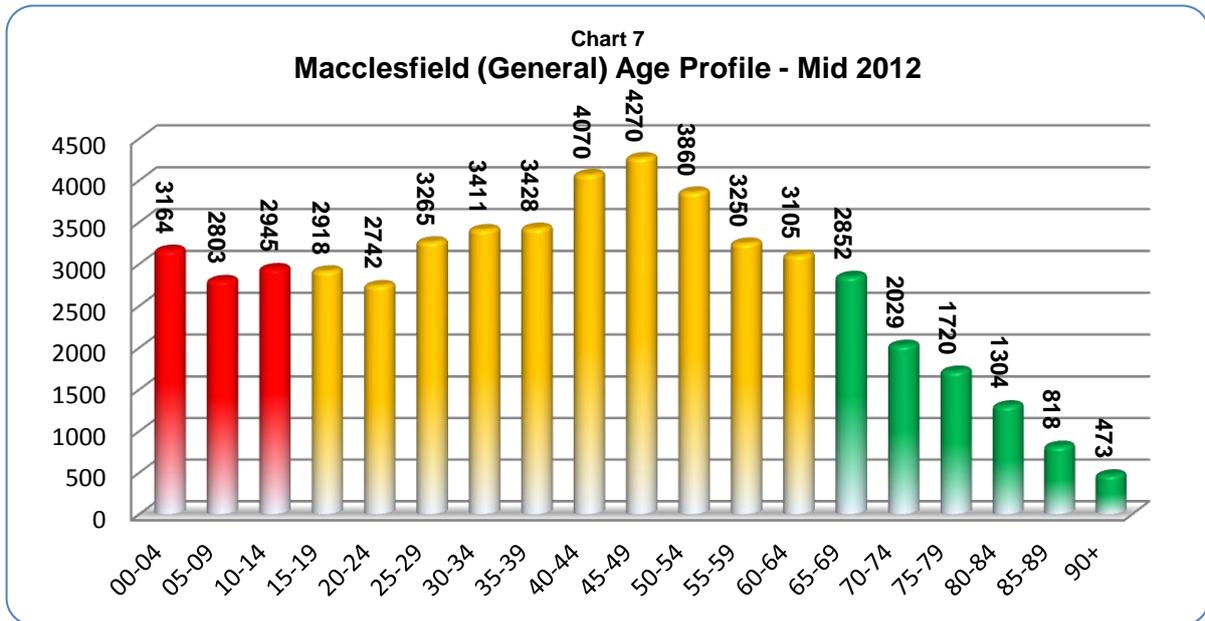
Population – Age Profiles Compared:

The following charts (6 & 7) provide an age profile breakdown of Macclesfield Central compared with that of Macclesfield Town generally in 2012 only.



The chart above shows that amongst the 9176 individuals classed as living within Macclesfield Central ward over 70.4% of them are of working age. The highest age range

comprises of those aged 25-29, closely followed by those aged 30-34, in fact these two age groups account for 28.9% of all individuals within the working age groupings.



The age profile in the chart (*above*) displays a different age dispersal when compared to the Macclesfield Central ward data. When taking account of the town as a whole the percentage of those individuals of working age drops to 65.4% from 70.4% in the central ward. Furthermore, the percentage of those aged between 25-29 and 30-34 is substantially lower at 19.4% which is a decrease of almost 10% between the two comparison areas.

In Macclesfield Town as a whole the most prevalent age grouping is amongst those aged 45-49 closely followed by those aged 40-44.

Further changes can be seen amongst those in the older age groupings. Within Macclesfield Central those aged 65+ accounts for 14% of all individuals in that area. Whereas considering Macclesfield as a whole that figure increases to 17.5% of the population.

In-Town Living Area – Experian Mosaic Breakdown

The areas covered under the In-Town living project are comprised of different population demographics. These have been mapped using the Experian mosaic software and can be separated into five distinct groups. The codes have been determined by Experian.

Mosaic Group – B8: Mixed communities with many singles in towns

This demographic comprises of mostly single people but covers those which are both young and old. Many of them would live in better quality flats above shops or in terraced houses (if young) and in purpose built accommodation if older. Again they would tend to rent privately as they can be somewhat transient, employment opportunities seem to moderate but they may still be on lower incomes usually working in the town centre shops (if young). Again there is only one region in the project area where people would come under this definition

Mosaic Group – G32: Students and other transient singles

According to Experian this group of people are commonly found within town centre areas and university towns, they tend to be younger well educated people either studying for a degree or having completed a degree course recently. They tend to live in shared houses or flats renting from private landlords to suit a more transient lifestyle. They also prefer local shops and conveniences in the immediate vicinity. As you can see from Image 3, this group tends to reside around the southern end of the In-Town Living area.

Mosaic Group – G33: Transient singles, poorly supported by family

According to Experian this group tends to be younger singles aged between 18-30 which may be out of work, education or training, if they are in work they are usually on lower annual incomes. They tend to live in flats above shops again in the town centre areas which are privately rented. Claims for state benefits tend to be higher amongst this group and in some cases these areas can have a higher demand for Policing. As you can see from Image 3, this grouping accounts for the majority of areas within the project area.

Mosaic Group – H36: Young Singles and Sharers in purpose built flats

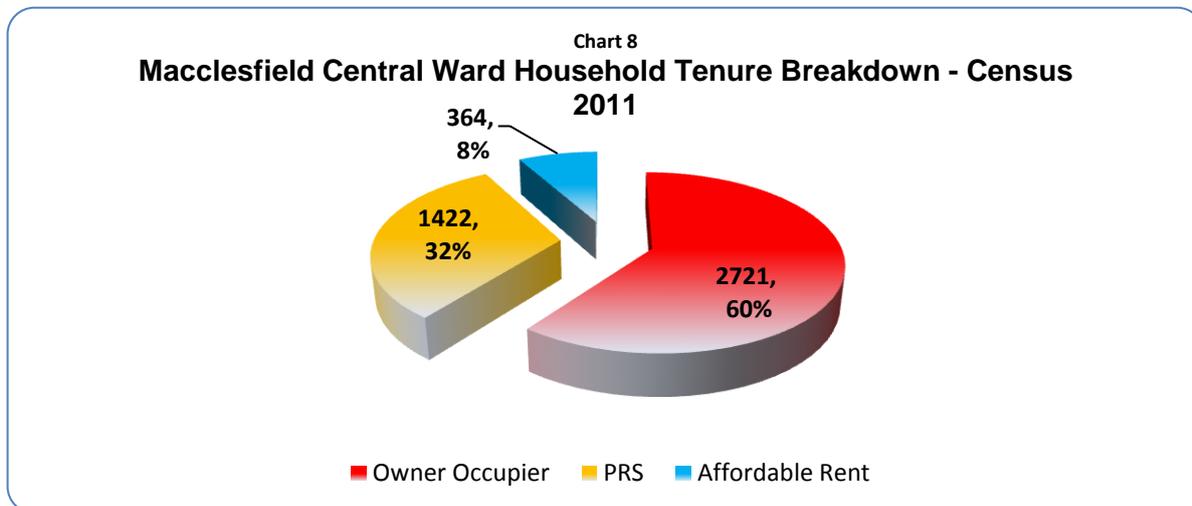
This group tends to comprise of younger singles living in newer purpose built private rented flats, again they tend to be found close to the town centre and require good transport links both public and private (motorways etc), employment is relatively good amongst this group hence the requirement to have good access links. Housing in these areas is usually of good quality but smaller. There is only one area which would come under this definition in the project region and this is located towards the southern end around Park Green.

Mosaic Group – I44: Low Income Families occupying older terraces

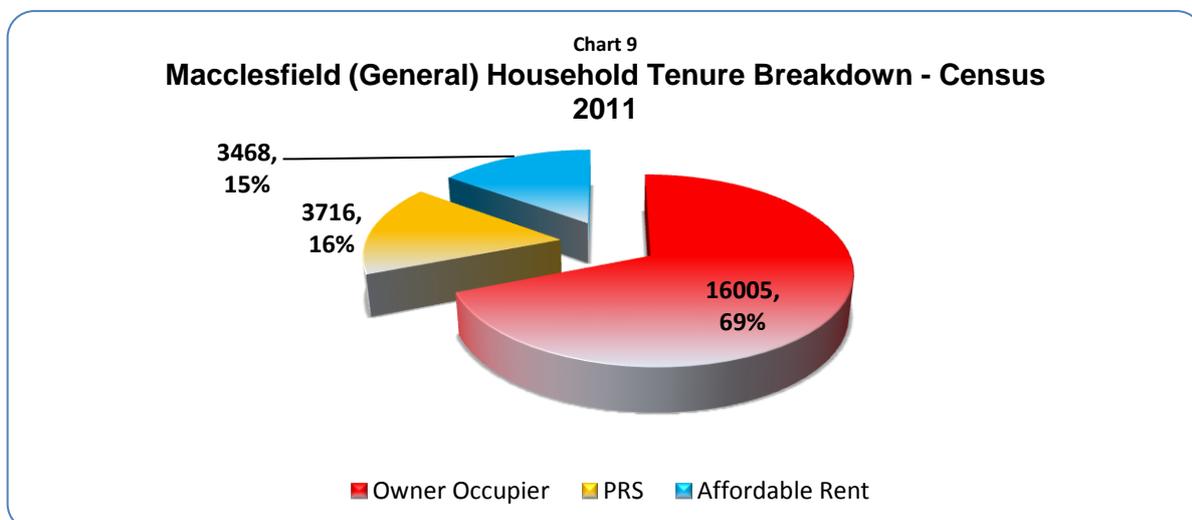
This grouping again is commonly found close to town centre areas so that access to local amenities and public transport links. They tend to be families with a lower than average income. They tend to occupy smaller terraced houses which may not be in the best of conditions. This group is comprised of first time renters on the whole. There are only 2 areas within the defined area where this group may be found.

Household Tenure Comparison

The following charts (8 & 9) provide a breakdown of the household tenures within the Macclesfield Central ward and Macclesfield as a whole.



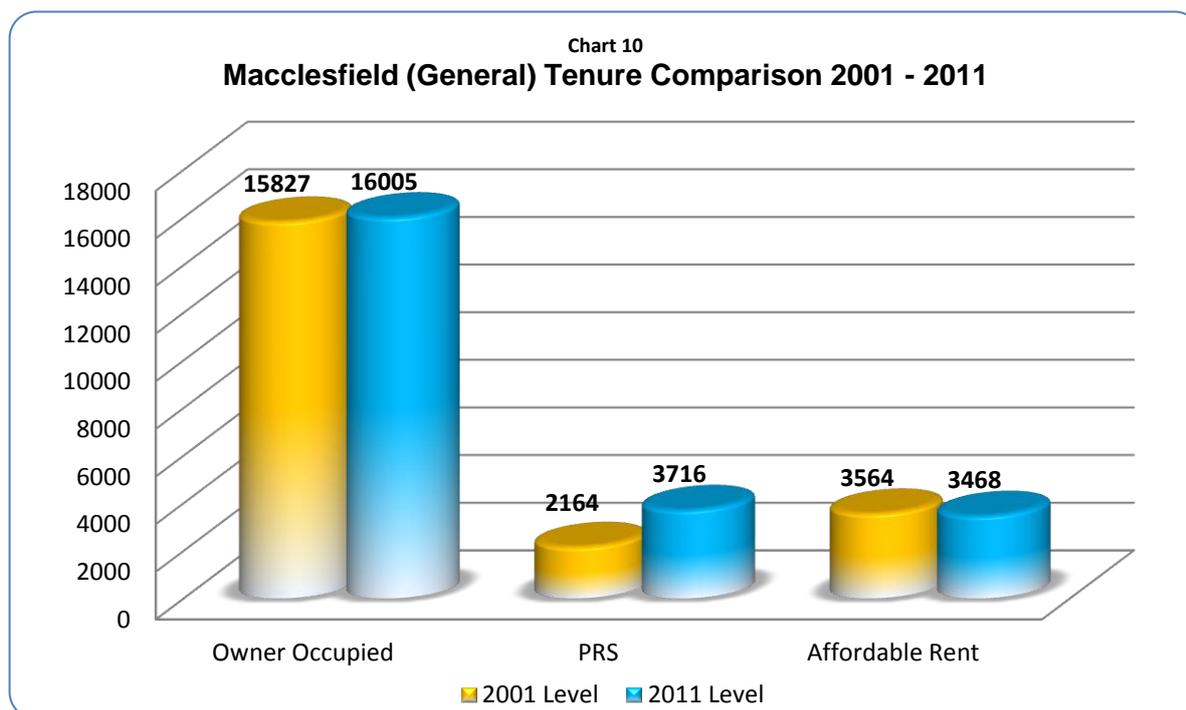
This chart (above) shows that in Macclesfield Central Ward there were 4,507 properties, the majority of those properties (2721) belong to owner occupiers, which accounts for 60.3% of all tenure types in that area. The private rented sector (PRS) commands the next highest property tenure at 31.6% (1422 properties) and finally 8.1% of properties are Affordable Rented from registered providers.



The chart (above) shows a breakdown of the household tenure in Macclesfield generally as it was at the time of the census in 2011. Again the largest tenure is by far owner occupation which accounts for 16,005 (69%) of 23,189 properties. The private rented sector (PRS) is the next largest at 16%, closely followed by those properties which are classed as affordable rented (15%).

When comparing the two charts above there are some interesting differences. Although owner occupation is relatively similar in size between the two areas when you consider the PRS you can see that in Macclesfield Central this accounts for twice the tenure percentage than in Macclesfield as a whole. Furthermore, the Affordable Rented sector also shows vast

differences with the sector only commanding an 8% share of the tenure market in Macclesfield Central as opposed to 15% for the town as a whole.



The above (*chart 10*) provides a comparison with respects to the Tenure breakdown of Macclesfield as a whole as it stood in 2001 and 2011.

In the 2001 Census there was a total of 21,555 households in Macclesfield generally. Of those 15,827 (73.4%) were owner occupied (either with or without a mortgage), 2,164 (10%) were within the private rented sector and the remaining 3,564 (16.6%) were classed as Affordable Rented (social rented at the time).

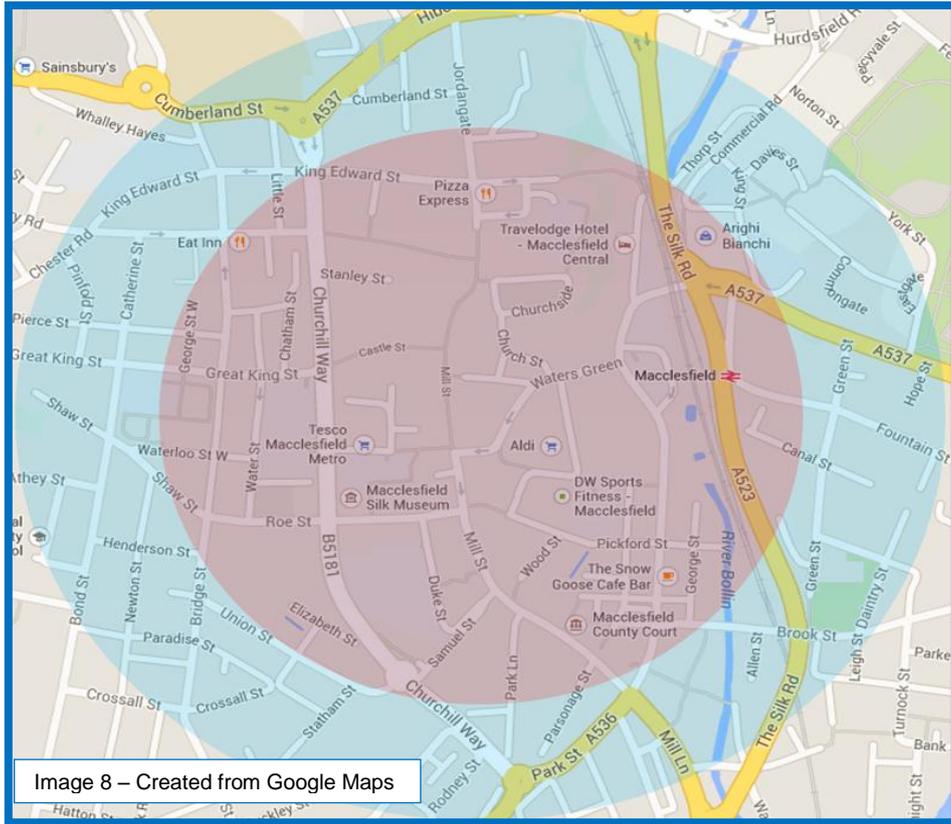
When comparing these two datasets you can see that generally speaking the number of households in Macclesfield has increased by 7.6% to 23,189. Within this owner occupation has increased slightly from 15,827 to 16,005 which is an increase of 1.1% over the decade. The biggest change can be witnessed within the Private Rented Sector (PRS) which has increased from 2,164 households in 2001 to 3,716 in 2011 which means the PRS in Macclesfield as a whole has increased by 41.8% in the 10 year period. Affordable Rental are the only sector which over the same period have actually shown a 2.7% decrease standing at 3,468 in 2011.

Unfortunately, data from Macclesfield Central cannot be compared as the ward boundaries changed between 2001 and 2011. That being said based on the data available we can assume that similar changes were experienced in Macclesfield Central ward over this time period.

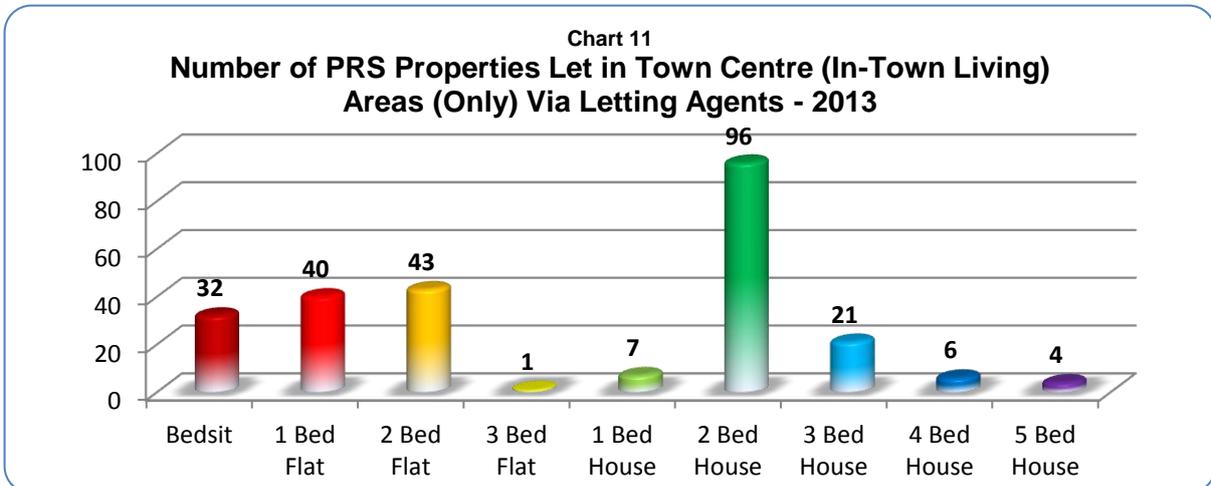
Area Profile – Private Rented Sector (PRS) Analysis – (2013)

The following section provides details of PRS activity in Macclesfield Town Centre and the Town as a whole in 2013. The perceived demand data within this section has been collated via a series of surveys carried out on the PRS. Information on the numbers of properties has been gathered via a research project on the PRS and will provide a breakdown of the property types in Macclesfield Town Centre and then Macclesfield as a whole based on those properties which have been let out by letting agents in 2013 as well as the average rental levels.

*****When discussing the Town Centre areas please refer to the map below*****

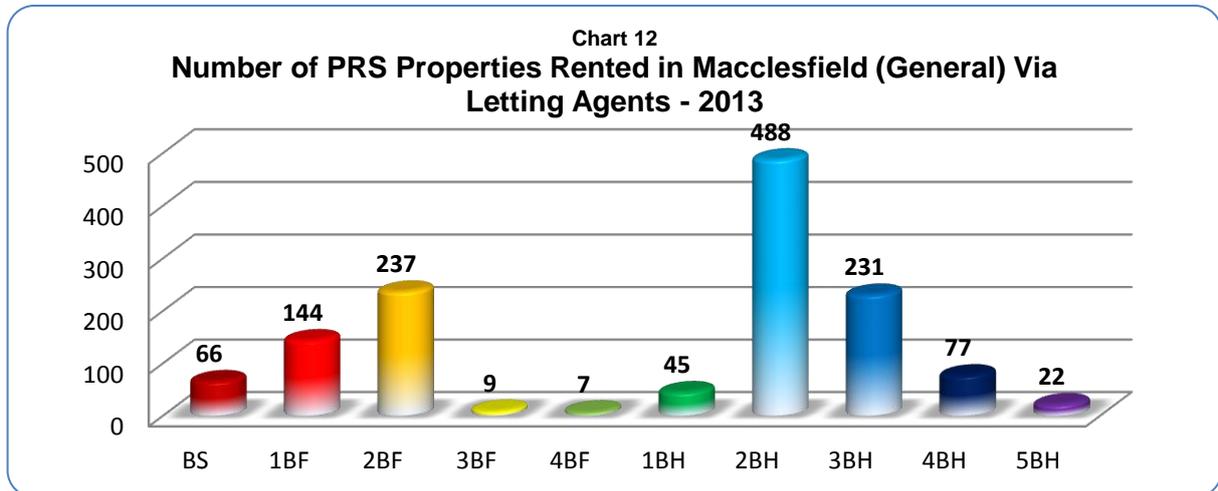


Property Dispersal – Macclesfield Town Centre (Only):



Within the 2 areas of the town centre (as defined in the map) there were PRS properties located on 37 out of the 61 streets in the areas. This equates to a total of **250** properties. As you can see from the chart (11) (previous page) 2 bed houses make up the majority of those properties with 96 in total. The next largest figures are amongst 2 and 1 bed flats which had 43 and 40 respectively.

Property Dispersal – Macclesfield (General):

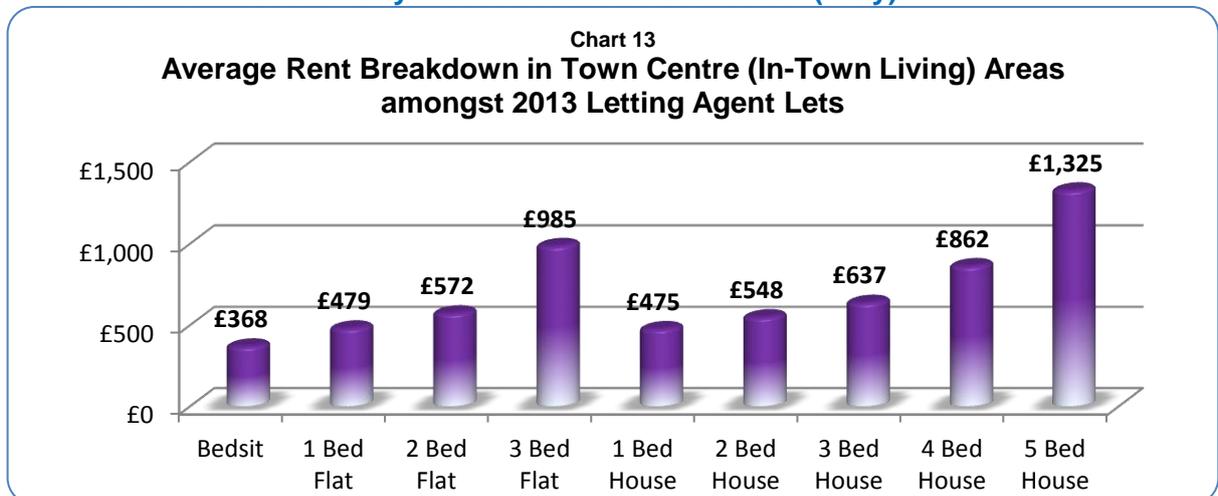


The chart above (12) details that throughout 2013 the letting agents covering Macclesfield Town as a whole successfully let 1,326 properties of varying types. When considering all PRS market activity across Cheshire East Borough Macclesfield accounts for 18.3% of all properties let out.

Within the chart above 2 Bed Houses command the majority of the properties let out with 488 in total which translates to 36.8% of the total (488). There is a significant presence amongst 3 Bed Houses and 2 Bed Flats as well but these had half the number of the 2 Bed's in the period.

In many ways the above chart mirrors that of the dispersal in the Town Centre (chart 11) with the exception of 3 Bed Houses as this property type only makes up 8.4% of properties in the Town Centre as opposed to 17.4% of properties across Macclesfield as a whole.

Rental Values & Affordability – Macclesfield Town Centre (Only):

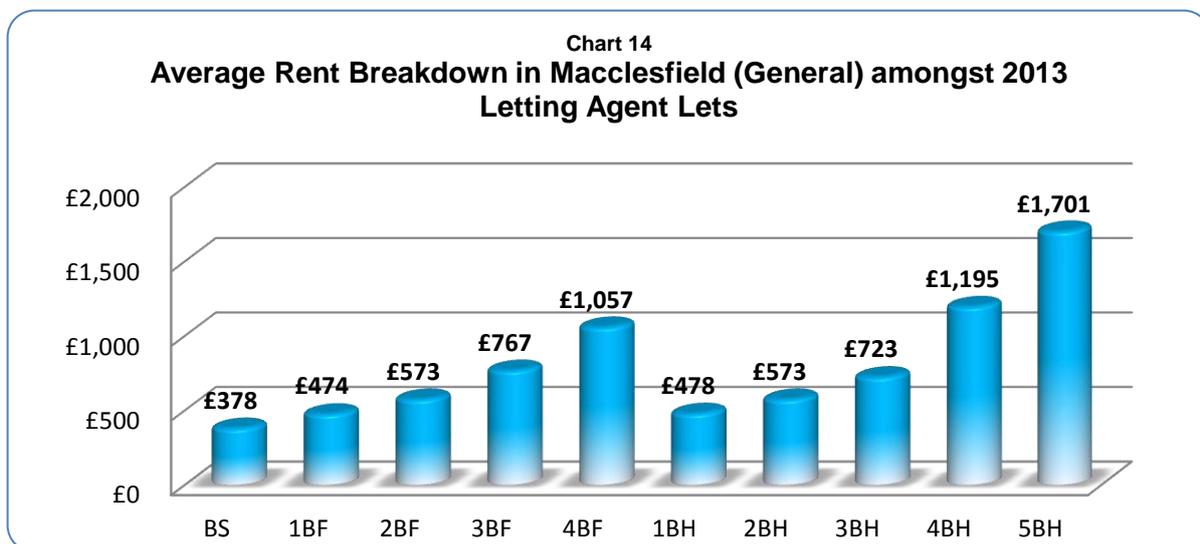


The chart on the previous page (*chart 13*) provides a detailed breakdown of the average rental values achieved by letting agents for properties which were let out in the town centre areas only.

Within chart 13 the highest average rental value is amongst 5 Bed Houses which had an average monthly rent of £1,325. The average rental value amongst 2 Bed Houses (which had the highest number of properties) was £548 PCM. In order for a person / household to afford the average 2 Bed House in the Town Centre area they would need to have a monthly net income (including earnings and benefits) of £1,910 net which equates to an annual income of £22,920 (net). This is based on the premise that a household would spend no more than 30% of their income to pay for their rent in order for that rent to be affordable to their finances.

Taking all the property types into consideration the average rental value for all 250 properties identified in the town centres areas was **£694.55** PCM.

Rental Values & Affordability – Macclesfield (General):



The chart (*above – 14*) provides a breakdown of the average rental values achieved by letting agents for the total 1,326 properties which were let out in Macclesfield (general) 2013. Unsurprisingly, the highest average rental value was witnessed within 5 Bed Houses but this must be viewed with caution as this average is based on a relatively small number of PRS properties.

When considering all properties let out in Macclesfield, the general average rental value for the area reduces to **£792** PCM for all property types. In order to afford the average rental value in Macclesfield a person / household would be required to earn at least £2,640 (net) per month in income which equates to an annual net income of £31,680.

Rental Value & Affordability – Summary

Considering data incorporating both areas you can see that the average rental value for the town centre areas is substantially lower than that seen amongst properties let in Macclesfield generally registering a rental value **£97.45** per month lower.

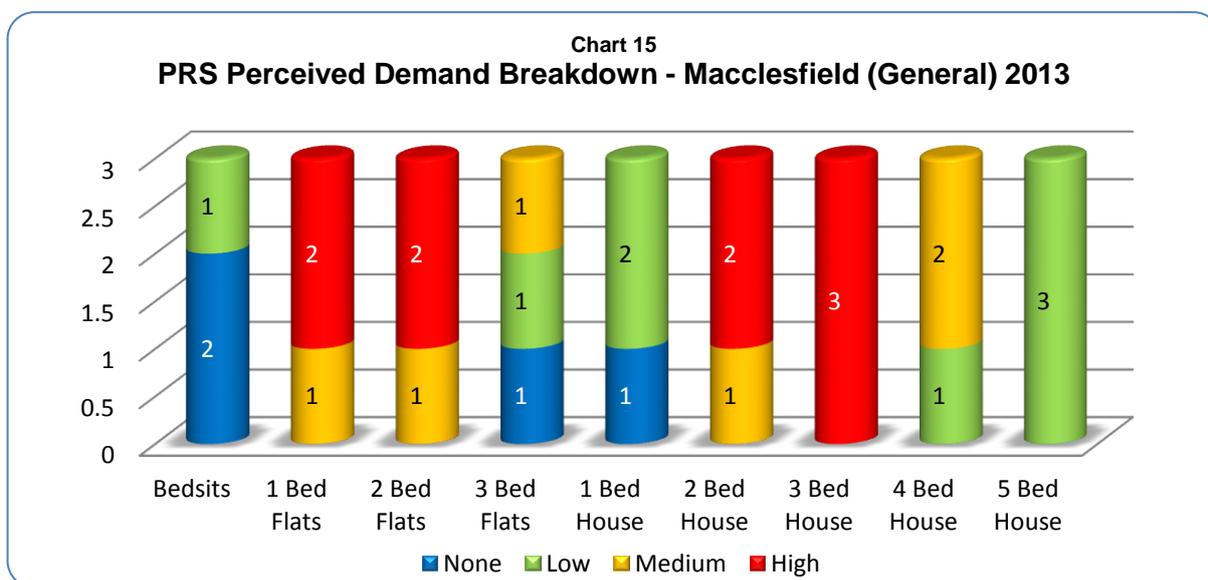
This also has an impact on the affordability for the areas as based on the most recent data on household incomes provided by CACI 2010 the current (mean) average household income (including benefits) in Macclesfield is £2,399.55 (net) per month 30% of this equates

to £719.86 per month (net) which essentially means that the average rent in Macclesfield as a whole of £792 PCM would be slightly unaffordable for the average household. In the town centre areas the average income is above actually above the current average rent so affordability should be easier in those areas.

It is important to note that the previous comments are generalisations and there are property types and sizes which would be affordable on this income.

Private Rental Sector Perceived Demand Analysis – Macclesfield

The chart below (15) provides a perceived demand breakdown for all PRS properties in Macclesfield Town (*inclusive of the town centre areas*) as a whole based on a heat map principle where demand is coloured from “none” (blue / cold) to “high” (red / hot). The numbers within the chart do not correspond to a demand rank they represent the number of agents who responded (3) to the recent survey.



The above chart (15) shows that 3 Bed Houses command the highest perceived demand amongst the letting agents who responded. This is then followed by 2 Bed Houses and 1 & 2 Bed Flats in the area. According to agents Bedsits commanded the lowest overall demand with 2 of 3 agents stating that there was no demand for this property type.

Looking at the perceived demand for 1 and 2 Bed Flats in more detail the table below provides a breakdown of the number of searches conducted for this property type on Rightmove.co.uk in April and May 2014²⁶.

Flat Size	Rent Value Range - PCM	No of Searches – May 2014	No of Searches – April 2014
One Bed	£301 - £400	10,234	12,066
One Bed	£401 - £500	11,963	13,952
One Bed	£501 - £600	14,056	15,991
One Bed	£601 - £700	15,397	17,534
Two Bed	£401 - £500	10,861	12,785
Two Bed	£501 - £600	12,835	14,710
Two Bed	£601 - £700	14,123	16,213

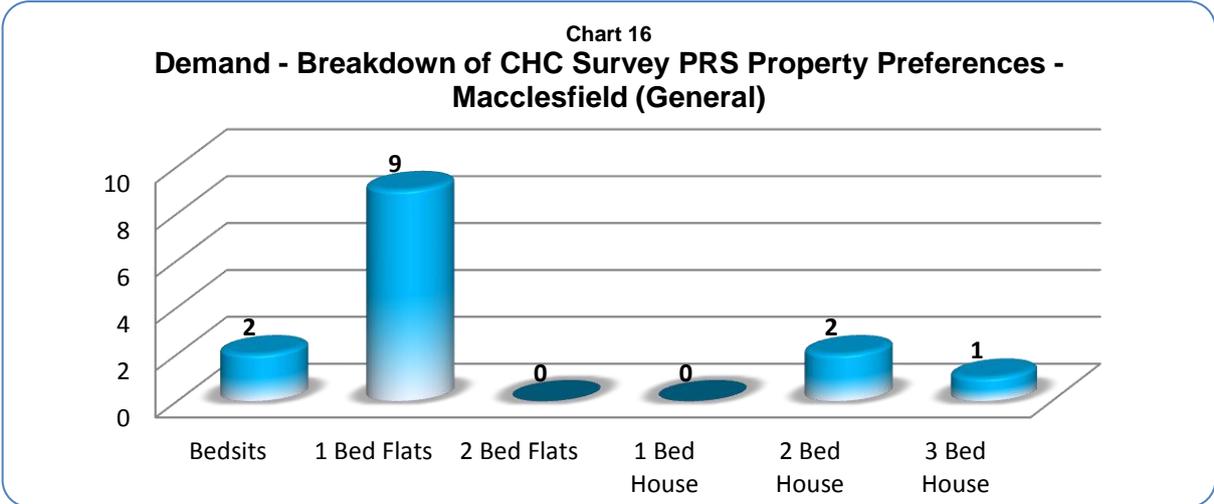
²⁶ Rightmove searches data provided by Belvoir Lettings – Macclesfield

This information supports the premise that there is a demand for flats / apartments in Macclesfield given the sheer numbers of searches which are being conducted each month for this property type and we would expect to see similar results for other property types.

In terms of the time it took letting agents to let accommodation in Macclesfield, amongst the 3 agents who responded to the survey the average length of time it took to let a House was between 1 and 2 weeks and the same again for a Flat. This would appear to show that the market itself has a relatively quick turnover in relation to these property types. Furthermore, when considering the numbers of people who are contacting letting agents about each property they're letting out, for Houses 2 of 3 agents reported that they get between 6 and 10 people enquiring about each house or flat with the remaining agent reporting that they receive between 11 and 15 contacts about each property.

A further measure of demand has been derived from a snap survey conducted amongst current applicants on the Council's Housing waiting list called Cheshire Homechoice. In total 100 applicants were questioned at random, 71 stated that they would consider looking towards the private rented sector for an accommodation solution as opposed to continuing to seek affordable rented accommodation.

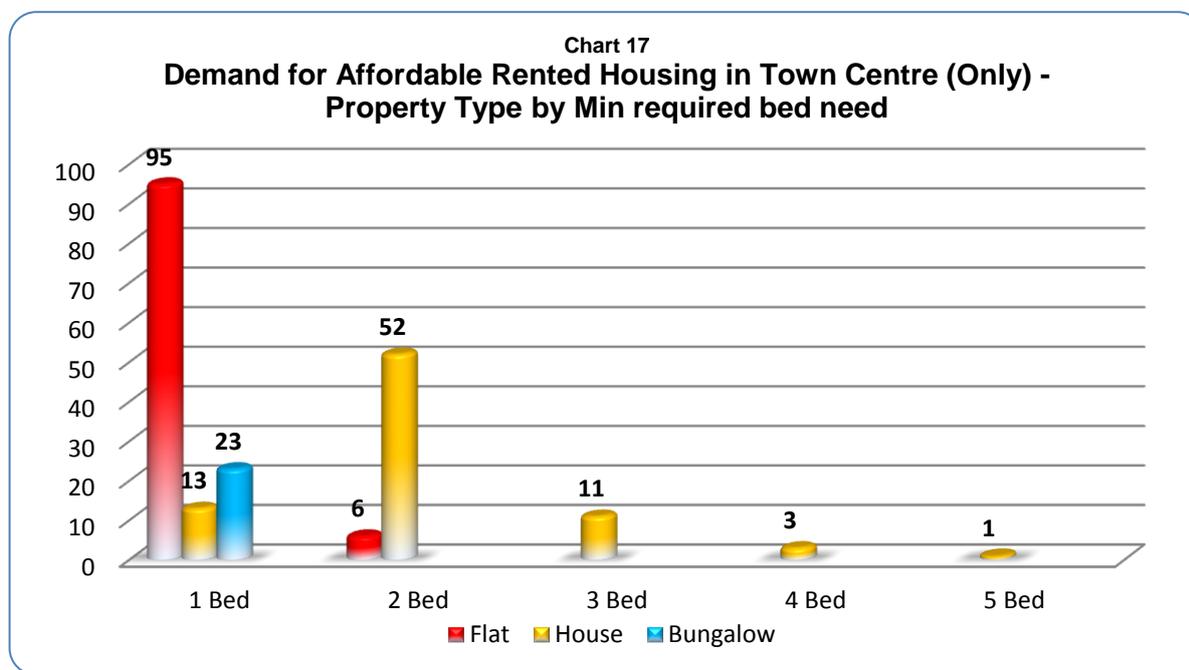
Within the 71 applicants, 14 stated they would prefer to consider Macclesfield as their first choice for PRS accommodation. The chart below provides a breakdown of the property types which those applicants would prefer.



In chart 16, the breakdown the majority of the applicants would request a 1 bed PRS flat in Macclesfield if it was available with smaller numbers requesting Bedsits and 2 Bed Houses. Naturally these figures are only designed to provide a brief snapshot of applicants and their preferences.

Affordable Rented Demand – Town Centre Area (Only)

In order to determine the demand for accommodation in the town centre area an analysis has been conducted utilising Cheshire Homechoice (Housing waiting list). The chart (below - 17) displays a breakdown of the types and sizes of accommodation required by applicants who have specified that they would wish to secure affordable rented housing in the town centre region (only) by the bedroom size to which they are eligible.



	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Flat	95	6	-	-	-
House	13	52	11	3	1
Bungalow	23	-	-	-	-

The information in chart and table (above) has been derived from an analysis of applicants on the Cheshire Homechoice waiting list as of 02/04/14. These figures are prone to change regularly as the waiting list is a fluid entity with people being re-housed constantly.

The figures show those clients who have specified Macclesfield Town Centre area as their first choice for re-housing under affordable rented housing only and have been broken down into each individual client's current eligibility for accommodation by their minimum bed need and the type of accommodation they are requesting as long as it is in their eligibility.

Minimum bed need has been chosen as it would take into account the changes introduced in the Welfare Reform Act 2012 specifically in relation to the removal of the spare room subsidy which began in April 2013 (more commonly termed the "Bedroom Tax").

Chart 17 shows that of the **204** applicants who have specified the town centre as their first choice **95** (44.2%) of them are looking to secure one bedroom social housing flats, these are mostly single applicants interspersed with 5 applicants whom are couples.

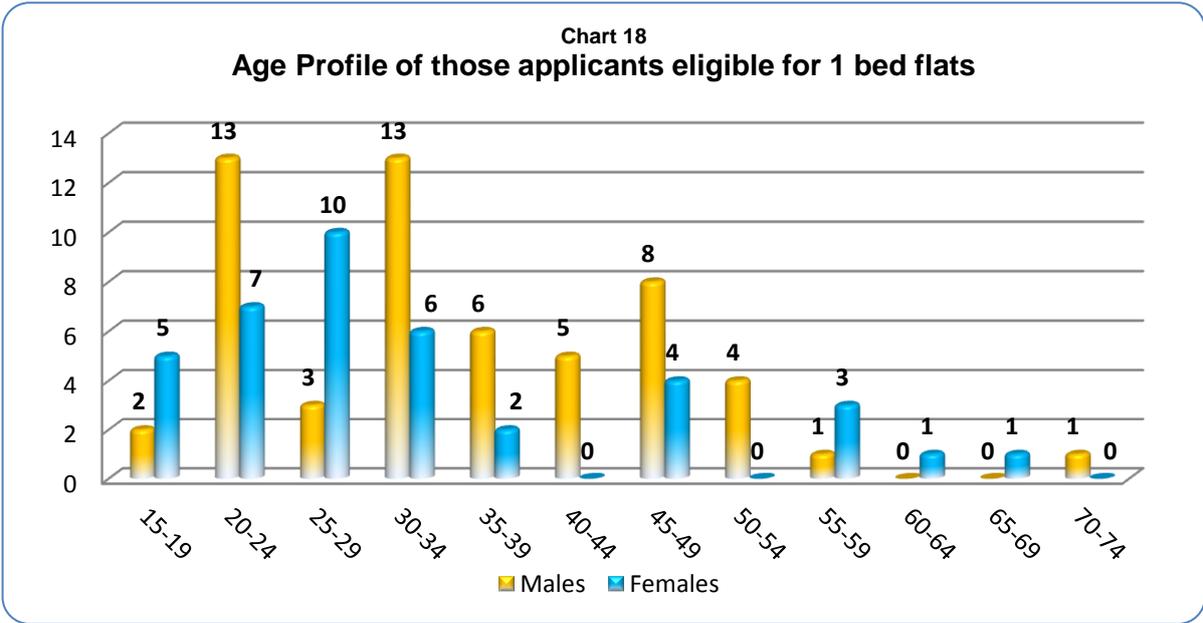
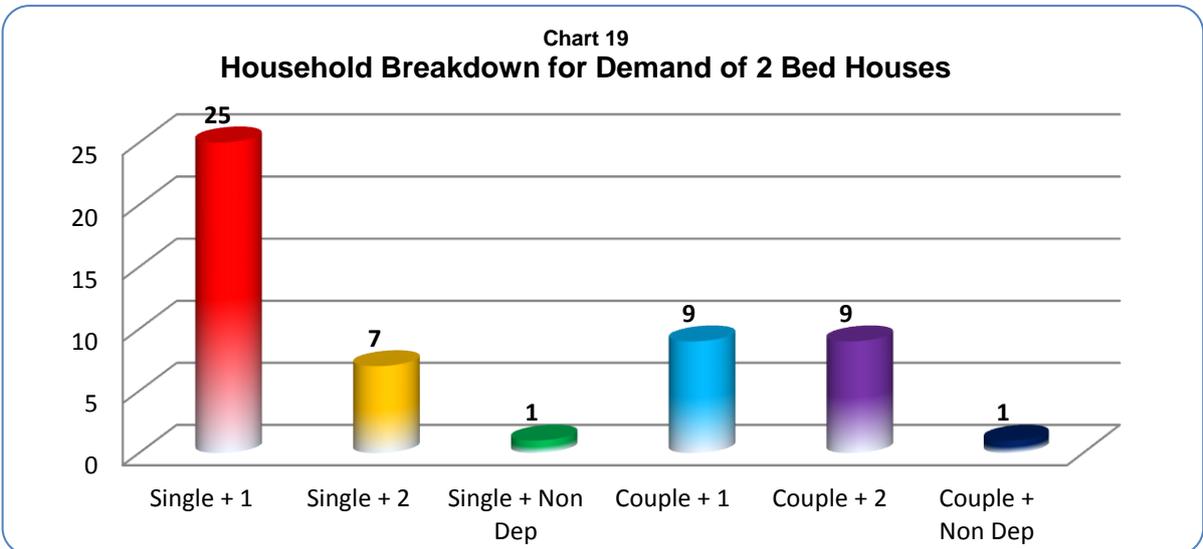


Chart 18 (above), displays an age profile of the **95** applicants who would be eligible for one bedroom flats in the town centre area. As you can see there are a large number of applicants aged between 20 and 34 which would be in-keeping with the Experian Mosaic groupings detailed previously which suggested that younger singles tend to reside in town centre areas. As you will note there are 7 applicants aged 55+ which are included within the 1 bed flat breakdown instead of supported or bungalow accommodation, this is because those clients have specifically requested a flat instead of any supported accommodation.

Also from Chart 17, the next highest demand category is for 2 bedroom houses which commands a requirement for **52** properties. Chart 19 displays a breakdown of the household types requiring 2 bed houses in the town centre area.



Finally there is also a relatively healthy requirement for both 1 bedroom houses, again amongst single applicants as well as 3 bedroom houses for those applicants with more children or older children.

All of the information presented here suggests that there is a demand for social / affordable rented accommodation in the town centre area.

Affordable Rented Bidding Analysis – Macclesfield Town Centre (only)

Between 01/01/13 and 31/12/13 there were **12** properties advertised on Cheshire Homechoice which were completed and offered to clients. In total 321 bids were made on these properties all of which were flats. There were 7 one bedroom flats, 2 two bedroom flats and 1 three bedroom flat. No houses were advertised in the Town Centre area.

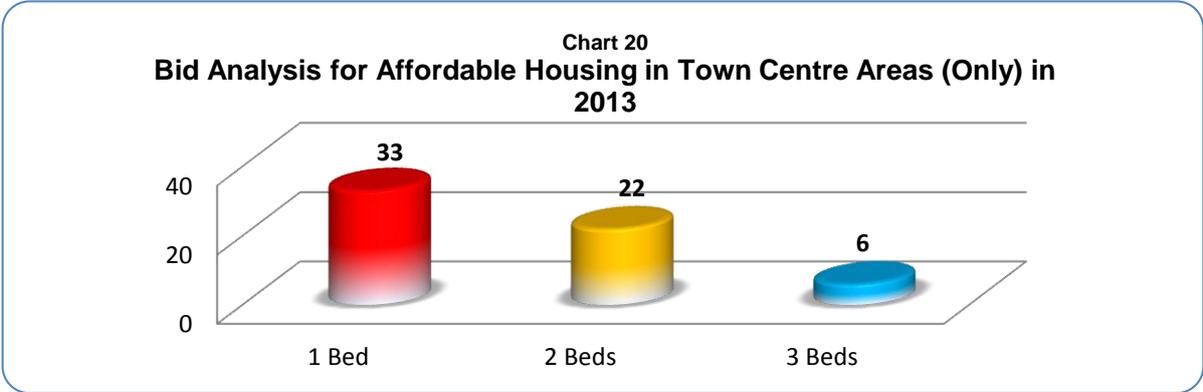
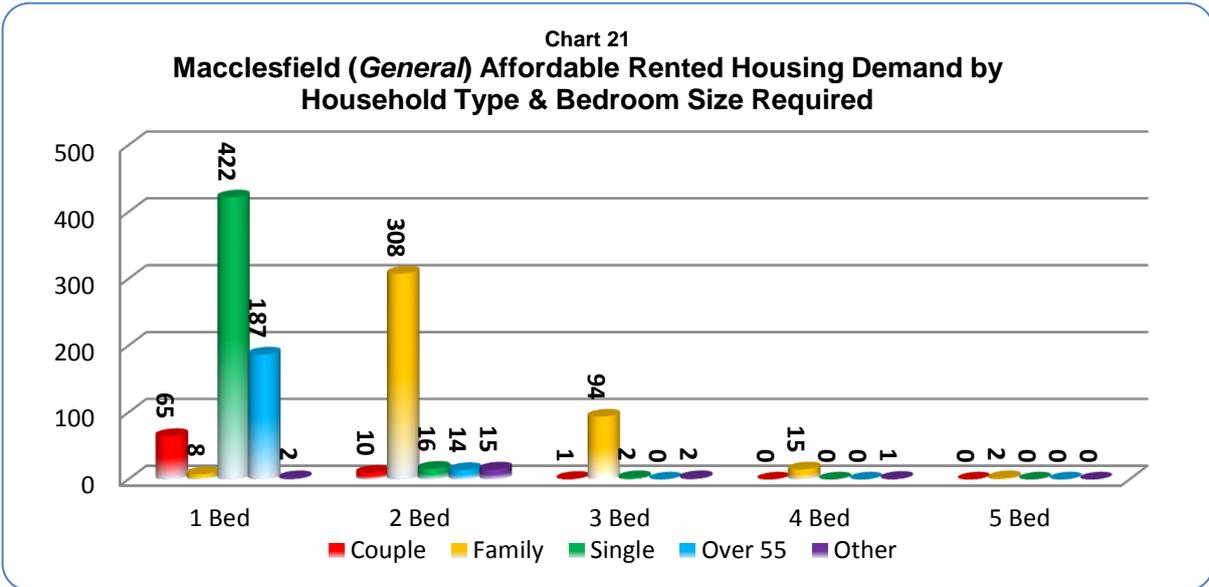


Chart 20, shows that out of the 7 one bedroom properties advertised in the town centre area there was an average of 33 bids made per property, the highest number of bids made on a 1 bed flat was **59**. With regards to 2 beds there was an average of **22** bids per property (highest on an individual property was **56** bids) and there was only 1 three bed flat in the designated time period which had 6 bids made on it.

Affordable Rented Housing Demand – Macclesfield (General)

Cheshire East Council maintains a waiting list for those wishing to secure affordable rented accommodation in the borough called Cheshire Homechoice. An analysis of that list has identified that there are currently **1,164** households which have chosen areas within Macclesfield as their first choice for accommodation. Chart 21, provides a breakdown of those households by the size of property which they're eligible for.



Supported & Older Persons Accommodation

Utilising data from the population section earlier in this document you will note that in total 9,196 individuals living within Macclesfield Town as a whole are aged 65 or over²⁷ this accounts for 17.5% of all age groups. That percentage is due to increase rapidly up to 2030 not only because there will be more older individuals but also because of advancements in medical science helping people live for longer this in turn will have a substantial impact on Housing in the area and the borough at large.

The population in Cheshire East Borough generally amongst those aged 65+ is due to expand by more than 46% by 2030.

This increase and the impact it will have on Housing cannot be ignored. Generally speaking Cheshire East will require more places for extra care, and sheltered housing by 2030. Macclesfield is not immune to those requirements; in fact as the 2nd largest town in the borough the demands are likely to be much higher than most other areas, specifically in relation to requirements for Extra Care and Sheltered Housing placement.

The table below provides data on the current supply for each type of housing and the projected need by 2030 as determined by the Strategic Housing for Older People Toolkit (SHOP) data which in turn has been incorporated into the Vulnerable & Older Persons Housing Strategy 2014.

	Current Supply	2030 Need
Extra Care	0	194
Sheltered Housing	258	712 ²⁸

As you can see from the above table the current supply of Extra Care Housing in Macclesfield is zero but there is a projected requirement for 194 places by the year 2030. When considering the Town Centre area only, the future requirement for Extra Care Housing has listed a need for 32 units.

In relation to Sheltered Housing the current supply is listed as **258** units but again the demand by 2030 is projected to be as high as 712 units required which indicates a need for the supply to increase by 63.7% over the next 15 years to meet this need.

²⁷ Data based on ONS Mid 2012 Population figures

²⁸ SHOP Data from CE – Vulnerable & Older Persons Housing Strategy

Owner Occupied Market Accommodation

The owner occupied market in Macclesfield has witnessed several changes over the last few years. Census information from 2011 showed that owner occupation tenure levels in the town as a whole stood at 69%. The below information demonstrates the activity in the owner occupied market since 2012 which gives us some indications for demand of this particular tenure type in the town.

Unfortunately the figures below only look at Macclesfield generally and does not focus on the smaller ward or town centre areas as this data was not available. All figures below have been provided by the Office of National Statistics.

Year	2012	2013	2014
½ Year Property Sales Numbers	262	284	334
Increase / Decrease in Property Sales	N/A	22 Increase	50 Increase
% Increase / Decrease in Property Sales	N/A	7.7% Increase	14.9% Increase

The table above shows displays property sales which occurred between 1st January and 19th June in each respective year. These figures have been chosen to give the most up to date comparison possible given that only figures up to 19th June 2014 have been released to date.

Based on the information presented above between 2012 and 2013 there was a 7.7% increase in ½ yearly property sales. Between 2013 and 2014 there was a further 14.9% increase which displays strong signs that market activity and therefore demand for this tenure is increasing.

The table below displays average property values over the same time period but focuses on the average value over the entire year for 2012 and 2013 but naturally only goes up to 19/06/2014 based on available data.

Year	2012	2013	2014 (Up to 19/06/14)
Average Property Value	£176,672.85	£165,037.51	£176,808.62
Value Increase / Decrease on previous year	N/A	-£11,635.34 Decrease	£11,771.11 Increase
% Value Increase / Decrease on previous year	N/A	-7% Decrease	6.6% Increase

The information above provides a more confusing picture when compared to the numbers of property sales. Despite there being an increase in the numbers of property sales between 2013 and 2012 the average property value in Macclesfield actually decreased by 7% (£11,635.34). This decrease has since been rectified based on the available 2014 data which shows that current average house prices in Macclesfield have increased from the previous year showing a 6.6% increase, currently standing at £176,808.62.

Future Investment – Why choose Macclesfield:

Macclesfield Connection Profile

Macclesfield’s geographical position has historically often caused problems for the development of the area. However during the industrial revolution these problems were largely overcome and now the town has links to several cities via road and rail not to mention its proximity to Manchester International Airport. This section aims to briefly show why Macclesfield is a good option for future investment.

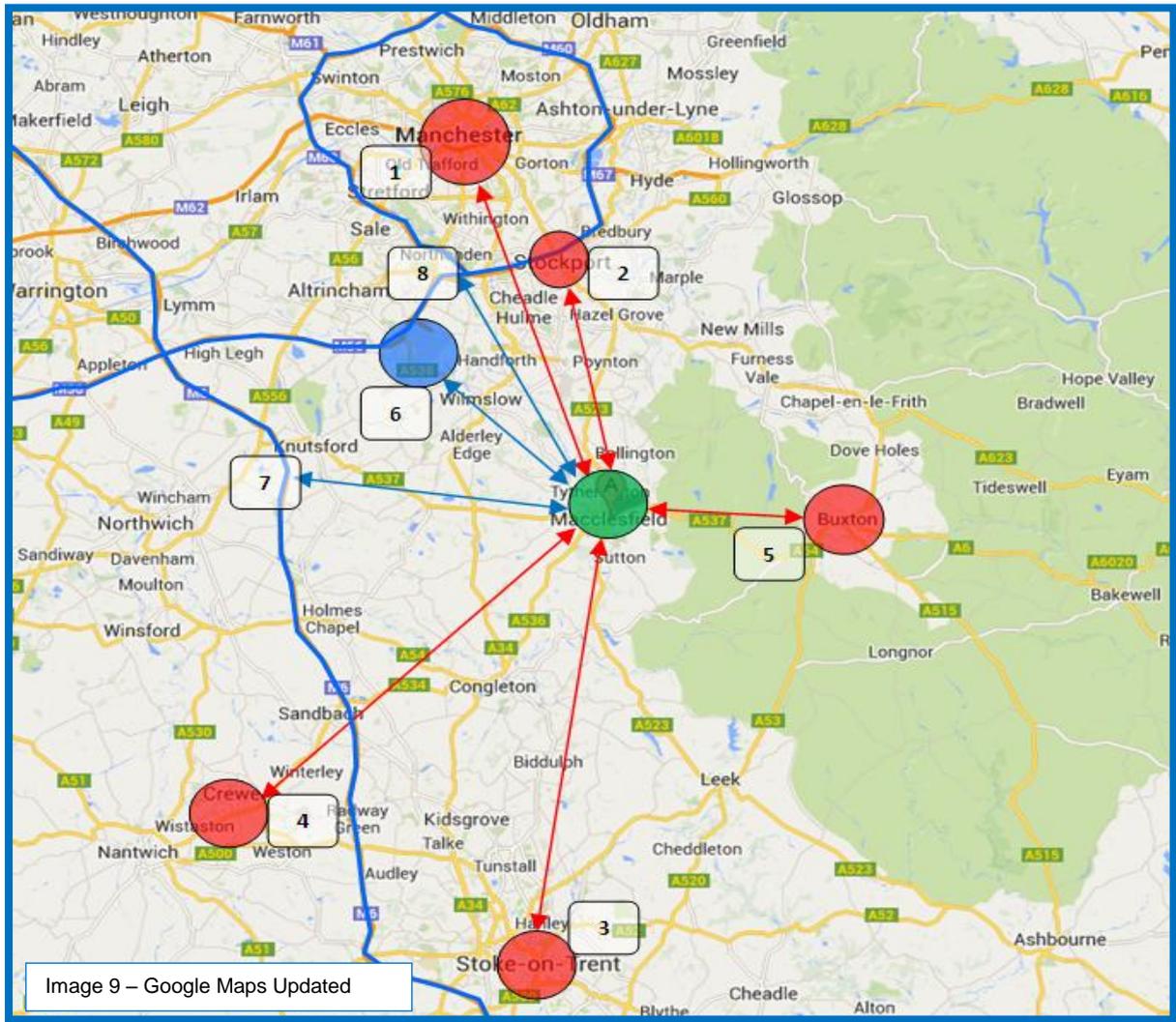


Image 9 – Google Maps Updated

Transport Link Breakdown

Map Number	Location	Travel by Road	Travel by Rail
1	Manchester	45 Minutes	26 Minutes
2	Stockport	27 Minutes	15 Minutes
3	Stoke-on-Trent	40 Minutes	15 Minutes
4	Crewe	40 Minutes	45 Minutes (via Stockport)
5	Buxton & Peak District	25 Minutes	70 Minutes (via Stockport)
6	Manchester Airport	25 Minutes	52 Minutes
7	M6	25 Minutes	N/A
8	M56 & M60	31 Minutes	N/A

Benefits to Macclesfield

Macclesfield as a town offers a great deal for any potential investors. Furthermore, the impending regeneration programme in the town will only serve to enhance that offer. The diagram below displays just some of the benefits to Macclesfield.



Section 5

Strategic Approach – Looking Forwards

This section will be used to explain the mechanisms that we will be using in order to achieve the aims set out within the “In-Town living” section earlier in this strategy.

In-Town Living Aims – Recapped

As previously mentioned, the In-Town Living project has been created as a mechanism to achieve the following aims:

- Seek to increase the numbers of people living within the town centre area of Macclesfield,
- Identify properties in the town centre area (whether they are commercial or residential) and work with the owners to return those properties into a useable state for re-occupation,
- Identify properties which again are empty or underutilised (either commercial or residential) and assess if they would be suitable candidates for a full or partial conversion into another use such as making a commercial property a solely residential one or a mixture of uses.
- Seek to introduce a mixture of tenure types to the town centre area to support those whom are economically active or requiring state assistance.

Why we’re doing this – Recapped

This project is being undertaken because the need for further Housing has been identified as being of integral importance to the success of regeneration projects which have been conducted across the country. Having residents in a town centre area can provide increased and consistent footfall which consequently deliver higher levels of financial spending in the areas concerned. Furthermore, the idea of converting premises into part commercial / part residential could provide a greater return for property owners in the town.

Many properties in Macclesfield have been suffering from under-investment for a number of years which has threatened the historical charm of the town. Once completed the benefits of the regeneration programme coupled with greater numbers of residents in the town centre will enhance Macclesfield’s contribution to the overall economic development of Cheshire East Borough.

Direct Benefits from In-Town Living Project

- Brings empty / underutilised commercial / or residential properties back into use.
- Contributes to urban redevelopment as opposed to building on greenbelt land.
- Supports the local economy during the day and night.
- Improves security for both residents and businesses in the town centre.
- Provides further economic growth for the town which contributes to the prosperity of the borough.
- Ensures a vibrant and financially resilient town centre.

Direct Benefits from Macclesfield Town Centre regeneration

- Delivers a significant number of larger format retail units.
- Increased footfall in the town centre area including existing developments.
- Predicted to produce 850 – 900 full time paid jobs in the town centre.
- Provides a better use for prime town centre land.

- Provides a better offer for the public in the town centre with regards to products to buy and their experiences of the town.
- Better leisure offers in the town centre in the way of restaurants and a cinema.

All of the direct benefits listed on the previous page between the In-Town Living project and the general regeneration of Macclesfield are inter-connected and together will hopefully provide the catalyst for promoting further growth and investment in the town.

How we're going to achieve our aims?

A series of actions have been identified which will enable us to achieve the aims of the project and the strategy:

- 1) Conduct research to identify suitable commercial / residential properties and actively engage the owners of those premises to ascertain the reasons why the property has become empty and furthermore, seek to remove the barriers which are preventing those owners and other investors from conducting works. This would be a collaborative approach in conjunction with the Private Sector Renewal Team.
- 2) Once identified we would seek to actively engage with the respective property owners to bring the premises back into use either as a commercial property, residential property or a mixture of the two. This would be achieved by utilising the forthcoming Sub-Regional Empty Homes Assistance "took-kit" to act as an enabler for this engagement.
- 3) Initially assist Registered Providers to deliver four units of affordable housing within the project areas and then promote the successes of those units to encourage further developments working with private entrepreneurs and / or registered providers and thereby raise the profile of the project.
- 4) Seek to attract funding streams to the Macclesfield area to support In-Town Living developments or conversions within the town centre. This would be accomplished by showcasing the successful developments already undertaken, as well as linking in with other projects in the area and again seek to raise the public profile of the projects to stimulate further interest and position Macclesfield as an attractive opportunity for private or public investment.

Project Challenges

Throughout the consultation process a number of challenges have been highlighted which will need to be addressed as and when projects are brought forward for consideration. Those challenges have been identified as:

Parking:

The issue of parking in and around any potential developments / projects will likely provoke interest amongst developers and residents alike. Cheshire East Council is due to undertake a comprehensive Car Parking strategy for Macclesfield which would seek to establish clear parking guidance for the town. The In-Town living project and by extension this strategy will work closely with Parking services when considering any potential developments / projects in the future.

Within Cheshire East Council's Local Plan (*Submission Document*) parking standards for the borough have been established broken down by the Land Use Classes system. A

breakdown of the use classes and parking standards relevant to Housing are presented in Appendix 3.

Suitability:

The issue of suitability is very important to the In-Town Living partnership when assessing any proposed future developments / sites brought to the group's attention. As a group we would forward our comments in this regard as part of any proposal and we would consider the following:

- Location – to ensure its within the town centre area,
- Economic Impact – this would be to ascertain the potential positive or negative impacts any potential development / project might have on surrounding businesses,
- Housing Need – this would be to ensure that there is a housing need for the potential development / project in the area.

Change of Use Classes:

There are premises in the town centre area which are currently classed as commercial / business premises but are empty. The government have recently consulted and released new guidance to planning in relation to Permitted Development rights. These changes came into force on 6th April 2014.

From a legislative standpoint the changes have been made to the Town & Country Planning Act (General Permitted Development Order) 1995. Breakdowns of the key changes which may affect potential developments are included in appendix 4 at the end of this document.

Empty / Underutilised Properties – Background (Residential)

What is an “empty / underutilised” property?

Put simply, an empty or underutilised home is a property which could be used as a residential dwelling but is currently unoccupied. According to data from the charity “Homes from Empty Homes” by the end of 2013 there were 635,127 empty homes across England with 232,600 being classed as long term empty. Unfortunately the North West had the highest number of empty properties of any other region with 114,882 empty homes and 46,747 of those were long term empty.²⁹

Empty homes are a wasted resource for communities particularly when there are nearly 2 million families in the UK which have inadequate housing. Unfortunately when homes are left empty they can fall into disrepair and contribute to the decline of an area.

Why homes are left empty?

In the majority of cases where homes are empty they are in the process of being refurbished, on the open market waiting to be sold or part of a deceased person's estate waiting to be finalised. There are also homes which are empty because the owner is unable to bring that the property back into use, at least without some assistance.

People who are struggling do so because:

- They may not have enough time to deal with the property
- They may not have the knowledge required to do the refurbishment

²⁹ *Empty Homes Statistics 2013 – Homes from Empty Homes Charity Press release March 2014*

- Or they may not have the money to complete any refurbishment

However, there are also owners who have abandoned a property or have no intention of doing anything within the property. In some instances people may have bought a property as an investment and are waiting for the market situation to improve before doing any work.

The council is actively looking to encourage these owners to bring these properties back into use as soon as possible but should an owner continue to leave a property empty without a valid reason they could be subject to the legal powers which the Council possesses such as compulsory purchase orders.

Risks to leaving homes empty:

There are several problems which could be realised should a property be left empty for a protracted period of time. Such as:

- Empty homes detract from an area which can cause frustration from other residents,
- Increased risk that the property will fall into disrepair,
- They can become targets for anti-social behaviour, particularly acts of vandalism, fly-tipping, squatting and arson attacks.

Empty / Underutilised Properties – Background (Commercial)

When discussing empty or underutilised properties in a commercial sense this could cover everything from previously larger retail units and smaller individual shops to derelict factories and general Brownfield land, all of which Macclesfield has a quantity of.

In one snapshot of the town centre around there were at least **31** buildings which were empty in April 2014, these were a mixture of large buildings previously used as factories to smaller previously independent shops. Several of those buildings were in a very poor state of repair or had already partially fallen down creating a blight on the landscape. Others were vacant but still in a condition whereby it should be possible to return them to use in one form or another relatively easily.

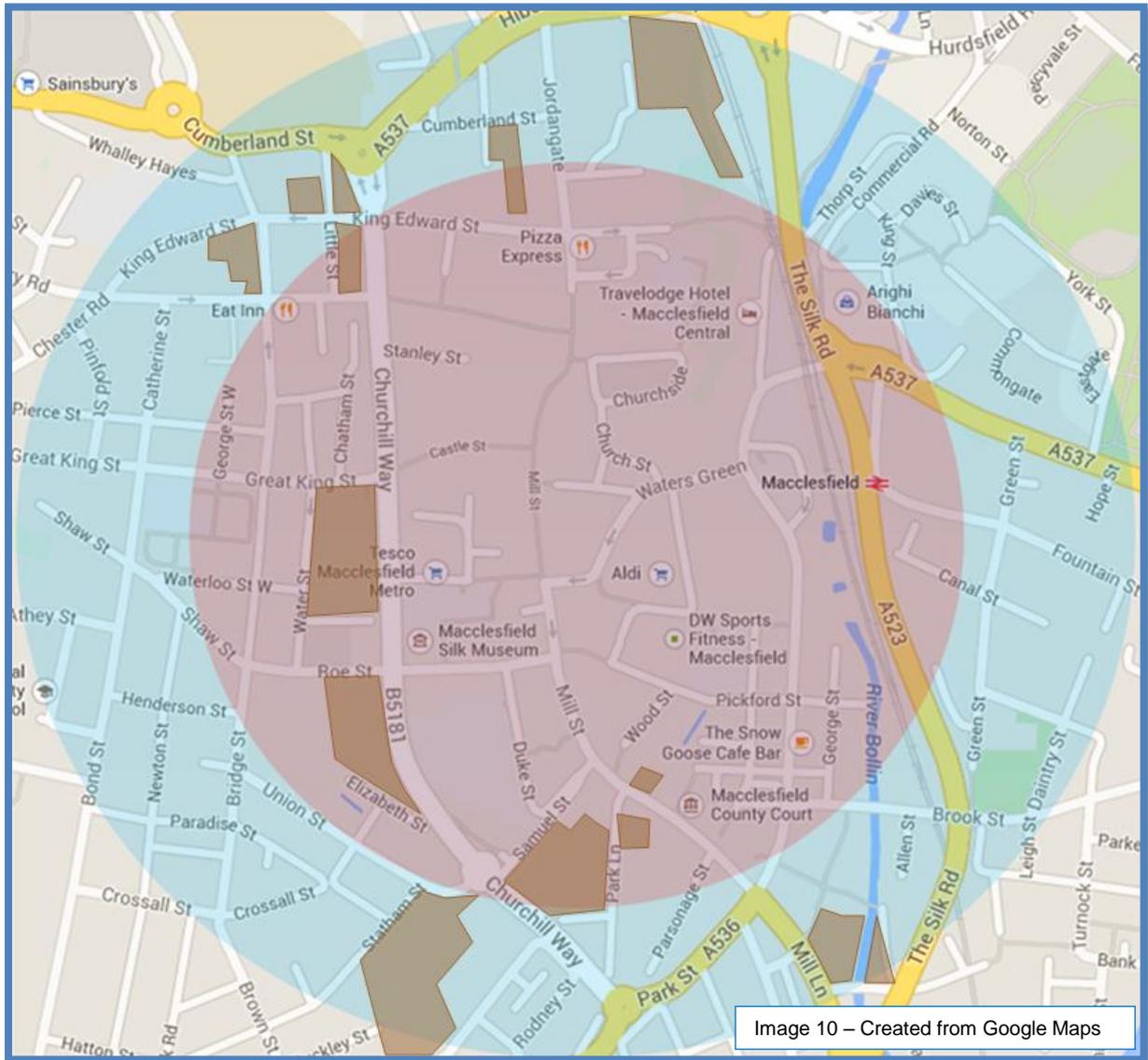
There are many reasons why these buildings may be left empty, some of which will be uncovered by the forthcoming research. However, based on available knowledge it is likely that because some of the larger buildings are remnants of Macclesfield's industrial past they are now no longer fit for purpose and have been left empty by businesses, or those businesses may no longer exist.

In relation to the smaller premises, which until recently were shops, these may be a mixture from properties which were owned by companies or individual landlords which have unfortunately gone out of business after the economic downturn or their tenants have gone out of business and they're unable to find replacements. Others may want to change the use of their building but lack the knowledge or finance to do so.

There is also an issue surrounding Brownfield sites within the town centre, research has shown that there are at least **14** sites inside the In-Town living areas, these sites are naturally of varying sizes & shapes and have previously had many different uses and as a result their conditions are not widely known.

The approximate locations and sizes of the sites have been overlaid onto the In-Town living areas below. Some of these areas will form part of the redevelopment in Macclesfield

generally as discussed within the Silk Street section however, there are others which may be worthy of further investigation.



The risks of not addressing these premises or Brownfield sites have many commonalities with those which are currently empty but purely residential properties. However, although some of the residential premises may be displeasing to the eye the sheer size of some of the larger empty / derelict buildings have a major impact on the image of the town and can encourage larger and more serious acts of illegal activity.

Macclesfield – Sample Sites for redevelopment?

Whilst compiling information for this strategy a number of properties / sites have been identified within the In-Town Living areas which could present a useful re-development / refurbishment opportunity. Some of these sites may already have uses planned but have been vacant for some time.

Former Kings Head & 3 Pigeons Site, Chestergate / King Edward St



Former Registry Office, Park Green



Former Newsagents, Mill Street



Available Funding & Options – Residential / Smaller Commercial

Currently In-Town Living has the following options and approaches available to assist in returning empty residential properties back into a useable state to the decent homes standard.

Option 1: Working with registered providers:

The Council is already supporting the provision of affordable housing in Macclesfield Town Centre; information within the “In-Town Living” section has shown that there is a demand for this kind of accommodation in the area. Assistance with identifying potentially suitable accommodation units throughout the area is on-going at this time.

There are two avenues which registered providers (housing associations) can pursue to deliver empty homes into affordable housing. These are:

1A) Lease and Repair:

In this instance the Registered Provider (RP) would enter into a leasing arrangement with the owner of an empty building. The RP would generally lease the building for a set period of time after which it would automatically revert back to the owner’s full control. The lease agreements would be for at least five years but longer leases would be encouraged.

The terms of the lease would mean that the owner of the building would get the following benefits:



For a full process chart for Lease and Repair please see Appendix 1

1B) Purchase and Repair:

This would be when the RP would buy the property from the owner outright and have full control over it going forwards.

In both instances the RP would repair / refurbish the accommodation and bring it up to a decent homes standard. Premises which are currently utilised at commercial / office units would be considered by RP’s and they would apply to convert the property to enable residential uses.

At present RP's are actively seeking properties which can be utilised in one of the above ways and potential owners are encouraged to approach the Council or the RP's directly.

Individual Enterprise

Option 2 is available for use by the building owners directly; they do not have to use an RP.

Option 2: Cheshire East Council's Empty Homes Assistance Scheme

Cheshire East Council has an Empty Homes Assistance scheme in operation at present which is designed to enable the owners of empty homes to apply for funding to assist them with conducting necessary repairs and bringing the property up to the Decent Homes Standard. The funding is currently on a **loan** basis, applicants can apply for up to £10,000.

There are two options for the loan:

- a) Interest free monthly repayment loan
- b) Equity Share Loan

Full details for the criteria of this scheme and the application process chart can be found in Appendix 2.

Currently the Private Sector Housing Team is looking to refresh the financial assistance schemes available to applicants with the view to developing a sub-regional approach with partners in Cheshire West & Chester and Warrington Borough Council's as a result the above listed schemes are subject to change.

Available Options – Larger Commercial / Brownfield Sites

The options for the larger commercial / Brownfield sites are currently somewhat limited which is in stark contrast to the complexities on these sites.

However, very recently the government has announced its intention to create "Housing Zones". Housing Zones are an initiative which is due to be started in London in 2014 under the London Housing Strategy, however the scheme is due to be expanded across the UK. These "zones" will be backed up by funding from central government and it's our hope that Macclesfield may present an attractive town to encourage funding and development which will address the Brownfield sites in the town.

What has already been done - Previous Successes?

There have already been successful projects done by private enterprise & registered providers in the town centre area where an empty / underutilised property has been refurbished and brought back into use.

Simon Dunn Chocolatier: **Before:**

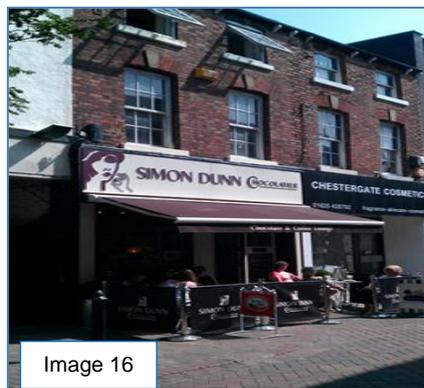


The above (*Image 15*) is a picture of a former office on Chestergate, Macclesfield. This property was empty and in a poor state of repair for some time. It has since been completely refurbished and converted into a lock up ground floor retail unit which has since been taken up by Simon Dunn Chocolatiers. Above the property there are 2x one bedroom flats which was previously office space.

The upper flats are accessed from the back of the property which provides the added benefit of not having a staircase inside the retail property which creates more useable space. The conversion required almost a full rebuild of the internal part of the building and particular consideration had to be given to the requirements of fire-proofing between the floors, other items such as noise reduction insulation and environmental insulation.

Both the new flats were let to private rented tenants before the construction process had actually finished. They were not let via any agents (although this could have been an option) but a fair market rent was achieved for each. The fully refurbished building is now fully occupied and the owner receives a rent from three different tenants, which by definition has spread the risk for the owner (landlord). Image 16, is how the new shop front looks after the refurbishment.

After:



9 – 17 Churchside Cottages – Equity Housing

Before:



9-17 Churchside, Macclesfield were last used as office accommodation but has been unoccupied since 2006. The site is 0.03ha and is located in a very central location in the town centre within easy walking distance to local transport, shops and services. The site is owned by Cheshire East Council and consists of five, two storey terraced properties. The buildings are Grade II listed and within the Macclesfield Conservation Area as well as the area of archaeological potential.

Tenders were invited and Equity Housing was chosen to be the development partner of the Council to complete the renovation works and manage the site on a long-term leasehold basis. The provision for 5 units of affordable housing was approved as well as extending 3 of the properties to the rear to provide additional space.

Although the properties will be renovated to a very high standard they will have to maintain the original features of the buildings such as the retention of the external appearance to the front elevation including windows and doors.

Equity Housing are looking to complete and let the renovated properties by Mid-May 2014 and they will be let out to tenants seeking accommodation via Cheshire Homechoice. All 5 properties will comprise of 2 bedrooms and will be let at an affordable rent.

After:



Image 20



Image 21



Image 22

The images above show that the properties have been extensively modified; all new windows and doors have been fitted. A well proportioned modern extension has been added to the rear of the premises which grants additional space to the residents. Although modernised throughout the original features of the building frontages have been retained as required making each property a well balanced blend of old and new.

56-58 Mill Street, Macclesfield – Symphony Housing (MTCHS 3)

This building sits directly in the middle of Mill Street in the town centre. It is therefore ideally positioned to provide excellent access to the shopping areas of the town and access to services. This property is being refurbished as a direct result of the In-Town living initiative and will be the pilot scheme which will hopefully lead to additional developments throughout the town.

This building comprises a ground floor unit which is currently occupied but the 1st and 2nd floors of the premises have been left empty for some time. Symphony Housing have entered into a lease arrangement with the owner of the building which involves them refurbishing the upper floors and turning them from commercial into useable residential dwellings.

The arrangement calls for each floor to be sub-divided into two independent flats which would then be let out to applicants currently on the Council's Housing waiting list – Cheshire Homechoice.

The images below show the building as it looked before the refurbishment was undertaken and the architectural plans for the new flats and what they'll eventually look like.





Once completed the new flats will provide excellent quality residential living for individuals / couples wishing to live in the town centre of Macclesfield.

Symphony Housing are hoping to complete the refurbishment before the end of the year.

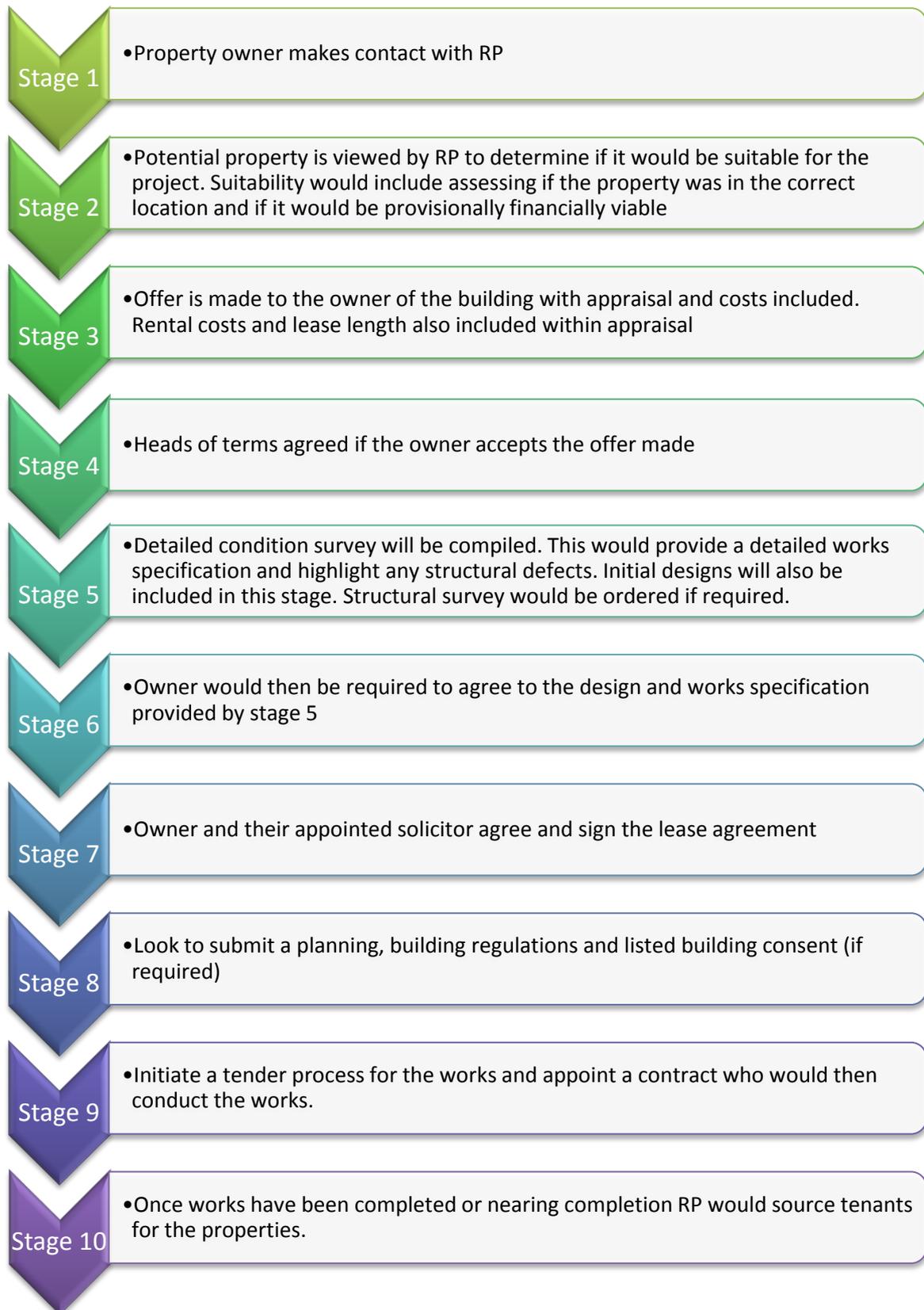
Section 6

Action Plan					
Policy	Objective	Action	Lead	Timescale	Projected Outcome
MTCHS 1	Target empty property owners to understand the barriers they're experiencing bringing the property back into use.	Conduct research to identify empty / underutilised properties throughout the In-Town living areas, ascertain the ownership of the property (irrespective of commercial / residential owner) and make contact to ascertain why the property is empty and what difficulties they've been having to bring it back into use.	Empty Homes Officers / Housing Policy Officer	Ongoing	Successful identification of properties in the consideration areas and intelligence gathering.
MTCHS 2	To bring empty properties back into use within the In-Town Living areas.	Engage with property owners amongst the identified empty units and seek to return to use utilising currently available funding sources such as the, CE Empty Homes Assistance or funding secured via registered providers, and ensuring that those properties are brought up to a decent homes standard.	Collective approach: Strategic Housing & Empty Homes Officers	Ongoing	Successful return of empty properties to residential uses and to a decent homes standard.
MTCHS 3	Assist Registered Providers (RP's) to deliver empty premises into four useable affordable Housing units.	Assist with the identification of empty properties within the In-Town Living area and liaise with property owners if required to explain the options available to them in this regard. Information to be passed to RP's for further processing with the view to works being conducted to deliver the units.	Collective approach: Strategic Housing, Empty Homes & RP's	Identify properties by end of April 2014. Plan of works Dec 2014	Successful delivery of 4 units (max) of Affordable Housing within In-Town Living Area.

MTCHS 4	To assist in the creation of a standard Sub-Regional Empty Homes Assistance “Tool-Kit”.	Work with partners in Cheshire West & Chester and Warrington Borough Council to standardise information and advice available to property owners wishing to bring any empty properties back into residential uses and ensuring that those properties satisfy the Decent Homes standard.	Karen Whitehead Assistance: Strategic Housing	Ongoing	Successful standardisation of advice available, application forms and funding streams across the sub-region.
MTCHS 5	Seek to attract funding sources to Macclesfield to support In-Town living developments and link with other Macclesfield Projects.	Showcase previous successes within the Town Centre area thereby raising the profile of the project as well as that of other Macclesfield based schemes which will position the town appropriately and provide an attractive option for further private / public sector investment as it becomes available.	Karen Carsberg / Housing Policy Officer	TBC	Additional funding streams identified and secured.

Appendices

Appendix 1 – Registered Social Landlord – Lease and Repair Process



Appendix 2 – Cheshire East Council – Empty Homes Loan Fund – Criteria and Process Chart

There are several criteria which an applicant must satisfy in order to be accepted by the scheme these are:

- They must own the property,
- The property must be registered at the Land Registry as a residential dwelling,
- The property must have been empty for at least 12 months, or determined as a high priority by the Council,
- After repairs to the property are completed it must either:
 - Be going to occupied by the owner
 - Let to a tenant on no less than a 12 month tenancy agreement basis and the applicant has to be a member of the Council's Landlord Accreditation Scheme.
 - Leased to a management agent or registered provider for on at least a 3 years lease basis.

The assistance can be used to assist with costs for:

- Heating and hot water
- Roof repairs
- Damp proof course
- Gutters and drain pipes
- Windows and / or doors
- Electrical / Wiring repairs
- Fire safety measures
- Home security measures

An empty homes officer would also need to visit the property to assess the repairs which may be needed and inform the applicant if the assistance can be used in that regard or not.

The loan itself is naturally repayable and there are two different methods that this can be achieved:

a) Interest-free monthly repayment loan

As the name suggests this type of loan is paid on a monthly basis, typically one month after the loan amount is paid to the applicant. The loan itself can be repaid for a period of up to 10 years. For example, if the maximum loan amount was issued and the applicant wanted it over the full 10 year period they would have to repay £83.33 per month.

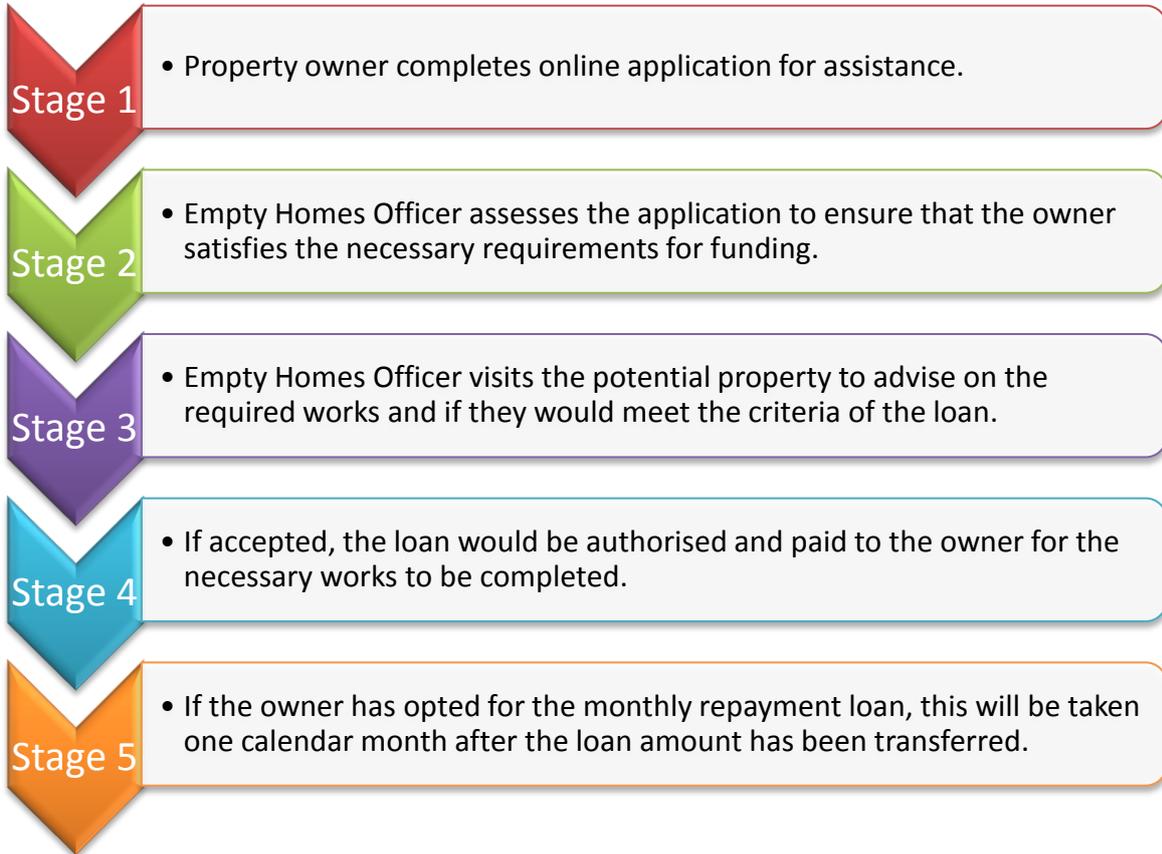
b) Equity Share Loan

This type of loan is issued on the basis that the applicant accepts that the local authority will own a share in the value of the property in question. The benefit of this type is that the applicant will have no monthly repayments to factor in and again no interest will be added to the loan amount. The loan is not required to be repaid until the property is sold or when it is transferred to the ownership of another person. The repayment will be based on the value of the property at the time of the sale.

For example if the maximum loan amount (£10,000) is issued and the property is worth £100,000 then the Council would naturally own a 10% stake in the property.

However, when the property is sold, if the value increases to £110,000 then the Council will still have to be paid 10% of the new value meaning the owner would repay £11,000 instead of £10,000.

Application Process:



Appendix 3 – Parking Standards relevant to Housing

The below chart provides a breakdown of the parking standards relevant to Housing as determined by Cheshire East Council's Local Plan (*Submission Document*).

Land Use Class	Land Use	Recommended Car Parking Standard
C2	Sheltered Accommodation	Residents – 0.5 spaces per unit and 1 space per 3 units (for visitors) Staff – 1 space per resident staff and 1 per 2 non-resident staff.
	Extra Care	Residents – 0.5 spaces per unit and 1 space per 3 units (for visitors). Staff – 1 per resident staff and 1 space per 2 non-resident staff. Facilities (open to non-residents) 1 space per 4 meters squared of floor space used for this purpose.
	Residential Homes & Nursing Homes	Residents – 1 per 3 Beds Staff – 1 space per resident staff and 1 space per 2 non-resident staff.
C3/C4	Dwelling Houses and Houses in Multiple Occupation (HMO's)	Principle Towns & Key Service Centres – for 1 Bed properties = 1 space; for 2 Bedrooms = 2 spaces per dwelling, for 3+ Bedrooms = 2 spaces per dwelling. Remainder of the Borough – for 1 Bed properties = 1 space per dwelling; for 2/3 Bed properties = 2 spaces per dwelling; for 4/5+ Bed properties = 3 spaces per dwelling. ³⁰

³⁰ CEC Local Plan (Submission Document) Appendix C: Parking Standards

Appendix 4 – Permitted Development Rights – Changes to Use Classes

The changes introduced 4 new classes of permitted development which allows for the change of use of existing retail / office and agricultural buildings into dwellings. There is also provision for agricultural buildings to be converted into state funded schools or registered nurseries thus allowing more sensitive commercial activities in rural areas. Only 2 of the new classes would directly affect Housing these are as follows:

New Class	Detail:
IA	Change of use from class A1 (shops) or A2 (financial or professional services) to a dwelling house or mixed use as a dwelling house with either Class A1 or A2, and building operations reasonably necessary to convert the building into a dwelling house.
MB	Change of use from agricultural building to a dwelling and building operations reasonably necessary to convert the building into a dwelling house.

There are a number of conditions that would need to be met in order for any of the changes to be implemented. These are:

- Prior approval notice to the local planning authority which considered the transport and highways impact, noise impacts, land contamination and flood risk.
- The building was in use on 20th March 2014, or if not in use on that date, when it was last in use.
- The cumulative floor space of the building does not exceed 150 sq meters (Class IA) or 450 sq meters (MB).
- The external dimensions of the building cannot be extended as part of the change of use.
- The building cannot be knocked down and rebuilt, other than partial demolition to facilitate the change of use.
- Exclusions for listed buildings and sites within SSSI, SAMs or article 1(5) land.
- For agricultural buildings the cumulative number of separate dwellings developed within an established agricultural unit cannot exceed 3.

Whilst these changes favour residential conversions that would ordinarily be resisted by most local planning authorities, the burden is on the applicant to demonstrate that any technical issues arising such as flood risk would be acceptable.

The government has also sought to ensure that permitted developments rights under classes A to E, Part 1 of the General Permitted Development Order (GPDO) such as extensions, loft conversions and outbuildings etc are restricted for those buildings converted to a dwelling under Classes IA and MB. Therefore any alterations to a dwelling post-conversion would need to be secured through normal planning permission.

Glossary

Images

- Image 1** = Map of In-Town Living areas taken and manually modified from Google Maps.
- Image 2** = Map CEC / Wilson Bowden Development Area – Macclesfield.
- Image 3** = Computer generated image of Silk Street development overlooking Churchill Way, Macclesfield.
- Image 4** = Computer generated image of Silk Street looking towards the south of the development.
- Image 5** = Computer generated image overlooking the proposed Mulberry Square at the heart of the development.
- Image 6** = Computer generated image looking north up Churchill Way, Macclesfield focusing on the proposed cinema.
- Image 7** = CEC Interactive map displaying Macclesfield Central Ward.
- Image 8** = Map of In-Town Living areas taken and manually modified from Google Maps.
- Image 9** = Infrastructure connectivity map of Macclesfield – taken and modified from Google Maps.
- Image 10** = Map of In-Town Living areas overlaid with Brownfield sites taken and modified from Google Maps.
- Image 11** = View of former Kings Head & 3 Pigeons Site from King Edward Street, Macclesfield (*focusing on former Kings Head Pub side*).
- Image 12** = View of former Kings Head & 3 Pigeons site from Chestergate, Macclesfield (*focusing on former 3 Pigeons Pub side*).
- Image 13** = View of former Macclesfield Registry Office, Park Green, Macclesfield.
- Image 14** = View of former Newsagents, Mill Street, Macclesfield.
- Image 15** = “Before” image of former office on Chestergate, Macclesfield.
- Image 16** = “After” image of former office on Chestergate, now Simon Dunn Chocolatier.
- Image 17** = “Before” image of 9 – 17 Churchside Cottages, Macclesfield (Equity Housing)
- Image 18** = “Before” image of 9 – 17 Churchside Cottages, Macclesfield (Equity Housing) view looking towards properties from town square.
- Image 19** = “Before” image of 9 – 17 Churchside Cottages, Macclesfield (Equity Housing) view to the rear of the properties.
- Image 20** = “After” image of 9 – 17 Churchside Cottage, Macclesfield view towards the front of the property.

- Image 21** = “After” image of 9 – 17 Churchside Cottage, Macclesfield view towards the side of the property.
- Image 22** = “After” image of 9 – 17 Churchside Cottage, Macclesfield, view towards the rear of the property.
- Image 23** = “Before” image of the front of 56-58 Mill Street.
- Image 24** = “Before” image of the front of 56-58 Mill Street.
- Image 25** = Proposed plans for 56-58 Mill Street, Macclesfield.
- Image 26** = Proposed plans for 56-58 Mill Street, Macclesfield.

Charts

- Chart 1** = Chart providing a breakdown of the numbers of companies which have failed in the UK 2007-2013. Chart created from Centre for Retail Research data.
- Chart 2** = Chart providing a breakdown of the number of stores / branches which have closed in the UK 2007-2013. Chart created from Centre for Retail Research data.
- Chart 3** = Chart providing a breakdown of the number of employees which have been affected by store closures in the UK 2007-2013. Chart created from Centre for Retail Research data.
- Chart 4** = Chart providing an analysis of Macclesfield Central Ward population levels 2009-2012. Created using data provided by the Office of National Statistics (*mid-year population estimates*).
- Chart 5** = Chart providing an analysis of Macclesfield Town (general) population levels 2009-2012. Created using data provided by the Office of National Statistics (*mid-year population estimates*).
- Chart 6** = Chart providing an age profile breakdown for Macclesfield Central Ward based on data provided by the Office of National Statistics (*mid 2012 population estimates*).
- Chart 7** = Chart providing an age profile breakdown for Macclesfield Town (General) based on data provided by the Office of National Statistics (*mid 2012 population estimates*).
- Chart 8** = Chart providing a tenure breakdown for Macclesfield Central Ward based on Census data 2011. Data provided by the Office of National Statistics.
- Chart 9** = Chart providing a tenure breakdown for Macclesfield Town (General) based on Census data 2011. Data provided by the Office of National Statistics.
- Chart 10** = Chart providing a tenure breakdown comparison for Macclesfield Town (General) based on Census data from 2001 and 2011. Data provided by the Office of National Statistics.

- Chart 11** = Chart providing a breakdown of the numbers and types of properties let out by Letting Agents in Macclesfield Town Centre (In-Town Living) areas only – 2013. Data collated by PRS Research Project – MS (*Strategic Housing CEC*)
- Chart 12** = Chart providing a breakdown of the numbers and types of properties let out by Letting Agents in Macclesfield (General) – 2013. Data collated by PRS Research Project – MS (*Strategic Housing CEC*)
- Chart 13** = Chart providing the average rental value breakdown amongst properties let out in the Town Centre (In-Town Living) areas only – 2013. Data collated by PRS Research Project – MS (*Strategic Housing CEC*).
- Chart 14** = Chart providing the average rental value breakdown amongst properties let out in Macclesfield (General) – 2013. Data collated by PRS Research Project – MS (*Strategic Housing CEC*).
- Chart 15** = Chart providing the perceived demand for PRS accommodation in Macclesfield (General) – 2013. Data collated by PRS Research Project – MS (*Strategic Housing CEC*).
- Chart 16** = Chart providing a breakdown of those clients currently on Cheshire Homechoice (CHC) who would consider a property in the PRS in Macclesfield (General). Data collated by PRS Research Project – MS (*Strategic Housing CEC*).
- Chart 17** = Chart provides a breakdown of Affordable Rented Demand in Town Centre areas (only) by property type. Data collated from CHC Analysis.
- Chart 18** = Chart provides an age profile of applicants from CHC who are looking to secure a 1 bed flat in the Town Centre areas (only). Data collated from CHC Analysis.
- Chart 19** = Chart provides a household breakdown for demand of 2 Bed Houses in Town Centre areas (only). Data collated from CHC Analysis.
- Chart 20** = Bid analysis for Affordable Housing in the Town Centre Areas (Only) from 2013 nominations. Data collated from CHC Analysis.
- Chart 21** = Affordable Rented Demand breakdown in Macclesfield (General) by property type and size required. Data collated from CHC Analysis.

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	11 th November 2014
Report of:	Head of Strategic Infrastructure and Director of Economic Growth and Prosperity
Subject/Title:	Poynton Relief Road, Preferred Route Assessment and Next Steps (Ref CE 14/15-7)
Portfolio Holder:	Cllr Don Stockton, Housing and Jobs Cllr David Brown, Strategic Outcomes

1.0 Report Summary

- 1.1 The Council has set out a clear vision and strategy for jobs-led economic growth. An important element of this strategy is to improve the Borough's national, regional and local infrastructure to improve connectivity.
- 1.2 The Poynton Relief Road (PRR) is an important element of this strategy and is included in the new Local Plan; enabling job creation, helping to deliver housing growth, addressing longstanding traffic congestion and environmental issues in the village; as well as delivering an important component of the wider South East Manchester Multi Modal Strategy (SEMMMS).
- 1.3 The report highlights the findings of the recent public consultation exercise, recommends a preferred route for the road and seeks approval to undertake the further work necessary to submit a planning application for the scheme and further develop the scheme business case.
- 1.4 The report provides an update on recent funding successes through the Local Growth fund and the need for the Council to support in principle meeting the remaining funding gap.

2.0 Recommendations

- 2.1 Cabinet is recommended to
 - a) Note the findings of the Public Consultation report.
 - b) Approve the Green route be taken forward as the preferred route as set out in the Preferred Route Assessment Report.

c) Approve that the necessary steps are taken to protect the preferred route shown in Annex A from future development including introducing the necessary modifications into the Local Plan Core Strategy at the earliest opportunity.

d) Request Stockport Metropolitan Borough Council makes the necessary adjustments to its adopted development plan to protect the preferred route within SMBC.

e) Acknowledge SMBC's concerns that appropriate mitigation is provided to ensure that the impact of the Green route on properties within Stockport is managed to a level similar to that for the existing (extant) protected route.

f) Remove the extant route protection for the former route of the road from the Council's Local Plan policy once the new preferred route has been fully protected.

g) Approve that the alignment of the preferred route is further developed to enable the submission of a planning application, reflecting where possible feedback received through consultation, and that the business case for the scheme is developed to the next level and that work is commissioned for the Phase 2 multi-modal study. Approve that the professional support required for these activities continues to be provided by Jacobs through the Highways Contract with Ringway Jacobs.

h) Note the findings of the A523 Route Management Feasibility Report and endorse the recommendations that local Improvements are further developed, after further local consultation, at the following junctions independently from the main scheme.

- A523 London Road / Bonis Hall Lane Junction
- A523 London Road / Butley Town Junction
- A523 Adlington Cross Roads

And that minor speed / safety measures are developed at the A523 at Issues Wood and at Prestbury Lane.

i) Recommend that the capital budget (highlighted in Section 7) to progress the next stage of work for PRR and the complimentary measures is made available; subject to the usual budget setting process.

j) Approve that officers immediately commence detailed discussions with affected landowners, local residents, businesses, parish councils and recognised community groups to refine the design details (including access arrangements and traffic management measures) and that supplementary formal consultation be undertaken to inform planning submission material.

k) Approve that a 'pre planning application' consultation is held and that the details and arrangements are delegated to the Head of Strategic Infrastructure in consultation with the Portfolio Holder.

l) Note the anticipated programme for the next stage of work.

m) Following the outcome of the public consultation confirm the objectives of the scheme as:

- To support the economic, physical and social regeneration of Poynton and the North of the Borough, in particular Macclesfield.
- To relieve existing Village centre traffic congestion and Heavy Goods Vehicles (HGVs) and reduce traffic on less desirable roads on the wider network.
- To deliver a range of measures on the A523 corridor to Macclesfield that addresses road safety, congestion and mitigates the wider environmental impact of traffic.
- Boost business integration and productivity: improve the efficiency and reliability of the highway network, reduce the conflict between local and strategic traffic, and provide an improved route for freight and business travel.
- To allow improvements to the highway network for walking, cycling and public transport.

n) To approve that a Section 8 Agreement is entered into with SMBC in order to:

- Allow CEC to take the lead and responsibility for managing the scheme within SMBC
- Be responsible for delivery of any necessary improvements within SMBC
- Accept liability for compensation aspects of the scheme within SMBC

and that the details and arrangements are delegated to the Head of Strategic Infrastructure in consultation with the Portfolio Holder.

o) To note the Council's success in securing £16.4m of funding for the scheme through the Local Growth fund and to authorise officers to explore additional funding opportunities. To note that as a reserve position, an approval for the full funding required for the scheme will be made through the council's budget setting process.

p) To delegate authority to the Director of Economic Growth and Prosperity to authorise entering into licences for the purpose of gaining access to third party land for the purpose of carrying out surveys or in the event the use of a licence is not possible or appropriate then to authorise the use of the highway authority's powers to gain access to land pursuant to Sections 289-290 of the Highways Act 1980.

3.0 Reasons for Recommendations

- 3.1 To confirm a protected route for the link road from the public consultation exercise.
- 3.2 To protect the land required for the link road from development and, in removing the old route protection, unlock land for development - subject to the usual planning restrictions (for example through Aldington Industrial Estate)
- 3.3 To enable detailed design and the planning application process to commence
- 3.4 To ensure that the council's capital programme reflects the costs of delivering this scheme.
- 3.5 To confirm to the Local Enterprise Partnership that the council is in principle able to cover any shortfall in funding and hence give comfort that the scheme can be delivered.
- 3.6 To reduce uncertainty in the Poynton area as to the location of the route.
- 3.7 To acknowledge SMBC's concerns as a key partner in the delivery of the scheme.
- 3.8 To further develop the necessary complimentary measures for the successful operation of the scheme.
- 3.9 To undertake a longer term multi modal study of the A523 corridor to complement the delivery of PRR.
- 3.10 To streamline the governance and accountability for the delivery of the scheme through a Section 8 agreement with CEC taking the lead responsibility.
- 3.11 The removal of the route protection of the former route will allow the disposal of assets currently held by the Council.

4.0 Wards Affected

- 4.1 Poynton East and Pott Shrigley, Poynton West and Adlington, Prestbury

5.0 Local Ward Members

- 5.1 Cllr Jos Saunders and Cllr Howard Murray (Poynton East and Pott Shrigley).
- 5.2 Cllr Roger West and Cllr Philip Hoyland (Poynton West and Adlington).
- 5.3 Cllr Paul Findlow (Prestbury)

6.0 Policy Implications

- 6.1 A minor amendment to Local Plan Submission Strategy is required to refine the corridor of interest to a specific route.

7.0 Financial Implications

- 7.1 Following a strong funding bid, the council was successful in attracting £16.4m of funding through the Local Growth Deal in July 2014.
- 7.2 The scheme estimate, subject to further work, is estimated to be £32.5m at today's prices. Funding has been assembled as follows:
 - £16.4m –Local Growth Deal
 - £5.6m – Local Transport Body (LTB).
 - £2.0m - Greater Manchester Combined Authority (GMCA)

This funding is sufficient to cover the construction and development phases of the project.

- 7.3 The current £32.5m estimate includes an allowance for risk and sunk costs to date. As project development continues these estimates will be updated.
- 7.4 The cost for the next phase of work is £2.7m over the period 2014/15 – 2016/17 This will cover activities such as Design development, Planning permission submission. Further Business Case Development, Tender Documentation and Compulsory Purchase Preparation.
- 7.5 This funding package leaves a potential shortfall of up to £8.5m to be identified. This may come from a variety of sources including the Community Infrastructure Levy or other funding bids. However, given the timing of the scheme, it is likely that, the council may have to commit to meet some or all of the funding gap. Cheshire East Council has already contributed £1.250m to the development of the scheme which would mean a further requirement of up to £7.25m to fund any shortfall.
- 7.6 Beyond funding the initial scheme development costs, it is likely that the balance of any local contribution would be met at the very end of the scheme;

utilised to pay for land and property compensation claims. On the current programme these costs would accrue from January 2021 and spread over a number of years.

- 7.7 There is uncertainty around future construction and property cost inflation which can only be resolved once the scheme has been out to tender. As such, the scheme estimate will need to be regularly revisited and monitored as the project develops.
- 7.8 The detailed approval of the work programme will be subject to the usual contract processes to assure that value for money is being achieved. This will include cross checking quoted prices for similar tendered works with other local authorities.

8.0 Legal Implications

- 8.1 One of the implications of the proposed modification to the Local Plan is that it may give rise to claims arising from 'Planning Blight'.
- 8.2 Planning Blight can arise where land is shown as being proposed or allocated for the purpose of a local authority in a deposited draft Local Plan. In this case the purpose being the proposed Link Road.
- 8.3 The blight liability will become effective when the Local Plan is submitted to the Secretary of State for independent examination: Schedule 13, paragraph 1A (2)(c) of the Town and Country Planning Act 1990.
- 8.4 The Planning Blight procedure is in effect a 'reverse' compulsory purchase process order (CPO) in the sense that a person whose property is affected by blight may, in certain circumstances, require the Council to purchase his property by the service of a 'blight notice'
- 8.5 This right is conferred in recognition of the fact that property values may be adversely affected by, in this case, a proposed new highway.
- 8.6 If a property owner serves a blight notice then, if his interest in the property is a qualifying interest, the Council will have the options to accept the blight notice, dropping the scheme or altering the scheme so that it does not affect the blighted property.
- 8.7 If the Council accept the blight notice, then it will be compelled to purchase the relevant property on the same terms that would apply if the property were purchased pursuant to a CPO.
- 8.8 Claimants must show reasonable endeavours to sell their interests and demonstrate that as a consequence of blight they were unable to - or only at a substantially lower price. It is not sufficient to make no attempt to sell. The costs of any attempts to sell are not recoverable as compensation. Blight cannot be served for part of a unit.

- 8.9 The Section 8 legal agreement would need to be drawn up between the authorities of Stockport Metropolitan Borough Council and Cheshire East Borough Council. Under Section 8 of the Highways Act, it is proposed that Stockport Metropolitan Borough Council, subject to the provisions of the Section 8 Agreement, will authorise Cheshire East Council to exercise all its functions as Highway and Traffic Authority insofar as required for the purpose of the carrying out the Works related to the PRR scheme.
- 8.10 A public consultation has been undertaken. Case law has established four principles for consultation:
- (i) It must be undertaken at a time when proposals are still at a formative stage
 - (ii) It must include sufficient reasons to allow those consulted to give intelligent consideration and an intelligent response
 - (iii) Adequate time must be given for the consultation; and
 - (iv) The product of consultation must be conscientiously taken into account when the ultimate decision is made.

Cabinet must therefore satisfy itself that the consultation has been conducted correctly and take the results of the consultation into account in reaching the decision requested by this report.

9.0 Risk Management

Project Development

- 9.1 The project development costs necessary to deliver this scheme would be at risk if funding for the scheme is not available or the scheme does not achieve the necessary statutory permissions. However, it has been demonstrated that the scheme does have a strong initial transport and wider economic business case and there is broad public support for the proposal.
- 9.2 Continuing to progress the development of the scheme to 'shovel ready' status will ensure that the council can take full advantage of funding opportunities.
- 9.3 The scheme will be reviewed by the councils gateway process (TEG and EMB) to review the risks at the appropriate stages.
- 9.4 The formal protection of the route of the link road in the Core Strategy may trigger blight claims against the council. If such claims occur they will need to be dealt with by means of a supplementary capital estimate. It is difficult to assess the scale of possible blight notices or the timescales, however liabilities are considered to be relatively limited due to the fact the majority of the route runs through the Green Belt and that key landowners are fully engaged in the process.

- 9.5 The Growth deal funding and LTB funding is contingent on the further development of the business case. The GMCA funding is contingent on the progress of the A6-Manchester Airport Relief Road.
- 9.6 If, ultimately, the scheme is not funded the resources set aside for the development of the scheme will have to be met from the revenue budget.
- 9.7 As some of the surveys required for the next stage of development will be invasive (such as geotechnical surveys) the authority will be liable to pay compensation for loss or damage (such as crop damage, etc). These will be assessed on an individual basis, but in any case will be small in comparison to the scheme development budget.

Blight Costs

- 9.8 There will be some instances where landowners believe that they cannot sell their properties because of the link road proposals, but are not directly affected by the proposal in terms of physical land take and thus not entitled to make a blight notice. In these circumstances it may be possible for the Council, subject to review on a case by case basis to make open market acquisitions of property.
- 9.9 If property / land were to be acquired under a blight notice the council would become the title holder. In this regard, should, for any reason the link road scheme not progress, the Council would be able to recoup its investment costs through the sale of the property / land. It is possible that the Critchell Down rules will apply and that the land would need to be offered back for sale to the original land owner first.
- 9.10 It will be possible to at least partly offset the holding costs of potential properties by seeking tenants.
- 9.11 There is some local opposition to scheme. The Council will work closely with affected groups and individuals in the design of the scheme to try to address all concerns. The Council is committed to providing the highest level of mitigation possible in the scheme design and will develop a package of complementary and mitigation measures.

Scheme Costs

- 9.12 The findings of the geotechnical studies may reveal more challenging ground conditions from those assumed (from desk study assessment), with consequential adjustments to the scheme estimates. As the scheme design is refined, further revisions of the cost estimate are likely.

10.0 Background and Options

Development of the Options.

- 10.1 PRR has become a viable project following high level discussions between the Greater Manchester Authorities and CEC leadership in 2012
- 10.2 Poynton Relief Road was originally part of the national roads scheme to provide a new high capacity link between The Silk Road and the A6 to Manchester Airport Relief Road (A6MARR).
- 10.3 In the 2001 South East Manchester Multi Modal Study the proposals were reviewed and it was confirmed that the only credible solution to addressing the wider transport and economic problems was a new single carriageway road. A relief road was therefore developed as part of SEMMMS, which avoided the then active Woodford Aerodrome and passed through Adlington Business Park before connecting into the A523 London Road.
- 10.4 Close working between the Leaderships of the Greater Manchester Combined Authority(GMCA) and Cheshire East Council (CEC) ensured that the A6-Manchester Airport Relief Road proposals were future proofed to enable the future delivery of PRR. In recognition of the role PRR plays in the wider SEMMMS strategy GMCA also agreed to make a funding contribution to PRR.
- 10.5 Following the announcement that Woodford Aerodrome had been purchased by a developer and that the runway would no longer be operational, this wider political commitment allowed the council to commence development work for Poynton Relief Road. The road is planned as a single carriageway with a cycle/footway on one side.
- 10.6 Further details were reported to Cabinet in November 2013, and approval granted to undertake initial business case development and develop and consult on route options.

Public Consultation

- 10.7 The Public Consultation for the Poynton Relief Road scheme was held over an eight week period from 2nd June to the 28th July 2014..
- 10.8 The Public Consultation consisted of the following:
 - Six public exhibitions held in the towns and villages in the vicinity of the scheme
 - A consultation leaflet and questionnaire distribution to residential properties, based on geographical proximity to the scheme.

- A consultation leaflet and cover letter sent out to stakeholders (i.e. local businesses, schools, vulnerable user groups) and statutory consultees (i.e. public bodies, local authorities, parish councils).
- Consultation material uploaded on to the Cheshire East Council (CEC) website providing details about the scheme and the consultation, including an online version of the questionnaire and copies of technical reports.
- Consultation leaflets and questionnaires deposited in Poynton Civic Centre, Poynton Library, Macclesfield Library and Stockport Town Hall.
- A scheme article in the 'Poynton Post' newsletter distributed to approximately 10,000 properties within Poynton, Adlington and the 5 ways area of Hazel Grove.
- A scheme article on the 'Poynton Update News' website.
- Meetings with the 'Poynton in Business' members, local landowners and businesses.
- Meetings with key business on Adlington Industrial Estate.
- CEC Twitter feeds

10.9 Face to face meetings were also held with key landowners affected by the scheme

10.10 The CEC Leadership worked closely with adjacent local authorities to ensure any issues were understood and to enable cross boundary support for the scheme.

Consultation report

10.11 During the Public Consultation period, a total of 1,653 questionnaires were received in response to the link road scheme. The full analysis is contained at Annex B, which is available for viewing on the Agenda website. Every item of incoming correspondence which had a return address received a response, whether this was to directly address comments and questions which had been raised or alternatively to provide an acknowledgement of receipt.

10.12 The results illustrate that there is widespread support for the link road with 89.1% of respondents indicating that they support the scheme and therefore at least one of the proposed options. In contrast, opposition to the link road was relatively low with 5.6% of respondents against the scheme.

10.13 Analysis of postcode data (where provided) shows that there was broad support for the proposals across the area.

- 10.14 In terms of a route preference the overall response was strongly in favour of the Green Route:

Preferred Route Option	Response	Response %
Green Route Option	1152	73.0%
Blue Route Option	93	5.9%
No Preference	332	21.1%
Total	1577	100%

Prominent Representations

10.15 *Poynton Town Council*

Poynton Town Council is fully supportive of the relief road proposals and their preferred option is the Green Route. The Town Council does however recognise the importance of mitigation for areas potentially affected by the proposals, including the country lanes within both Poynton and Adlington.

10.16 *Adlington Parish Council*

Adlington Parish Council is supportive of the relief road proposals in principle; however they are concerned about the expected increase of traffic on country lanes within the Parish.

10.17 *Prestbury Parish Council*

Prestbury Parish Council did not state whether they were supportive of the relief road proposals. They raised concerns about the timing of the consultation and requested further information.

10.18 *Trafford Council*

Trafford Council welcomes the proposed relief road and recognises the importance of bringing economic, social and physical regeneration to the village of Poynton, and the importance of the scheme to the local economy.

10.19 *Stockport Metropolitan Borough Council*

The consultation response indicated general support for the scheme but a desire to understand potential impacts on the highway network in Stockport including the A6 High Lane, A34 and A523 especially the proposed new junction with the A555 at Macclesfield Road and roads around Woodford and Bramhall .

There is an expectation that any negative impacts will be mitigated appropriately and that appropriate environmental and traffic mitigation will be developed.

Concern was expressed regarding the potential impact on residents in Woodford and the view expressed that the blue route would reduce that impact however if the green route was chosen then there should be no greater impact than the original proposed red route.

10.20 *Peak District National Park Authority*

The Peak District National Park (PDNP) Authority did not state whether they were supportive of the relief road proposals. The PDNP Authority was particularly interested in the traffic and visual impacts of the proposals on the national park and requested further information as the scheme is developed.

10.21 *Natural England*

Natural England did not consider that the proposals posed any likely or significant risk to those features of the natural environment for which they would otherwise provide a more detailed consultation response and so they did not wish to make specific comment on the details of the consultation.

10.22 *Campaign to Protect Rural England*

The Campaign to Protect Rural England – Cheshire Branch objected to both Poynton Relief Road and the potential A523 Improvements. They also stated that they were a longstanding objector to the SEMMMS roads.

10.23 Detailed responses to all of the issues raised and suggestions for improvements are included in the Public Consultation Report (Annex B) and will be considered / incorporated where possible into the next stage of design.

Preferred Route Report

10.24 The report documents the methodology used to define the Preferred Route. It provides the reasoning and justification for the decisions made in establishing the Preferred Route, and explains the scoring/weighting system used to rank the options that were taken to Public Consultation. The full report is contained at Annex C, which is available for viewing on the Agenda website.

10.25 Following feedback received from members of the public, modifications to the alignments taken to Public Consultation were developed. These alignment modifications are presented in the Public Consultation Report. An assessment of the proposed alignment modifications and full justification / assessment of any of the proposed alignment modifications are contained in the Preferred Route report.

10.26 Based on the results of the assessment the Blue Route Option has been discounted with the Green Route Option taken forward. As several potential amendments to the relief road have been suggested during the Public Consultation, these were assessed against the Green Route Option. This assessment has concluded that the alternatives suggested perform less well than the Green Route.

10.27 The detailed appraisals of all alternative alignments which were prepared are included within the Preferred Route Report for completeness and also to illustrate the effort and time that was taken in an attempt to improve the link road design following requests made throughout the consultation period.

A523 London Road Improvements

10.28 The following locations along the A523 London Road at which short term localised improvements are supported and feasible are:

- Adlington Crossroads
- Junction with B5358 (Bonis Hall Lane)
- Junction with Well Lane (Butley Town)

10.29 It is considered that at the following locations there will not be any realignment works or works to change the layout of the road, only improvements to signing and visibility.

- Issues Wood
- Junction with Prestbury Lane

10.30 During the next stage of the design, the above recommendations will be developed in more detail through close working with local stakeholders.

10.31 A Multi-Modal Study of the A523 London Road Corridor will take place after determination of a preferred route for Poynton Relief Road. This Study will identify medium and long term improvement options and will examine all modes of transport.

The main objective of the study is to identify a strategy for reducing demand for travel by car on the A523 London Road. The implementation of this strategy would be complementary to the delivery of the relief road.

Further work and programme

10.32 In order to deliver a planning application for the scheme it is necessary to work up in more detail the preferred route. Issues that will need to be considered include access arrangements, mitigation measures,

drainage, environmental impacts and off-site traffic management. This will also allow the refinement of the scheme estimate.

10.33 Given the scale of the scheme it is also necessary and good practice to undertake another round of formal public consultation prior to submission of the planning application.

10.34 Key activities and dates include:

Activity	Indicative Dates (end date)
Preliminary Design	September 2015
Environmental Surveys	September 2015
Environmental Statement	October 2015
Ground Investigation & reports	May 2015
Pre planning Consultation	July 2015
Planning Application	February 2016
Statutory Orders	June 2017
Detailed Design	January 2018
Road Open	January 2019

Other Factors to Consider

10.35 The submission of any future planning permission would be subject to a further cabinet paper and take into account the views of the pre-planning application consultation. There may be a risk that any planning application is called in by the Secretary of State.

10.36 Access to land for surveys will be required in a timely manner to achieve this programme. Thus far, most land access has been achieved by agreement though there have been occasions where formal notices to enter the land have been sought on an individual basis as necessary.

10.37 The Highways Term Contract includes the delivery of consultancy services and the estimated cost for delivering this next stage of work is within the financial scope of the contract. A rigorous challenge exercise will be undertaken to ensure that 'best value' is being achieved through the contract, including comparisons of hourly rates and outturn costs for delivering a similar scope of works. Any future construction contract would of course be tendered through an EU compliant procurement process.

10.38 As part of resource for delivering the strategic infrastructure programme Jacobs have been working with the Councils HR team to build on the authorities apprentice programme to provide further opportunities for local people.

11.0 Access to Information

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

Annex A – Preferred route drawing

Annex B – Public consultation report (on Agenda website)

Annex C – Preferred route assessment report, including A523 report (on Agenda website)

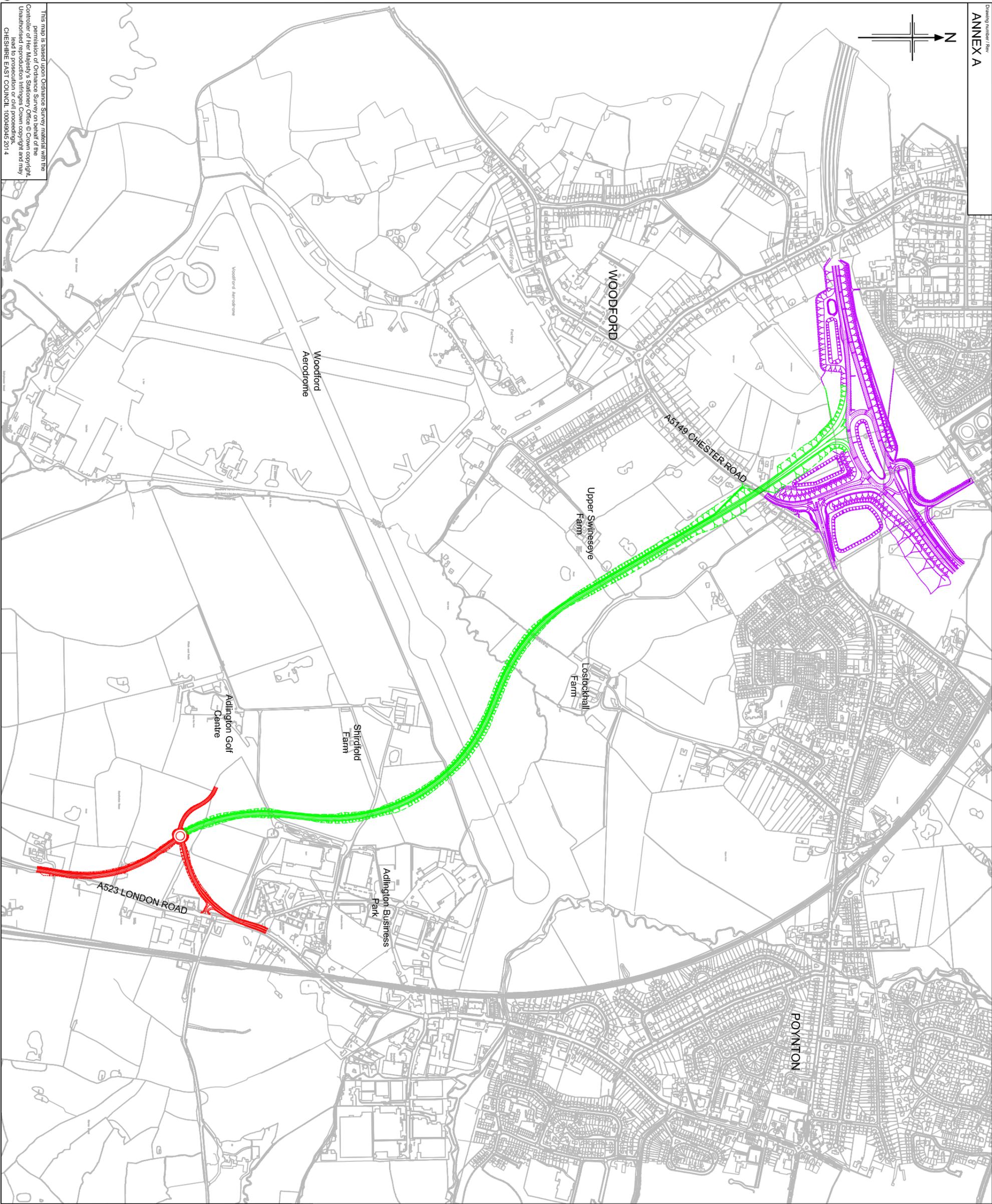
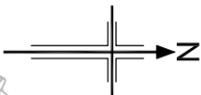
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Notes:
1. All dimensions in metres unless stated otherwise

Key:

- Green Route Option
- Southern Junction
- A6/MARR Junction, north of the A5149 Chester Road (Construction in advance of Poynton Relief Road)

Rev	Rev. Date	For Information	By	App	DB	DB
0	OCT 14	Purpose of revision	Drawn	Checked	Rev'd	Approved

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Project: **POYNTON RELIEF ROAD**
Drawing title: **ANNEX A: PREFERRED ROUTE FROM CONSULTATION**

FOR INFORMATION

Scale: NTS DO NOT SCALE

Jacobs No: B132008
Client No:
Drawing number: **ANNEX A**
Rev: **0**

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	11 th November 2014
Report of:	Director of Economic Growth and Prosperity
Subject/Title:	<i>All Change for Crewe</i> Sydney Road Replacement Bridge (Ref CE 14/15-10)
Portfolio Holder:	Councillor David Brown, Strategic Outcomes Councillor Don Stockton, Housing and Jobs

1. Report Summary

- 1.1. As the largest town in the Borough, the role of Crewe in the economy of Cheshire East and the wider Cheshire and Warrington sub-region is crucial.
- 1.2. This has been recognised in the development of the *All Change for Crewe* programme, in which the Council and its partners have set out a long-term vision for the regeneration and economic growth of the town.
- 1.3. Over £50m of new investment in infrastructure schemes has already been secured from the public and private sector, which is a vital part of the plan for Crewe. This scheme adds to this success and makes the Council's strategic infrastructure programme the largest outside of the major conurbations in the UK.
- 1.4. Development is taking place in the north of Crewe and providing capacity improvements at Sydney Road Bridge will support this growth and enhance access to the key destinations; Bentley and Leighton Hospital.
- 1.5. Sydney Road Bridge (the "Scheme") crosses the West Coast Main Line (Crewe – Manchester line). The existing bridge is a narrow, signal controlled, single carriageway only structure. The Scheme seeks to increase capacity at this 'pinch point' by replacing the existing structure with a wider structure capable of taking 2-way traffic.
- 1.6. The Council have been working closely with Network Rail (NR) to inform option development and to develop a delivery strategy for the Scheme. This report highlights progress to date and seeks

approval to continue with the relationship with NR as the most effective way of taking forward the development of a preferred option through its business case and statutory processes, and then to secure its delivery.

2. Recommendations

Cabinet is recommended to

- 2.1. Approve bridge replacement as the preferred solution for the next stage of project development. (Refer to the options plan attached.)
- 2.2. Approve the development of the Strategic Outline Business Case (SOBC) for the preferred options.
- 2.3. Authorise the Head of Strategic Infrastructure and the Director of Economic Growth and Prosperity, in consultation with the Portfolio Holder to:
 - Enter into an Implementation Agreement with Network Rail Infrastructure Projects (NR IP);
 - If required, authorise the publication of a Voluntary Ex-ante Transparency (VEAT) Notice in respect of the Implementation Agreement; and,
 - Enter into negotiation with NR over funding contributions.
 - Approve entering into a Basic Asset Protection Agreement (BAPA) with NR and any subsequent amendments to the BAPA as may be required as the scheme progresses.
- 2.4. Note the current estimate of scheme cost and the need for the Council to both forward fund an element of the project delivery costs and potentially fund any gap in the overall costs of the project.

3. Reasons for Recommendations

- 3.1. There is a need to drive forward the development of this scheme as the DfT grant of £2.35m is dependent on delivery during the 2015 – 2019 period.
- 3.2. Promoting greater connectivity along the corridor supports the housing allocation in the Local Plan and access to key locations such as Bentley and Leighton Hospital.
- 3.3. To deliver a scheme of this complexity affecting the railway requires close partnership and involvement by NR to inform its design and delivery, which is secured through a BAPA. NR's recently procured Construction Framework is an exemplar vehicle which has all the leading UK contractors with rail expertise. Also, the existing structure is a NR asset with a future maintenance liability.

- 3.4. The scheme cost estimate has increased as a result of the rejection of the previously preferred and lower cost option by Network Rail on engineering and safety grounds. The now preferred solution of a replacement bridge is currently expected to cost circa £9m to construct, including land, fees and risk. The Approved Capital Programme currently includes a budget of £5m for this scheme and therefore this proposal will increase the budget requirement by an additional £4m.
- 3.5. Sydney Road Bridge crosses the West Coast Mainline (Manchester – Crewe line). This section of line does not lie on the currently proposed HS2 route and as such will not be affected by HS2 proposals.
- 3.6. This paper is intended to establish the principles of the scheme and funding viability, and to enable the project team to progress scheme development.

4. Wards Affected

- 4.1. Crewe East

5. Local Ward Members

- 5.1. Councillors Margaret Martin, David Newton and Chris Thornley (Crewe East)

6. Policy Implications

- 6.1. The Scheme supports the Council's policy for sustainable development and jobs growth as set out in the emerging Local Plan.

7. Implications for Rural Communities

- 7.1. The scheme would reduce the relative attractiveness of alternative rural lanes that avoid the capacity constraints at the existing bridge, which provides access to this corridor from the east at Maw Green.

8. Financial Implications

- 8.1. In order to secure the requisite NR technical specialist input into the development of the Scheme it will be necessary for the Council to enter into the Basic Asset Protection Agreement (BAPA) with Network Rail. This agreement provides commitment for the Council to cover Network Rail's professional fees and an initial budget of £75,000 has been included within the proposed agreement.
- 8.2. As the scheme develops it may be necessary to revisit the NR fees budget allowance within the BAPA to ensure NR's ongoing input. It

is proposed that any proposed increase in this budget would be discussed and agreed with the Chief Operating Officer prior to the budget being formally revised.

- 8.3. For the financial year 2015/16 the scheme development requirements are expected to increase and an increased allowance is expected to be required – currently an allowance of £1.0m would appear to be prudent.
- 8.4. Currently signed developer S.106 agreements committing contributions totalling £2.38m have been agreed in respect of housing developments (Maw Green and Coppenhall East) along the Sydney Road corridor, that have so far secured outline planning permission. The timescales for realisation of this funding are not yet known.
- 8.5. A further £2.35m of funding has been contributed to the Scheme from Department for Transport (DfT) devolved major scheme pot via the Cheshire and Warrington Local Transport Body (LTB). This funding is to be used for the delivery (construction) of the scheme.
- 8.6. A further £0.05m contribution has been committed by the Council from the Local Transport Programme (LTP) grant allocation toward the development of the Scheme.
- 8.7. Given that the timescales for realisation of the agreed S106 contributions is unknown allied to the fact that the LTB contribution can only be drawn down for delivery, it will be necessary for the Council to 'forward fund' the development of the Scheme to the point of delivery. Currently it is estimated that forward funding is not expected to exceed £3m.
- 8.8. The outturn cost of the Scheme has increased to circa £9m due to the change to the preferred option. The current funding gap is estimated to be circa £4m. The actual Scheme outturn cost, and hence the actual funding gap, will be developed as the Scheme development progresses.
- 8.9. It is expected that additional Developer S106 / CIL contributions toward the Scheme can be secured from other proposed housing developments along this corridor. Also, a contribution toward the Scheme cost would be expected from NR if, as is expected to be proposed by NR, the Council were to take ownership and maintenance liability for the replacement structure from NR.
- 8.10. The requirement for additional funding from the Councils capital resources will be subject to Council approval as part of the Capital Programme Planning and Approval process.

9. Legal Implications

- 9.1. Two options are being considered to commission the infrastructure works. The first is that the Council enter into a direct agreement with Network Rail Infrastructure Projects (NR). A works contract with a contract value of £4.332m or more is subject to the Public Contracts Regulations 2006.
- 9.2. If the Council enters into the agreement without undertaking a procurement exercise the award of contract could be challenged by a third party. If the challenge is successful the court can award damages, set the contract aside leaving the Council without a contract for the works and potentially having to indemnify NR. A challenge can be brought by anyone, however in practical terms only parties that might seek to benefit bring claims. NR will only allow the delivery of works on its land by companies on its own approved list and has an ultimate veto over a contractor selected by the Council.
- 9.3. The Public Procurement Regulations make provision for the publishing of a VEAT Notice to advertise to the market an intention to award a contract directly without making a call for competition. However these direct awards can only be made where explicit justification is given. The permissible justifications are set out in regulation 14 as follows:
 - (1) A contracting authority may use the negotiated procedure without the prior publication of a contract notice in accordance with regulation 17(3) in the following circumstances-
 - (a) in the case of a public contract-
 - (i) when a contracting authority is using the negotiated procedure in accordance with regulation 13(a) and invites to negotiate the contract every economic operator which submitted a tender following an invitation made during the course of the discontinued open procedure or restricted procedure or competitive dialogue (not being a tender which was excluded in accordance with regulation 15(11), 16(7) or 18(10)); and
 - (ii) subject to paragraph (2), in the absence of tenders, suitable tenders or applications in response to an invitation to tender by the contracting authority using the open procedure or the restricted procedure but only if the original terms of the proposed contract offered in the discontinued procedure have not been substantially altered in the negotiated procedure;
 - (iii) when, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the public contract may be awarded only to a particular economic operator;

- (iv) when (but only if it is strictly necessary) for reasons of extreme urgency brought about by events unforeseeable by, and not attributable to, the contracting authority, the time limits specified in-
 - (aa) regulation 15 for the open procedure;
 - (bb) regulation 16 for the restricted procedure; or
 - (cc) regulation 17 for the negotiated procedure;
- 9.4. Points (a)(iii), (a)(iv), and (aa) above are the justifications that the Council might seek to rely on. Although the Council does not fit comfortably within these justifications, issuing a VEAT Notice is a way of flushing out potential challenges and would protect the Council's position. A challenge can be received anytime during the first six months of a Contract but by following the VEAT Notice approach the window for challenge will be reduced to 30 days. Assuming no challenge is received within 30 days the Council can proceed to award and then issue the Contract Notice.
- 9.5. Another consideration in making a direct award of contract is ensuring that the contract value is good value. A direct award will also breach the Council's own internal procedures and a waiver of the rules will need to be sought.
- 9.6. The second option is for the Council undertake its own EU compliant tender or call off from a Framework Agreement that the Council is legally entitled to call off. The time to undertake such an exercise will be at least 52 days for an Open Procedure or 77 days under a Restricted Procedure. A mini competition can be conducted in a narrower time frame.

10. Risk Management

- 10.1. There is reputational risk with the Cheshire and Warrington Local Enterprise Partnership (LEP) and DfT around the late or non-delivery of the Scheme. CEC is developing a strong reputation on delivery with Crewe Rail Exchange already completed and 3 other schemes on-site. CEC needs to continue this trend going forward.
- 10.2. Endorsement (Gate 1) will be sought from EMB in early 2015 following preparation of the draft Strategic Outline Business Case (SOBC) for the Scheme, and preparation of the draft Risk Log and Delivery Strategy. A high level paper will be submitted to EMB in November 2014.
- 10.3. In addition to demonstrating the Scheme's expected 'value for money' and strategic benefits, the SOBC will be used to challenge on risks to the Scheme and give confidence that the Scheme can be delivered to programme and within budget.

- 10.4. In the event that the SOBC indicates a low BCR (Benefit Cost Ratio) and also the wider economic benefits (GVA) are considered to be less than expected it will be necessary for the Council and the LTB to review the Scheme and consider whether there is a case for continuing with Scheme development.
- 10.5. Significant risk exists with constructing a complex scheme such as this in a constrained site and over the West Coast Mainline. It is considered that the most effective way of managing that risk will be by partnering with NR IP to develop and deliver the Scheme. In this way NR can bring their vast experience and expertise in similar schemes to bear and thereby reduce the risk to CEC.
- 10.6. Should the Council decide to enter into an Implementation Agreement with NR IP, the Council will effectively be open to challenge as this would be classed as a direct award of a scheme with contract value likely to exceed the £4.33m threshold for Public Contracts Regulations 2006. In accordance with the Regulations, this risk can be mitigated to some extent by the publication of VEAT Notice, which is used to advertise to the market an intention to award a contract directly without making a call for competition. More details are provided above in Section 9.
- 10.7. It is considered that the likelihood of challenge of a direct award to NR IP would be very low as for project development up to award of contract for works the Council already has the ability to procure this directly from Jacobs through its Highways Contract. For the delivery of works, all the key contractors that would be appropriate or technically capable of delivering this scheme would have tendered for a place on the NR IP Framework, and further, the contractors with whom NR IP and the Council would be prepared to work with are those that have won a place on the Framework.
- 10.8. Should the Council conclude that entering into an Implementation Agreement with NR IP is not appropriate then the Council will need to progress its own tender or call off from an appropriate Framework Agreement. This will inevitably result in additional cost to the scheme and also have an impact on the programme. A minimum of 6 months delay relating to appointment of NR IP is anticipated. This will reduce the time the Contractor has to develop the Scheme if the Delivery programme is not to be adversely affected.
- 10.9. Any agreement or contract award for the development and delivery of this Scheme will need to include a break clause to protect the Council's position over a range of scenarios – including: insufficient funding to deliver the scheme; or, simply a decision to not proceed with the scheme because it is considered to be too expensive, or any other reason.

- 10.10. The requirement for additional land to construct, operate and maintain the Scheme is yet to be determined, and will only be concluded during preliminary design once a Contractor / designer has been appointed. If additional land is deemed to be required then all reasonable endeavours will be made to acquire the land or right by agreement. However, if the land cannot be achieved by voluntary means the Council will need to implement and use its statutory powers. This process would have significant programme implications, with potentially up to a 1 year required to complete acquisition, assuming that a compulsory purchase order (CPO) would be acceptable. The amount of land is anticipated to be relatively modest and only affecting a few properties.
- 10.11. There is a risk that the costs to the Council of the Scheme increase during the design and delivery process. The funding gap is currently estimated to be in the order of £4m against an estimated total scheme cost of circa £9m. Partnering with NR IP and early contractor involvement is seen as an effective way of mitigating against project cost increase on delivery and should also assist in the negotiation of a NR contribution. Further Local Growth Fund (LGF) bids and development S106 negotiation will also be used to minimise the Council's exposure to costs.

11. Background and Options

- 11.1. Sydney Road is located on the north east side of Crewe. It is a Classified 'B' Road which acts as a distributor route serving the north side of Crewe and connecting it to key destinations such as the Bentley Factory and Leighton Hospital.
- 11.2. Traffic flows on Sydney Road are restricted by the narrow, Network Rail (NR) owned Sydney Road Bridge, which currently operates a single-way traffic system controlled by traffic lights at either end of the bridge. The bridge crosses the West Coast Mainline (Crewe – Manchester). The Council has received planning applications for new developments along the Sydney Road corridor. The developments would increase road traffic and the Council needed to understand what improvement measures could be implemented to improve capacity at the bridge. Some Developer S106 funding contributions, and DfT LTB (Local Transport Body) funding have already been secured by the Council for a scheme to improve the road capacity at the railway crossing.
- 11.3. It is proposed to improve highway capacity over Sydney Road Bridge by construction of a new replacement bridge structure at this location in order that two-way traffic is made possible.
- 11.4. A Strategic Outline Business Case (SOBC) is currently being developed for the Scheme, which is expected to demonstrate the strategic economic benefits of this scheme and provide an

indication of the expected value for money / BCR (Benefit Cost Ratio).

- 11.5. In 2012 the Council commissioned Jacobs to undertake a feasibility options study to create 2-way traffic working over Sydney Road Bridge and recommend a preferred option. The report concluded that of five options considered a new bridge to carry westbound traffic, constructed immediately to the south of the existing bridge which would be retained to carry eastbound traffic and services was the preferred option.
- 11.6. The feasibility was revisited in 2013 when the Council expressed a desire to progress the Scheme. This work highlighted that the vertical highway alignment over a replacement bridge could be significantly worse than the already sub-standard alignment over the existing bridge, generating the need for further work including: development of the preliminary highway design to investigate highway alignment constraints, issues and options; topographical survey of nearby similar 'hump-back' bridges (local precedent); and, undertake a Stage 1 Road Safety Audit (RSA).
- 11.7. During initial engagement by the Council, NR expressed concern regarding the Council's preferred option. NR subsequently confirmed that due to the age and condition of the existing bridge structure; a permanent structure adjacent to a retained existing structure (the Council's previously preferred option); or, re-use of the existing bridge's foundations, but with a new wider bridge deck, will not be acceptable. NR only considers a replacement bridge solution to be acceptable.
- 11.8. Other key constraints that were identified by the Project Team and NR include, but are not limited to the following:
 - Road closure duration
 - Available Network Rail possessions
 - Existing carriageway [horizontal and vertical] alignment and dimensions, and tie-ins to existing accesses
 - Land and 3rd Party land requirements
 - Clearance over Network Rail asset (track and overhead line equipment)
 - Services (gas, electric, telecomms, water) to remain or for diversion
- 11.9. Given these constraints Jacobs undertook additional feasibility work which has identified two possible options: an on-line bridge replacement (noted as Option C); and, a phased on-line bridge replacement (noted as Option D), both of which represent a replacement of the existing structure with an entirely new bridge structure (refer to the Options plan attached).

11.10. A 3rd party civil engineering contractor, Jackson Civil Engineering, was appointed in September 2014 to undertake a buildability review of the two identified options (Options C and D) and also to work up preliminary construction cost estimates and programmes. The headline findings of this work are summarised as follows:

11.11. Option C Summary - On-line Bridge Replacement
Advantages

- Minimum area of additional land required
- Better Horizontal alignment
- Lower cost than Option D

Disadvantages

- Long Road Closure (circa 6 months)

11.12. Option D Summary - Phased On-line Bridge Replacement
Advantages

- No long road closure

Disadvantages

- Higher Cost relative to Option C
- Poorer Horizontal alignment
- Greater area of additional land required

11.13. The findings are currently under review and challenge by the Project Team and a conclusion on the preferred solution will be drawn in due course.

11.14. The Network Rail Basic Asset Protection Agreement (BAPA) includes an allowance for professional fees expected to be incurred by NR officers in supporting scheme development (a separate agreement will be required between the Council and NR for scheme delivery). It is essential that the Council enter into the BAPA to ensure appropriate and timely input from NR. As the scheme develops and the scope of the requisite NR input becomes clearer it might be necessary to revisit the scope of this agreement and NR fees budget.

11.15. The bridge is currently owned and maintained by NR. It is expected that if a replacement structure is promoted by the Council at this location NR will request that ownership and associated liability for maintenance of the structure is passed to the Council. It is expected that in return the Council could expect a contribution toward the scheme cost from NR.

11.16. Two distinct options are currently being considered; the Council enter into an Implementation Agreement with NR IP to deliver the Scheme using a Contractor from their recently procured (OJEU compliant) Construction Framework; or, the Council self deliver the scheme by appointment of a Contractor using a tender or by calling on an appropriate framework agreement.

11.17. Some of the key benefits of delivery by NR IP are as follows:

- NR IP has unparalleled experience of the management of rail industry stakeholders and rail interfaces resulting in a lower project risk profile for the Council; particularly when working in proximity to high-profile areas of the network, as is the case for this scheme;
- NR IP have unparalleled experience in delivery of railway overbridge projects; approximately 70 new bridges per year;
- CEC do not need to expend time, effort and risk in gaining rail industry knowledge and expertise;
- Significant cost and programme savings to the Council in terms of management, procurement and commercial management cost through IP management of the process and utilisation of their recently procured Framework;
- Saves the expense of a standalone NR Asset Protection (ASPRO) contract as included within NR IP project management costs;
- By undertaking the ASPRO functions, approvals for temporary works designs and working methods affecting the railway infrastructure would be more efficient in terms of time and cost.;
- Supply chain efficiencies and less aggressive commercial behaviours resulting in positive impact on the risk profile; and,
- Option to stop – the Council will have full visibility of the projected scheme delivery cost and have the option to curtail the contract should the project prices exceed the budget.

11.18. The significant benefits NR IP offer in terms of expertise and experience, reduction in project risk, programme efficiencies, and cost savings, could not be achieved by the Council if it promoted its own tender for a Contractor for the Scheme. As such, it is considered that the preferred option is for the Council to enter into an Implementation Agreement with NR IP to develop and deliver the Scheme.

11.19. Should the Council conclude that entering into an Implementation Agreement with NR IP is the appropriate delivery mechanism for this scheme then the Council may also conclude that a Voluntary Ex-Ante Transparency (VEAT) Notice should be published to mitigate against potential challenge. Refer to Section 9 for further details.

11.20. Regardless of the delivery strategy adopted for the Scheme, a 'break clause' will be incorporated to permit the Council the opportunity to halt the scheme if the Scheme estimate is too costly, or for any other reason the Council no longer wishes to proceed to the next phase of detailed design and construction. The decision on whether to proceed to the next phase; detailed design and construction, will be subject to a future Cabinet authority.

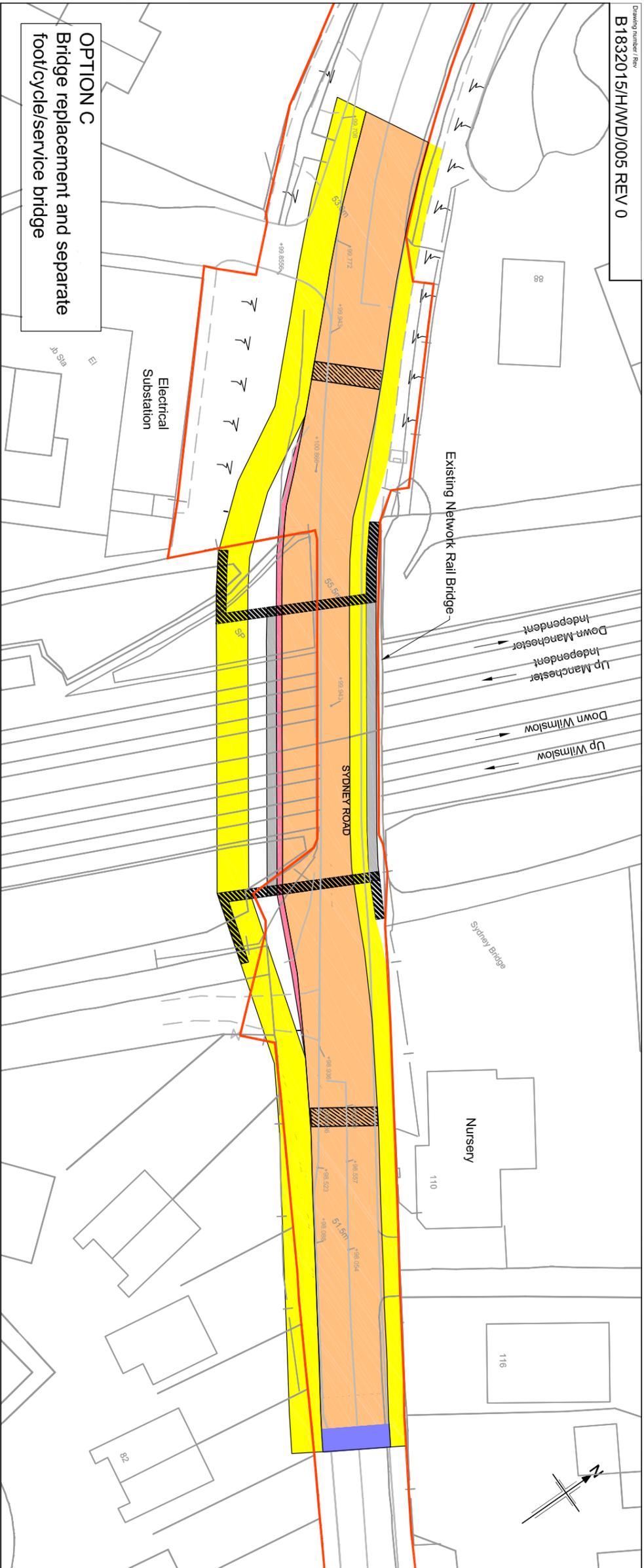
- 11.21. The requirement for either temporary or permanent 3rd party land to construct a new structure is still to be established, and will only be confirmed during preliminary design when highway extent and the method of construction are considered. It is proposed that officers or appointed consultants will commence engagement and negotiation with 3rd party land owners as necessary to raise awareness of proposals and to seek to acquire the rights or title to land to deliver this scheme, by agreement. If negotiations prove not to be positive, it might be necessary for the Council to implement use of its Compulsory Purchase Powers to undertake the acquisition of land required to deliver this Scheme.
- 11.22. Planning permission will be required for a replacement structure at this location. At present it is considered that that an Environmental Impact Assessment (EIA) will not be required, however, this is yet to be confirmed by the Environment Agency. The planning application will involve pre-application discussions with affected parties.
- 11.23. Some funding has been secured from the LTB and from Developer S106 commitments from proposed developments along the Sydney Road corridor. This funding was secured based on the previous preferred option that has since been discounted by NR in favour of a bridge replacement solution. As a result the estimated Scheme cost has increased, and additional funding is required.
- 11.24. The funding gap is currently estimated to be circa £4m, against a Scheme Cost estimated to be circa £9m. Cabinet approval to consider the use of the Council's capital resources to meet this funding gap is sought by this report. It is anticipated that the majority of these monies may be recouped from potential funding contributions from developer S106 / CIL funding, other funding sources such as LGF, and also from a NR contribution toward the Scheme (expected in return for the Council taking over ownership and maintenance liability for the structure). This is explored further in Sections 8 and 10.
- 11.25. The timescales for triggering the agreed S106 contributions is currently unknown, therefore this report seeks approval for the Council to 'forward fund' these contributions to enable the development of the Scheme to progress.
- 11.26. The following Appendices are provided in support of this report:
- Appendix A – Replacement Bridge: Options sketch plan (Options C and D)

12. Access to Information

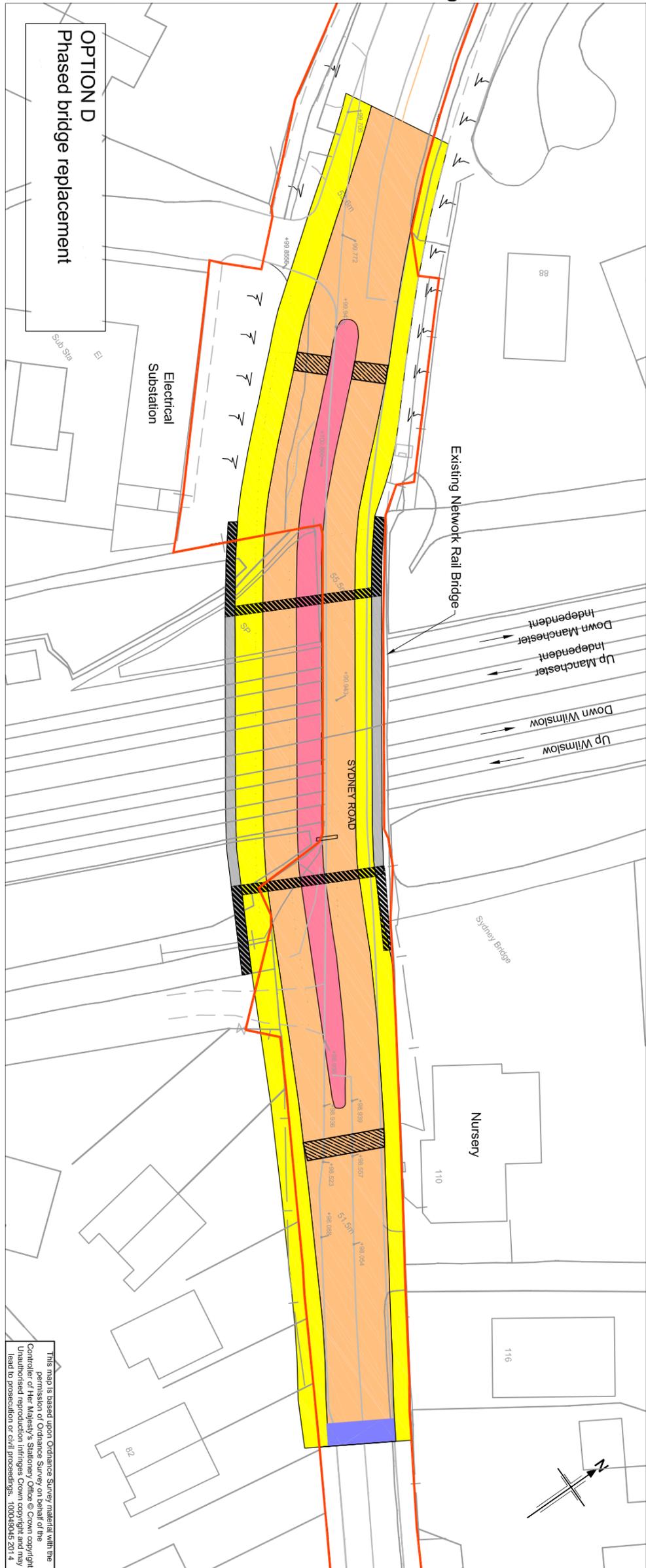
- 12.1. The background papers relating to this report can be inspected by contacting the report writer:

Name: Nick Lingard
Designation: Principal Engineer
Tel No: 01270 686352
Email: nick.lingard@cheshireeasthighways.org

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OPTION C
 Bridge replacement and separate
 foot/cycle/service bridge



OPTION D
 Phased bridge replacement

NOTES:
 1. Layouts are diagrammatic for initial assessment of options only.

- KEY:**
- Existing Highway boundary (Indicative)
 - Proposed footway/cycleway
 - Proposed carriageway
 - Proposed hardened central area
 - Proposed uncontrolled crossing
 - Existing carriageway to be retained and re-profiled to the in to new levels and surface drainage altered
 - Existing roadway to be retained
 - Ground re-profiled
 - Traffic calming measures
 - Adornment/wingwall
 - H4A parapet



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 2-WAY WORKING

Drawing title
 PROPOSED BRIDGE
 OPTION PLANS
 SKETCH LAYOUTS
 Sheet 2 of 2

Drawing status
 DRAFT

Scale
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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	11 th November 2014
Report of:	Steph Cordon, Head of Communities
Subject/Title:	Responding to the Views of Local People and Businesses about Car Parking in Cheshire East (Ref CE 14/15-23)
Portfolio Holder:	Cllr David Topping, Service Commissioning

1.0 Report Summary

- 1.1 Cheshire East Council as a Resident and Business First Council has listened to the views of local residents, businesses and Town Councils who have taken the time to either complete the survey asking for views on car parking or spoken to us face to face.
- 1.2 The overwhelming response was that 95% respondents want us as a Council to have a parking strategy that is conducive to supporting the needs of local businesses. At this point, it's important that we listen and act on this and develop a strategy which would set the scene for any more radical solutions in the future.
- 1.3 However, we also want to make sure that we can respond where possible to the issues raised in the survey in a short timeframe to recognise the depth of feeling about investing in our town centres. The key themes from consultation are set out in para 11.1 of the report.
- 1.4 There are some immediate incentives that we can implement in the run up to Christmas which we feel will support our residents and businesses. These are set out below:
 - **All Council owned car parks with charges in Cheshire East used predominantly by shoppers will be free from 10am onwards on 13 and 20 December 2014.**
 - **“Free after Three” will continue in our existing identified car parks. We will pro-actively promote this offer in the media and in our car parks.**

2.0 Recommendations

2.1 That Cabinet agree to

- thank those residents, businesses, Town Councils and visitors who took the time to give us their views;
- further work being undertaken to produce a car parking strategy which is conducive to supporting businesses in town centres by July 2015 including further public engagement and consultation; and
- the immediate actions identified in paragraph 1.4 to help boost our town centres before Christmas, and the actions be evaluated for impact as part of the work to develop a car parking strategy.

3.0 Reasons for Recommendations

3.1 To develop a forward thinking car parking strategy which recognises the unique differences in our town centres and provides enabling support for their ongoing regeneration.

3.2 To implement those measures identified through the consultation which are immediate and to review them as part of the development of a car parking strategy.

4.0 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 Ward Members have been encouraged to report in on views from local stakeholders to inform the outcomes of the consultation.

6.0 Policy Implications

6.1 Carbon Reduction – Parking facilities should assist with reducing carbon emissions through reduced congestion in town centres and encourage public transport use.

6.2 Health- As above, effective parking services can help improve air quality by reducing vehicle emissions

7.0 Implications for Rural Communities

7.1 A car parking strategy and immediate actions to encourage footfall and spend in our town centres will have a positive impact on our local rural communities. They will also be able to take advantage of the free parking after 10.00 a.m. on 13 and 20 December 2014.

8.0 Financial Implications

- 8.1 As noted above, a fresh car parking strategy is to be developed which recognises the unique differences in our town centres and provides enabling support for their ongoing regeneration. The strategy will seek to balance the needs of our local businesses with those of our residents, as tax payers and as motorists, including a comprehensive review of pricing policy.
- 8.2 With regard to the specific recommendations contained in this report relating to implementing initiatives in the run-up to Christmas, it is estimated that these would mean some loss in income in the order of £33,000, in the year.

9.0 Legal Implications

- 9.1 The variations to the car park charges, for the Christmas period, can be achieved by way of issuing a notice in accordance with s35C of the Road Traffic Regulations Act 1994 and Regulation 25 of the Local Authorities' Traffic Orders (Procedure)(England and Wales) Regulations 1996.
- 9.2 The regulations prescribe that notice of the variation must be given by publishing it at least once in a newspaper circulating in the area in which the parking place is situated at least 21 days before it is due to come into force. Copies of the notice must also be displayed in the parking place on the date on which the notice is given and must remain on display until it comes into force. Reasonable steps must be taken to ensure that the notice remains in place during this time.
- 9.3 The notice must:
- (a) specify the date when it is due to come into force;
 - (b) identify every parking place to which the notice relates;
 - (c) specify in respect of each such parking place-
 - (i) the charges payable for the use of the parking place at the date the notice is given; and
 - (ii) the charges that will be payable when the notice comes into force.
- 9.4 Following the production of the car park strategy, should any changes be required to the pricing policy of the car parks in the Borough, the Council will need to either amend the parking charges by way of a further notice or alternatively by way of a new traffic regulation order(s). The process for both a notice or a new traffic regulation are set out in the Local Authorities' Traffic Orders (Procedure)(England and Wales) Regulations 1996

10.0 Risk Management

- 10.1 As a Residents and Business First Council we have listened and taken into account the views of local residents, businesses and Town Councils. This has meant that any reputational risks are taken into

account and mitigated where possible. There is a further financial risk in that free parking on some of the busiest days of the year will mean a drop in income.

- 10.2 All practical measures to implement the changes so that residents and businesses can benefit and be aware will be done as soon as Cabinet reach an agreement on the way forward.

11.0 Background and Options

- 11.1 The consultation has produced the following key themes which are shown below. These encompass the views of residents, Businesses, ward members, Town Councils and visitors.

You Said	We Listened
Parking is too expensive.	We will, as part of the wider strategy, review our prices to ensure that they reflect customer need and are benchmarked against similar areas. We have an ambition to reduce in areas of need of regeneration.
Car parking pricing and quality isn't the main issue preventing you from visiting town centres, it was the fact that the offer in some of our town centres needed to be better and more support given to local businesses and retailers.	We have already begun some regeneration master planning to make our town centres more attractive and also provide some better sustainable travel options. Your suggestions for improvements will be incorporated within that and our car parking strategy.
You Said	We Listened
The public realm is of poor quality in some of our areas particularly in Nantwich.	We will invest in public realm and already have planned investment in Nantwich, Congleton and Knutsford.
We need more pay by phone options as people often didn't have the right change and have to hurry to leave if their ticket was running out.	We will roll out our pay by phone method (Ringo) to more car parks.
There are mixed views on harmonisation of charges.	We will incorporate these views into our wider parking strategy. It's fair to say, harmonisation of charges is not something that we are keen on as each of our areas are unique.
Can we have free car parking on events days?	We think this is a great idea and we will look at the impact that this would have.
You would like to see car parking pay and display tickets being transferable from one car park to another.	This is something we will consider within our parking strategy.

“Free after Three” was a great idea and we should continue with this. However, it wasn’t well publicised.	We will continue with “Free after Three” in the identified car parks and promote this more effectively.
There should be more advertising in our car parks to promote what is happening in our town centres and special offers, etc.	We will use space in our car parks for advertising.
A shorter stay option for car parks to allow people to nip to the bank was something needed in the car parks closest to the centre.	We will consider this within our wider parking strategy and review of pricing.
There should be a give back option whereby for example, if you spend £10 in Crewe market the car park fee would be refunded.	We will consider this for any group of businesses who are interested as part of our parking strategy.

12.0 Access to Information

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

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 11th November 2014

Report of: Lorraine Butcher, Executive Director of Strategic Commissioning

Subject/Title: Transport Service Solutions Ltd (Ref CE 14/15-30)

Portfolio Holder: Cllr D Topping, Service Commissioning

1.0 Report Summary

- 1.1 Cheshire East Council has over the preceding 5 years been successful in securing improved transport provision for residents in the Borough while simultaneously securing better value from the financial investments made. These improvements have been secured by having a stronger focus upon the needs of residents while also bringing a strengthened approach to the contractual arrangements with providers. In order to build upon these strong foundations and with a focus on stimulating further innovation, efficiency and staff involvement whilst delivering against challenging budgetary targets Cabinet approved (29 April 2014) the implementation of Transport Service Solutions Ltd (TSSL), a council owned and controlled company, for the delivery of transport services.
- 1.2 That proposal was in accord with the Council's declared intent of becoming a strategic commissioning authority with a hard split between commissioning and service delivery.
- 1.3 Since the original approval was secured, further 'due diligence' work has been undertaken, along with the detailed work regarding the Contract between the Council and TSS Ltd. This work required the 'go live' date for staff to transfer to the new company to be paused.
- 1.4 Notwithstanding this development, new governance arrangements are being put in place through a Service Level Agreement with TSS Ltd which encourages the management team and staff to adopt the commercial culture that will support the company's ambitions. This interim arrangement will continue until the proposed revised go-live date of 1 Jan 2015.
- 1.5 The work that has subsequently been undertaken has resulted in some changes to the business case that had previously been approved. This report seeks approval to establish a contract between Cheshire East Council and TSS Ltd for the delivery of its transport functions as identified in the previous Cabinet report (29th April 2014), based upon the revised financial detail contained in section 11 below.

2.0 Recommendations

- 2.1 Consider the revised financial detail set out in section 11, including the income targets from year 3 onwards.
- 2.2 Reconfirm the earlier decision to establish the company.
- 2.3 Approve, through a contract, the transfer of Council transport services business to the TSSL company on 1 January 2015.
- 2.4 Give any necessary delegated authority to the Executive Director of Strategic Commissioning, the Head of Local Communities, the Head of Legal Services and the Chief Operating Officer, in consultation with the Portfolio Holder for Environment to proceed with that implementation in accordance with the project plan. That plan includes negotiating appropriate contractual arrangements, arranging leases and central support services plus novating contracts where necessary.
- 2.5 To agree to the commencement of a formal consultation period with all the staff who might be affected by any proposed TUPE transfer.

3.0 Reasons for Recommendations

- 3.1 The Council has recognised the need to change the way services are provided in the future in order to create opportunities for innovation and provide service efficiencies. As a result the Council has determined to take a more strategic commissioning role.
- 3.2 The Council has developed a Three Year plan and the development of a new delivery model for transport services is identified as one of the major change projects within that plan: Priority 6; Redefining the Council's role in core place-based services; 6.1 Develop new delivery models; 6.1F Transport.
- 3.3 As part of the development of the service contract and the due diligence required by ODPM guidance the need to update and re-base the financial projections has been identified. This will ensure that the ongoing contractual relationship is robust and delivers against the Council's expectations and that the Council can properly demonstrate all relevant factors have been considered when taking the decision to proceed.

4.0 Wards Affected

- 4.1 All wards are affected.

5.0 Local Ward Members

- 5.1 All local Ward Members.

6.0 Policy Implications

6.1 The project is identified in the Council's Three Year plan as part of the major change programme to re-define the council's role in the commissioning and delivery of services.

7.0 Financial Implications

7.1 The revised financial projections are shown in detail in section 11 and demonstrate that the company will deliver a net surplus of £1.8M over the first five years of operation.

8.0 Legal Implications

8.1 The Council must adhere to good practice principles and ODPM guidance when assessing the business case for proposed transfers to an alternative delivery vehicle. Such considerations were part of the development of the original proposals. They included:

- Ensuring there is a good case for change and that the business case states whether any relevant parties have been consulted;
- Clarifying how the change will affect the accountability of the Council;
- Undertaking a thorough options appraisal to ensure the most cost-effective and efficient option is chosen;
- Identifying and managing the costs associated with the proposed reorganisation as accurately as possible;
- Identifying and realising the benefits of the proposed change;
- Ensuring the proposed change is well managed and delivered;
- Putting in place effective review arrangements to monitor whether the long-term objectives of the proposed change have been achieved.
- Identifying the scope of the company and its objects and the relationship with the Council;
- Identifying the Board of Directors and how their role is to be reconciled with any role within the Council, taking into account actual and perceived conflicts of interest and bias;
- Considering the necessary constitutional and administrative processes which the Council has and making any necessary amendments to these to ensure that the subsidiary can be used effectively and efficiently to improve service delivery;
- The effective drafting of the Memorandum and Articles of Association of the Company, to give the Council the necessary degree of control (e.g. the Council would approve any Business Plan (i.e. the overarching "envelope" of the Company's activities), scrutinise the Company's performance and Board activities (directing the Board where necessary to act or not act in a certain way) and exercise a veto at Board level on all or key, strategic decisions affecting the Company), without hampering the day-to-day operations of the Company or discretion of its Board so it retains agility and flexibility.

- 8.2 The due diligence exercised during the above processes has identified the changes proposed in this report and its submission therefore complies with that good practice. The deferral of the 'go-live' date ensures that there is sufficient time to follow due process in establishing the company.

9.0 Risk Management

- 9.1 The risks within the ASDV programme are identified and managed at 3 levels: Project, Programme and Corporate.
- 9.2 The project risks for this company were detailed within the original business case and will be used as a living document; being revisited and updated and ultimately moving into the ownership of TSSL.

10.0 Background

- 10.1 At the meeting of Cheshire East Council on 4th February 2013 it was agreed that the Council should proceed to becoming a strategic commissioning organisation where a small core of commissioners under the strategic direction of the Executive, identify and prioritise local needs, develop the outcomes that people require and then commission the services most appropriate to the delivery of those outcomes.

- 10.2 The basis of this decision was recognition that the landscape under which local public services are designed, purchased and delivered is changing rapidly under new Government policy and legislation. The establishment of Police and Crime Commissioners, the creation of Clinical Commissioning Groups for health and well being services, and the transfer of Directors of Public Health to become statutory officers of local authorities, all represent this strategic shift in how public services are secured and delivered. In order then to align public services locally, the Council is changing the way it operates to become a strategic commissioning body.

- 10.3 Since LGR significant progress has been made in transforming the model of transport delivery previously inherited, resulting in the formation of Cheshire East Transport Service and significant financial savings of approximately £6.6m. The service has implemented policy changes from both the Adults and Children's Services resulting in the following:

- Decommissioning of internally-provided adult social care transport
- Withdrawal of entitlement to home to school transport – faith education
- Reduction of entitlement to home to school transport – post 16 education

Additionally, further savings have been secured in the following areas:

- Reductions in supported public transport
- Reductions in associated support for public transport

We have now reached the point where it is difficult to deliver further contributions to the Council's challenging budget targets without the freedoms, flexibilities, greater entrepreneurship and business development options that an ASDV will allow

10.4 It is expected that there will be efficiency savings, business development and growth opportunities arising from having a trading arm with the potential to generate additional income. These will continue to be developed during the interim period prior to go-live and beyond. Delivery of these will be included in the company's business plan and monitored in accordance with the performance regime specified in the service contract.

11.0 Financial Detail

11.1 The services under consideration currently have a gross budget of £16,432,000 in the current financial year. This now incorporates all the savings identified in the Council's Medium Term Financial Strategy (MTFS).

2014/15 GROSS BUDGETS	TOTAL £K
Employees (including driver attendants and school crossing patrol staff)	1,504
Premises	55
Transport Fleet	128
Transport operated under contract / grant	10,555
Supplies & Services	621
Concessionary fares and other transport support	3,102
Net Expenditure	15,965
Support service recharges to service	467
Gross Expenditure	16,432

The figure in the original business case presented to Cabinet was a baseline budget £17,767,000. The main differences are the incorporation of the MTFS savings for 2014/15 of £460K (Home to School Transport), £300K (Concessionary Fares), £379k reduction in LSTF funded expenditure and a number of cross cutting savings related to staffing and procurement.

11.2 Close working between the Transport Team and Commissioning service managers has already identified savings of £469,000 in 2014/15 (part year effect). This work is planned to continue, ultimately delivering savings of over £1,000,000 per annum as reflected in the MTFS. Revised financial projections for the company are shown below delivering an operating surplus of £1,801,000 by the end of year 2018/19. This is less than the projection of £2,011,000 set out in the original business case.

	YEAR 1 CEC Apr-Dec	YEAR 1 TSS Jan-Mar	YEAR 2	YEAR 3	YEAR 4	YEAR 5	* TOTAL TSS only
	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	5 years
	£k	£k	£k	£k	£k	£k	£k
Gross cost	12,443	3,989	15,352	15,128	15,078	15,029	64,576
Service income	1,141	381	741	1,016	1,082	1,349	4,569
Net Operating cost	11,302	3,608	14,611	14,112	13,996	13,680	60,007
Management Fee	11,182	3,616	14,548	14,548	14,548	14,548	61,808
Net profit/loss	120	(8)	63	(436)	(552)	(868)	(1,801)
Revised Management Fee	0	3,616	14,611	14,485	14,548	14,548	
Net cost	120	(8)	0	(373)	(552)	(868)	(1,801)

**The 5 year Totals column excludes the figures allocated to CEC shown in italics in column 1 above*

11.3 The projected underlying trading position for 2015/16 will result in an anticipated deficit of £63k. This results from the removal of LSTF grant funding, which along with the one off project work it funded, also financed some core service costs. This cost has now fallen to the service budget and led to the small deficit in that year. The deficit will be financed, if necessary, through a temporary uplift in the 2015-16 management fee payable by the Council. This one off funding of £63k will be repaid by the company in 2016-17 and the projected surplus of £373k shown for 2016/17 reflects this. The projected Management Fee to be paid to the Transport Company reflects the existing MTFS policy options. As such it does not include any allowance for additional funding for any inflationary pressures in transport contracts.

11.4 The income variations shown above are due to the following factors in each year

- Year 2 – cessation of LSTF Funding (value £782k)
- Year 3 onwards – growth from new business as detailed in section 11.5

11.5 The original estimates for new business generation remain unchanged and are included in the table above. They arise from:

- Year 3 – Operating contracts with other local authorities (£200K), Contracts with local companies/educational establishments (£65K) and consultancy work (£9K)
- Year 4 – Operating contracts with other local authorities (£200K), Contracts with local companies/educational establishments (£130K) and consultancy

- work (£9K)
- Year 5 – Operating contracts with other local authorities (£400K), Contracts with local companies/educational establishments (£195K) and consultancy work (£9K)

TSSL's proposals to deliver these challenging targets from year three onwards are key elements of its first business plan which will need a clear focus on specific actions and initiatives to ensure its financial viability. At this stage these targets are not yet based on any detailed plans.

11.6 Transport for pupils with Special Educational Needs (SEN) will continue to be a pressure during 2014/15 but will be addressed by close working between the Transport service and Children's services in order to re-assess and robustly challenge the needs of individuals taking into account the long term goal of fostering independence and inclusivity.

12.0 Access to Information

The original detailed business case and supporting documents can be found at: [Moderngov](#)

Other background papers relating to this report can be inspected by contacting the author:

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	11 th November 2014
Report of:	Lorraine Butcher, Executive Director of Strategic Commissioning
Subject/Title:	Highway Services Contract - Extension to the Service Period (Ref CE 14/15-24)
Portfolio Holder:	Cllr David Topping, Service Commissioning

1.0 Report Summary

- 1.1 This report seeks Cabinet approval to extend the Highway Service Contract following the achievement of the contractual Key Strategic Indicator (KSI) targets in 2012/13 and 2013/14.
- 1.2 The Highway Service, over the first 3 years of the Contract, has delivered significant improvement across the highway network, in particular through the Councils commitment to the Highway Investment Programme. Achievements to date have delivered measurable improvements for the residents and businesses of Cheshire East.
- 1.3 The Highway Services Contract was awarded to Ringway Jacobs on 6 October 2011 for an initial service period of 5 years, with the option for up to a 2 year extension depending on contract performance.

2.0 Recommendations

- 2.1 It is the recommendation that Cabinet, acting in its role of Employer under the Contract, award an extension to the service period of 2 years.

3.0 Reasons for Recommendations

- 3.1 The performance of the Contract is continually reviewed and assessed by the Contract Strategic Board. The Contract is eligible for a one year extension to the Service Period for each Financial Year in which they achieve satisfactory KSI performance. The board met on 8 August 2014 and assessed the Contractor's performance for 2012/13 and 2013/14, the outcomes in relation to the contract extension were:
 - **2012/13** - The Strategic Board considered that the Highway Service met or exceeded the KSIs that could be measured effectively at this stage of the Contract, and achieved the qualification criteria for an initial one year extension.
 - **2013/14** - The Strategic Board considered that the Highway Service met or exceeded the KSIs that could be measured

effectively at this stage of the Contract, and achieved the qualification criteria for a further one year extension.

- 3.2 Of particular note is the substantial improvement in *Employer Satisfaction* levels across 2012/13 and 2013/14 which have exceeded the target levels. Further areas of significant improvement above the target levels include *Delivering Value for Money*, the use of *Recycled Aggregates* and *Diverting Waste from Landfill*.

4.0 Wards Affected

- 4.1 All Wards are affected by the proposal.

5.0 Local Ward Members

- 5.1 All Ward Members are affected by the proposal.

6.0 Policy Implications

- 6.1 The extension of the Highway Service Contract will allow the Council to continue delivering greater value for money whilst reducing costs. The Contract actively contributes to the delivery of the Cheshire East Council Three Year Plan outcomes:

- Outcome 2: Cheshire East has a strong and resilient economy
- Outcome 4: Cheshire East is a green and sustainable place

- 6.2 The Contract Strategic Board will continue to monitor Contract performance against the 11 KSI in addition to the 18 Key Performance Indicators and 17 'Non-scoring' Performance Indicators.

7.0 Financial Implications

- 7.1. To date the volume of work delivered through the Contract has significantly exceeded that which was originally anticipated at the time of tender. This has come about for a number of reasons but the main sources relate to significant investment in the maintenance of the highway network via the Highway Investment Programme (HIP), the carbon reduction programme and a number of major strategic schemes.

- 7.2. The contract spend profile is demonstrated in Appendix A. This indicates that, based on expenditure to date and confirmed expenditure plans, the original Estimated Total Value (ETV), as specified in the original OJEU notice, is likely to be exceeded early in 2017 i.e. the 2nd quarter of the first potential extension year. It will go on to exceed the ETV by approximately 13%.

8.0 Legal Implications

- 8.1 The Employer may notify the Contractor that the Service Period is to be extended for a further period or periods not exceeding 2 years in total. Ringway Jacobs has satisfied the acceptable KSI Performance levels to entitle it to 2 years extension to the Service Period. Notwithstanding the Contractor achieving the acceptable KSI performance levels the

Employer has the discretion not to award an extension to the Service Period but only if acting reasonably.

8.2 The ETV appearing in the OJEU Notice that advertised the Contract will be exceeded. The ETV is not a strict cap that cannot be exceeded, however an increase in the ETV arising from substantial change or variation to the contract is not acceptable and is open to challenge as a direct award of a new contract. The increase in contract value in this Highways Services Contract is covered within the original scope of the Contract and has arisen from additional works, unforeseen at the time of tender.

8.3 Article 72 of the New Procurement Law Directive sets out new provisions relating to the modification of contracts during their term to clarify the law in this area. Flexibility is introduced to allow the contract to be adapted in the event of external circumstances that cannot be foreseen. Specifically, substantial modification will not require a new procurement procedure where the following cumulative conditions are met:

- The need for modification has been brought about by circumstances which a diligent contracting authority could not foresee;
- The modification does not alter the overall nature of the contract; and
- Any increase in price is not higher than 50% of the value of the original contract.

In the current circumstances these conditions appear to have been met.

9.0 Risk Management

9.1 The decision to award an extension would be unlikely to attract a legal challenge. However it is important that members are aware of the risk, however small, associated with a decision to award an extension.

9.2 There is a risk that performance levels are not maintained over the remaining contract period. To mitigate this, the Contract performance is linked to financial penalties/incentives to ensure the Service delivers continual improved performance.

10.0 Background and Options

10.1 The service period of the Contract may be extended by one or two years. This is subject to satisfying two conditions:

- i. Ringway Jacobs meeting certain qualifying performance criteria as specified in the contract (outlined in **3.0**); and
- ii. The overall value of the work delivered through the contract should comply with the rules associated with the ETV as specified in the original OJEU notice. The ETV for this contract is £147m.

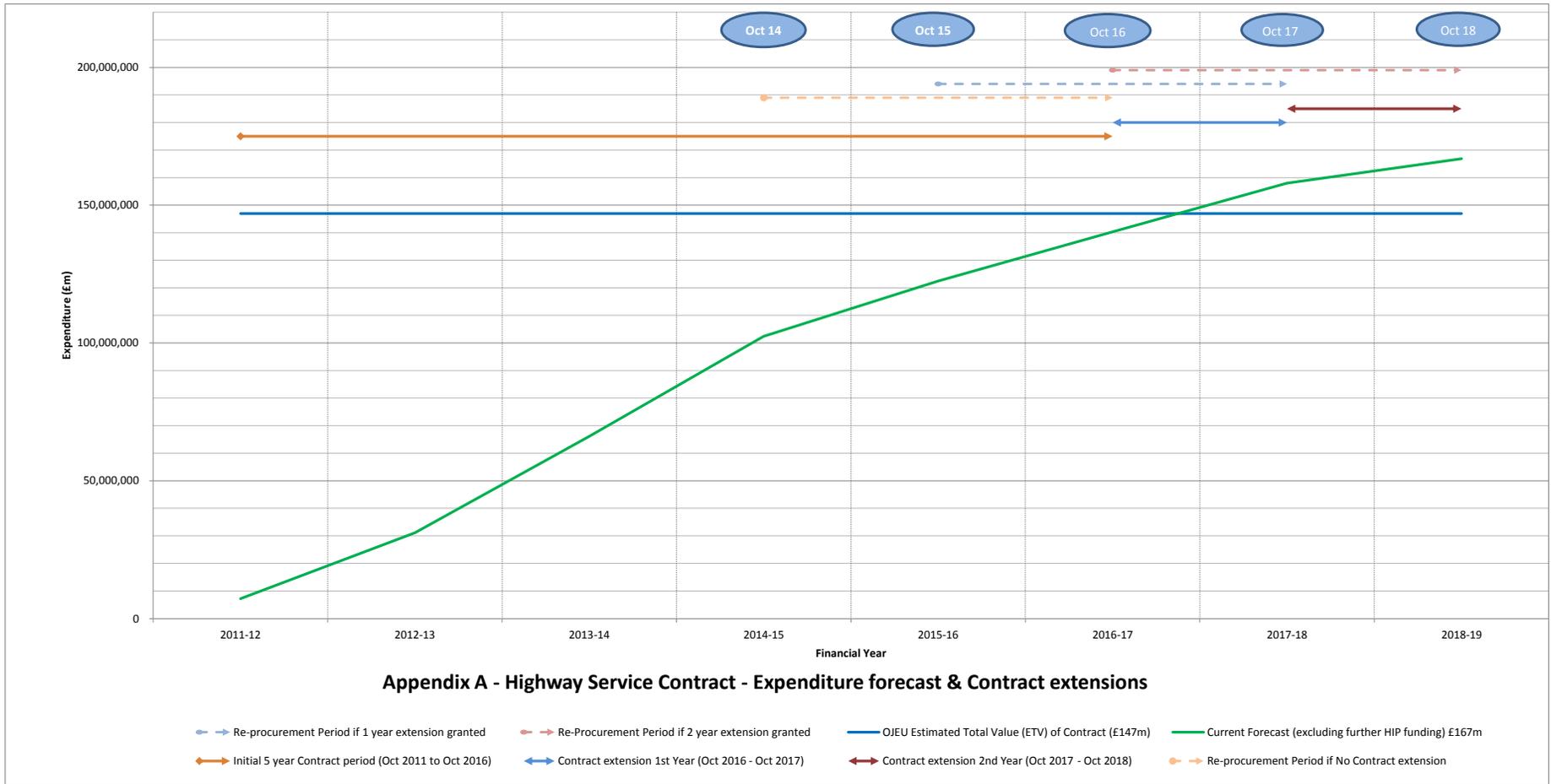
10.2 Notwithstanding the fact that Ringway Jacobs has met the specified performance criteria, the Employer retains the discretion whether to

award any extension to the service period. The Contract requires that any decision not to award an extension to the service period when the performance criteria has been met must be exercised reasonably.

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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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 11th November 2014
Report of: Director of Adult Social Care and Independent Living
Subject/Title: Cheshire East Council Partnership with Congleton College
(Phase 1)
Portfolio Holder: Councillor Janet Clowes, Care and Health in the Community

1 Report Summary

- 1.1 The aim of the project is for Cheshire East Council to work in partnership with Congleton College to provide a unique opportunity for young people to receive training and employability skills in a care setting and develop a ground-breaking community resource that will advance to meet the changing needs of the community.
- 1.2 The selected care setting is Mountview in Congleton. The current day-care provision at Mountview will continue to be provided by the Council's in house provider service, Care4CE.

2 Recommendations

- 2.1 That Cabinet consider and endorse the proposal to work in partnership with Congleton College to develop this pioneering centre in Congleton.
- 2.2 That Cabinet agree to grant a lease for Mountview to Congleton College with a form of leaseback arrangement to Cheshire East Council for the day-care centre element.
- 2.3 That Cabinet delegate responsibility to the Director of Economic Growth and Prosperity in conjunction with the Portfolio Holder to execute the leases.
- 2.4 That Cabinet give approval to officers to explore the option of TUPE of building maintenance and selected other staff (those not directly involved in the day-care provision) to Congleton College.

3 Reasons for Recommendations

- 3.1 This project meets the aims of Outcomes 1, 2, 3 and 5 of Cheshire East Council Three Year Plan.

- Outcome 1 –
 - The centre will develop a thriving and vibrant community resource that will develop to meet the changing needs of the community.
 - The centre will be established as a resource that facilitates the provision of wider services such as support for the local residents in sheltered housing and other social care and health services.
 - The centre will link the younger generations with the elderly community whilst training and preparing the next generation of carers and professionals for the health and care sector.

- Outcome 2 –
 - This is an innovative opportunity to help build the workforce of the future in Cheshire East and provide young people with genuine work experience in a commercial environment to deliver benefits of their learning to the wider community.
 - The centre will offer ground-breaking training opportunities to ensure that young people have a true alternative to university whilst ensuring the skills required in the care community are provided in the future.

- Outcome 3 –
 - The centre will provide a unique opportunity for social care and health to work in partnership with Congleton College to offer young people the chance to study in a care setting.
 - The centre will provide employment and training opportunities for students on higher-level apprenticeships in health & social care, social work, educational psychologists, nursing in learning disabilities, occupational therapy assistants, personal assistants and childcare.
 - The centre will provide a training centre for students to study courses in hair & beauty, catering, cookery and other courses.

- Outcome 5 –
 - The project will continue the provision of day care to the local community in its current setting.
 - There will be community facilities offering a café and hair salon to the wider community.
 - There will be opportunities for other partners to offer local community services from this setting which will benefit the community and at the same time provide learning experiences for the college students.

This is Phase 1 of the partnership with Congleton College with a possibility of Phase 2 in future years.

4 Wards Affected

- 4.1 Congleton West (the location of the centre and services for the community)
Congleton East (services for the community)

5 Local Ward Members

- 5.1 Councillor Gordon Baxendale
Councillor Roland Domleo
Councillor David Topping
Councillor David Brown
Councillor Peter Mason
Councillor Andrew Thwaite

6 Policy Implications

- 6.1 The project helps to fulfil Outcomes 1, 2, 3 and 5 of the Cheshire East Council Three Year Plan.

7 Financial Implications

- 7.1 A 125 year lease to be granted to Congleton College at a peppercorn rent with a lease back for the day-care provision.
- 7.2 The lease will be a full repairing and insuring lease and Congleton College will also be responsible for paying all utilities, including those for the day-care provision.
- 7.3 Possibility of building maintenance and selected other staff (not connected to the day-care provision) to TUPE to Congleton College.

8 Implications for Rural Communities

- 8.1 This will give an opportunity for young people living in the rural areas around Congleton to access the training opportunities. It will also allow residents in surrounding areas to make use of the services offered going forward bringing the services closer to the community.

9 Legal Implications

- 9.1 Local Authorities are able to dispose of land and buildings at less than the best consideration reasonably obtainable under the General Disposal consent (England) 2003 where the undervalue is less than £2 million. A lease for a term of more than seven years is a disposal. The consent requires the local authority to be of the view that the disposal is likely to help secure the promotion or improvement of the economic, social or environmental well being of its area or residents resident in the area.
- 9.2 There is also a requirement for a local authority to satisfy itself that it will not give unlawful State Aid as by accepting an undervalue the local authority is providing a subsidy.
- 9.3 A transfer of a lease can trigger The Transfer of Undertakings Protection of Employment Rights Regulations (TUPE) so that staff, particularly who are wholly or mainly assigned to the maintenance of that building have a right to transfer to the new leasee. However it may be that if the maintenance service is specifically retained by the lessor, in this case the Council then TUPE may not apply. If TUPE does apply then both the council and college will have to ensure that the TUPE consultation obligations are complied with and that the council complies with the requirements to provide the employee liability information to the College.

10 Risk Management

- 10.1 The Educational Funding Agency has given a verbal agreement for this to progress. By using an Academy Lease this reduces the possibility of challenge or delays.
- 10.2 Both Congleton High School and Eaton Bank Academy are supportive of this proposal.
- 10.3 A group has been formed including Portfolio holders for Care and Health in the Community and Safeguarding Children and Adults to assist in the progression of this project. An officer group with representatives from education are driving the project including the negotiation of the lease.
- 10.4 A decision is required regarding the TUPE of staff currently working in the building.
- 10.5 A communication strategy is in place which includes meetings with service users, carers and staff.

- 10.6 Congleton College intends to start services in September 2015 so there is ample lead in time to ensure any issues can be mitigated.
- 10.7 The Council needs to give consideration to the requirements needed to meet the General Disposal consent. In general terms when assessing the merits of a community asset transfer the decision is essentially a choice between a capital receipt from the disposal of the asset and using that receipt to support the Council's spending needs and the benefits generated by the community and/or the Council by the proposed lease of the asset. In making this asset transfer decision the local authority should:
1. Have regard to its community strategy
 2. Assess the likely amount of the undervalue
 3. Understand what community benefits will be realised by the lease and how the interests of local people will be better served
 4. Have regard to the business plan and financial viability of the lessees plans
 5. Understand the State Aid implications
 6. Assess market interest

11 Background and Options

- 11.1 Option 1 – As per recommendation. Day-care is currently provided at the centre and this proposal will provide an excellent innovative community resource for Congleton building on the service currently provided here by Cheshire East Council.
- 11.2 Option 2 – Continue the day-care provision and look for alternative use of the remainder of the building.

12 Access to Information

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

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	11 th November 2014
Report of:	Director of Adult Social Care and Independent Living
Subject/Title:	Adult Social Care Charging Policy Review (Ref CE 14/15-31)
Portfolio Holder	Cllr Janet Clowes, Care and Health in the Community

1.0 Report Summary

- 1.1 The Care Act implementation places financial and resource pressures on Adult Social Care Services nationally. The Care Act is a statute in Law which drives Councils to deliver personalised services consistently and equitably to support individuals to remain in their own homes for as long as possible regardless of means. The Act enforces equity and choice; ensuring care needs are the primary focus and protecting those who are unable to financially contribute. Cheshire East Council recognises the need to support the community to understand the changes introduced by the Care Act and to mitigate the impacts on individuals by these changes. Adult Social Care Services are additionally drawing together new ways of working internally and through the integration agenda with health partner organisations. This paper sits within the context of the care Act implementation and the service improvement and modernisation agenda.
- 1.2 The Care Act regulations and formal guidance have been issued on 23.10.14. Whilst these are still subject to final approval through the parliamentary process the Council fully understands its responsibilities for Phase 1 implementation from April 2015 and work is actively underway to deliver the Council's implementation plans.
- 1.3 The Council currently has in place the Fairer Charging policy which governs charging for community based care services. There are implications of the Care Act on the current policy and public consultation is required on the Council's proposed response to this. The formal consultation is planned to run for 8 weeks from 1st December 2014 to 25th January 2015.

2.0 Recommendations

- 2.1 In order to provide a range of options to address the Care Act requirements, a formal public consultation be required in respect of changes to the Council's Charging Policies and Scheme of Delegated Charges.
- 2.1 Cabinet be requested to approve the proposed consultation.

3.0 Options

The consultation will give the Community information about new ways of working and Care Act legislative changes and will explore the following:-

3.1. To remove the subsidy from the Non-Residential (Fairer Charging) charging formula currently set at 97% of disposable income and to move to a position where this is taken as a maximum charge of 100% of disposable income once housing, living and disability costs have been accounted for. This would be in line with near neighbouring authorities and consistent across most other Local Authorities.

3.2. In respect of domiciliary care services, removing the current practice of a higher charge than the price which is paid per unit of care by the Council to the care market. It is proposed that the Council equalises the charge and price paid for commissioned domiciliary care so they are the same, applying a small 3% charge to cover Council overhead costs. This proposal would benefit many people by reducing charges and costs would only be paid by those who could reasonably afford to contribute.

3.3. Remove the automatic deduction which is currently applied to all financial assessments for community services as a standard Disability Related Disregard of £4 or £10 depending upon the customers level of disability benefit income. The proposal is to move to a system where the customer provides evidence of their personal disability related costs to be verified to accurately account for disability costs in the financial assessment. This change would be under-pinned with improved information and advice as required by The Care Act.

3.4. A proposal that the Council introduces a fee to those customers who have the means to pay for their own care privately, but who choose the Council to commission and manage their care services on their behalf. A small flat rate fee is proposed which would contribute in a small way towards the costs the Council would incur in providing such services as well as managing care accounts from 2016. Cheshire East Council is liaising with other Councils over this and will adapt proposals to be in line with other Local Authorities once the Care Act has been reviewed fully.

3.5. Remove the current subsidy applied to the prices charged for internal community based services provided through Care4CE.

3.6. To apply interest charges to deferred payment agreements in accordance with the Department of Health Guidance for the duration of any Deferred Payment Agreement term. Interest would be calculated daily and applied every 4 weeks to deferred costs.

3.7. To ensure the administrative charge for Deferred Payment arrangements accurately reflect the Council's costs in managing Deferred Payments. Administration charges would apply to the deferred costs to be settled at the close of an agreement.

3.8. To revise the charges for the provision of Tele-care (Assisted Technology) including a link into 'new build' planning and regulations through Communities Department. This would introduce a model of provision and charges based on response times associated with three levels of service; Environmental, Lifestyle and

Advanced Tele-care Services. It is proposed a small flat rate fee applies to Environmental Tele-care services with Lifestyle and Advanced Tele-care Services being subject to means test.

3.9. To extend financial assessment and income maximisation services to services specifically for Carers in line with the new legislation.

3.10. To introduce a revised Direct Payment offer with improved information and advice services with clear guidelines to the customer around their responsibilities in receiving a Direct Payment from the Council.

3.11. To introduce a new Third Party Top-up Policy with placement sustainability checks to protect the customer and care market from unwise placement decisions which cannot be financially sustained.

3.12. To brief the community on proposed new ways of working to deliver adult social care. The communication brief will include references to promoting personalised services which enable people to live longer in their own communities along with improved information and advice around preparing for later life needs and costs.

4.0 Process

4.1 In order to deliver the above a number of key actions will follow:-

- Release of an approved press and public statement, proactively managing publicity.
- Communicate directly with service users through bill-flyer, website information/feedback forum and consultation events to encourage feedback and participation through consultation to the proposed changes.
- Take account of any Equality Impact issues following consultation and in developing detailed implementation plans.
- Issue timeline of process and implementation.

5.0 Reasons for Recommendations

The implementation of the Care act requires a number of changes to existing Council policies. The charging policy needs to be reviewed to accommodate the required changes. The policy has therefore been fully reviewed and in line with the new legislation.

6.0 Wards Affected - All

7.0 Local Ward Members - All

8.0 Policy Implications

Adult Services Pricing and Charging Policy: To be reviewed following consultation and Cabinet approval of changes.

Public Information: in accessible format for all. Approved through “readers panel” as simple, plain English and available in alternative format/language.

Brokerage and advocacy services exist to assist customers to access alternative services where needed.

Whole System Commissioning:– welfare benefits advice and improved information in respect of complex financial issues to manage down debt issues and maximum take up of welfare benefits through partnership working.

9.0 Financial Implications

Consultation will run alongside the existing processes for budget setting. There will be costs associated with the processes following consultation i.e. temporary resources will be required to change policy, systems and processes in a phased manner according to an approved action plan – these temporary resources will be needed by Social Care Business Support and Finance service.

10.0 Legal Implications

Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 gives councils a discretionary power to charge adult service users who receive non-residential services. The current guidance is entitled 'Fairer charging policies for home care and other non-residential social services: Guidance for Councils with Social Services Responsibilities' issued in September 2003. Charging for Residential and Nursing Care falls under the Department of Health's national statutory Charging for Residential Accommodation Guidance (CRAG). New charging legislation comes into effect from April 2015 and again 2016 under the Care Act which will replace existing legislation.

10.1 Consultation must contain four elements:

- Must be at a time when proposals are still at a formative stage
- Must give sufficient reasons for any proposal to permit of intelligent consideration and response
- Adequate time must be given for any consideration and response
- Result of the consultation must be conscientiously taken into account in finalising any proposals

10.2 The local authority must have regard to the Public Sector Equality Duty.

Section 149 of the Equality Act 2010 states:

(1) A public authority must, in the exercise of its functions, have due regard to the need to—

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it... “

Case law has established that : ‘The PSED challenge is not concerned with the lawfulness or even the adequacy of the solution that was adopted. It is only concerned with the lawfulness of the process’ (R (MA) v Secretary of State for Work and Pensions 2014 EWCA Civ 13).

- 10.3 An Equality Impact Assessment must be completed before reaching any final decision to substantially vary charging.
- 10.4 Further consideration will be required in relation to the specific options at section 3 of the report as the implementation date for the Care Act approaches and in response to further DoH guidance.

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 11th November 2014

Report of: Director of Public Health – Dr Heather Grimbaldeston

Subject/Title: Re-Commissioning of Sexual Health Services (Ref CE 14/15-21)

Portfolio Holders: Cllr Janet Clowes, Care and Health in the Community
Cllr Rachel Bailey, Safeguarding Children and Adults

1 Report Summary

- 1.1 The commissioning responsibility for Sexual Health Services transferred to the Council in April 2013. The existing contractual arrangements were extended by Cabinet (4/2/14) until March 2016. This was to allow time to undertake a strategic review of sexual health services for Cheshire East residents.
- 1.2 This report sets out the work to achieve this strategic review and outlines our ambitions for the 'Future Sexual Health Services'. Sexual Health services are required services and are within the legal framework for Public Health commissioning responsibilities.
- 1.3 The future service aims are set out in 3.4 of this report. The 'Service Vision' confirms that good sexual health is important. 'Easily accessible information, with welcoming services that provide appropriate care to help people make the right choice for themselves'.
- 1.4 The following sexual health outcomes are included in the Public Health Outcomes Framework for 2013–16¹:
 - **The rate of conceptions in under 18 year olds.** In 2012, the under 18 conception rate in Cheshire East was 23.8 per 1,000 females aged 15 to 17 years, 14% better than England's rate of 27.7. Between 1998 and 2012, Cheshire East achieved a 37.2% reduction in the under 18 conception rate.
 - **People presenting with HIV at a late stage of infection.** In Cheshire East, between 2011 and 2013, 40% (95% CI 25-57) of HIV diagnoses were made at a late stage, 11% better than England's rate of 45% (95% CI 44-46).

¹ <https://www.gov.uk/government/publications/healthy-lives-healthy-people-improving-outcomes-and-supporting-transparency>

- **Chlamydia diagnoses in young people aged 15–24.** In 2013, the rate of chlamydia diagnoses per 100,000 young people aged 15-24 years in Cheshire East was 1780.0 compared to 2015.6 per 100,000 in England.

1.5 The Council and its commissioning partners want the best for our young people; families and adults with a greater focus on community based services, prevention and early help support. This newly commissioned service will be designed to meet that need and better serve our population.

2 Recommendations

- 2.1 That Cabinet grants the necessary delegated authority to the Portfolio Holders [Cllr Janet Clowes Portfolio Holder: Care & Health in the Community & Cllr Rachel Bailey Portfolio Holder for Children & Families], the Director of Public Health and the Executive Director of Strategic Commissioning to award and conclude contractual documentation with the successful tenderer[s].
- 2.2 That the Delegated Decision makers [Portfolio Holders, the Director of Public Health and the Executive Director of Strategic Commissioning] ensure that an EU compliant procurement exercise has been undertaken.

3 Reasons for Recommendations

- 3.1 **Context** - Sexual health is an important area of health and the public's health. Ensuring that our population has access to high quality sexual health services is key to improving their health and wellbeing.

The responsibility for commissioning sexual and reproductive health and HIV services is shared by Local Government, Clinical Commissioning Groups, and NHS England. Hence, a whole system collaborative approach to designing and commissioning local services is required. Clear links to other areas such as education, abortion services, maternity services, criminal justice and community safety system, and social care are also important.

Understanding the needs of Cheshire East residents will help us shape the future sexual health services. We are reviewing the impact of deprivation and the requirements of other distinct population groups who face a greater risk of sexual ill health, and actual or perceived restrictions to service access.

- 3.2 **What Services do we have now?** - The majority of core contraceptive care is provided by general practices as part of their GP contract with NHS England. This is an important aspect of contraceptive care provision to individuals in the population and this will continue to be the case. In addition to these

mainstream services, there are also locally available community contraception clinics and genito-urinary medicine [GUM] services that were previously commissioned by the Primary Care Trust and are now commissioned by the Local Authority. This ensures choice of access to sexual health services. The current suppliers are as follows:

3.2.1 East Cheshire NHS Trust: provides Integrated Sexual Health Services across the borough which include:

- Sexually Transmitted Infection (STI) diagnosis and treatment
- Community contraception clinics
- Chlamydia screening programme 15-24 year group (National Chlamydia Screening Programme)
- and Sexual health promotion

3.2.2 Mid Cheshire Hospitals NHS Foundation Trust: provides a sexually transmitted infection diagnosis and treatment service at the 'Centre for Sexual Health' at Leighton Hospital.

3.2.3 Body Positive: a voluntary community faith sector service provider delivers

- One to one and group support for people at risk of primary HIV infection
- Improving access to condoms, lubricants and other safer-sex resources
- Education and Training HIV/STI awareness, and better sexual health and health relationships
- Wider accessibility, awareness raising and community involvement

3.2.4 General Practitioners: provide Long Acting Reversible Contraception [LARC], Intrauterine Contraceptives [IUCD] and the Chlamydia Screening programme for the under 25years population, commissioned by Public Health.

3.2.5 Pharmacies: provide access to Emergency Hormonal Contraception commissioned by Public Health.

3.3 Future Service Aims & Requirements

3.3.1 Service Aims

The service will aim to:

- Promote a positive attitude towards sexual health
- Promote the service to ensure that young people and adults know how to access services when they need them
- Ensures that privacy and confidentiality is maintained

- 'Making Every Contact Count' providing advice & support to other professionals or services that are appropriate proactively and when its needed
- Provide prevention and early intervention services for young people and those in most 'at risk' populations to build personal resilience and self esteem as well as promoting healthy choices
- Provide a range of open access sexual health services e.g. community contraceptive clinics, specialist GUM services, practitioner workforce development, and strong service identity & marketing
- Ensure that the services provided are evidence based, innovative whilst maximising physical and virtual access options through the use of new technology
- Ensure that rapid and easy access to services are available for people in Cheshire East's urban and rural communities
- Early, accurate effective diagnosis and treatment of STIs including HIV, providing a partner notification service
- Provide good quality services [quality marked], value for money for Cheshire East residents, the Council and the wider health and social care sector

3.3.2 Key Future Service requirements

The services we require have the following key requirements:

- 'Open Access' sexually transmitted infection testing and treatment [treatment for HIV is commissioned by NHS England Specialist Commissioning]
- Assessment & history taking
- Contact Tracing & Management of results including sample testing
- Counselling service
- Condom distribution service
- Chlamydia screening for under 25yrs
- Targeted services for Young People aged up to 25yrs
- Community contraceptive services [providing a full range of contraception for those people who choose not to access contraception through their general practice and professional leadership for developing "whole system" care pathways and services]
- Health Promotion & Education

3.4 Engagement

Our approach to Engagement is set out in the table below:

Table 1

Audience	Method
All residents, sexually active or not in Cheshire East, [whether permanent or temporary resident	<p>A generic on line survey [to date 8/10/14]104 completed surveys]</p> <p>A Young Person Specific survey [to date 8/10/14] in excess of 600 completed surveys]</p> <p>These have been well promoted including via social media, through college and university ‘Freshers’ sessions, schools, and wider stakeholders.</p>
Priority and Protected Characteristic Groups	<p>Engagement with specific groups [nearly completed]:</p> <ul style="list-style-type: none"> • Children and Young People Cared for and Care leavers • Young People and adults with a Learning disability • Lesbian, Gay, Bisexual and Transgender • Minority Ethnic groups
Service User representatives wider Stakeholders	<p>A wider stakeholder session has been held, and engagement with Primary and Secondary Head Teachers has taken place.</p>
Potential service providers	<p>An early Market Engagement event was held to enable interested parties to contribute to this engagement phase. Meetings with existing suppliers were also held.</p> <p>A further Market Engagement event is planned prior to the procurement process commencing. This will enable sharing of the service model we require and information on the procurement process.</p>

The work to analysis all of these findings will take place when all activities have been completed. However some of the early findings reinforce support for the Commissioning Intentions we set out for this engagement work. Early examples of this are:

- There is agreement that contraception services should be provided in the community through GPs and Clinics, with Sexual Health Services being provided in community buildings alongside other services.
- That health advice and information should be through face to face contact, printed material, the internet, text messages, and smart phone apps.
- That the first point of contact for some specific groups would need to be through trusted service providers not necessarily universal and or specialist services e.g. for people with a learning disability through their personal / social care providers or for Young People through their School Nurses.
- There is support for appropriate referral arrangements between services with assurance within the new service arrangements that confidentiality regarding medical records / service contacts is in place.

3.5 Sexual Health Commissioning Steering Group Development

A Commissioning Steering Group has been established which includes representatives who hold commissioning responsibilities for aspects of sexual health service delivery. It includes:

NHS England – Screening & Immunisation, and Primary Care Contract support

Public Health England – North West Sexual Health Facilitator

NHS South Cheshire Clinical Commissioning Group – Executive Nurse

NHS Eastern Cheshire Clinical Commissioning Group – Associate Director of Commissioning

Police and Crime Commissioner – Partnerships and Commissioning Officer

Public Health – Lead Commissioner, Consultant in Public Health, and PH Category manager

Childrens and & Families – Lead Commissioner, and Lead for Early Intervention & Prevention

Adults Services– Commissioning Support Officer

This group will be instrumental in addressing areas of connected commissioning to inform the final service specification for the procurement of our sexual health services, as well as in supporting the tender evaluation

process with service user representatives. We will further develop this group post contract award to ensure collective contractual oversight and implementation of the new service arrangements.

3.6 Procurement timeframe

The tender for Sexual Health Services will be submitted via the Chest in November for return in January 2015. This will be evaluated during January 2015 which will include Supplier presentations and interviews. The contract will be awarded in February 2015 with the Contract commencement date being March 2015 and contract start July 2015. This includes four months for the contract mobilisation period.

The procurement process will ensure that the economic, social and environmental wellbeing of the area is embedded throughout this recommissioning work, and during invitation to tender stage [The Public Services (Social Value) Act 2012].

The recommissioning of Pharmacy & GP [3.2.4 & 3.2.5] services will commence post award of the Sexual Health Services set out at 3.3.2 of this report.

4 Wards Affected

4.1 All

5 Local Ward Members

5.1 All

6 Policy Implications

6.1.1 PH responsibility for commissioning Sexual Health Services noted in section 1.2 of this report. Reference to the legislation can be found at² <http://www.legislation.gov.uk/ukdsi/2012/9780111531679>.

7 Financial Implications

7.1 The current Sexual Health Services cost £3.7 m for 2013/14 which includes services provided by NHS hospital providers for GUM & Community Contraception services, a VCFS provider for health promotion, Pharmacy providers for Emergency Hormonal Contraception and GPs for LARC & IUCDs.

² The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013
<http://www.legislation.gov.uk/ukdsi/2012/9780111531679>

- 7.2 The JSNA has identified that Cheshire East currently has a much higher level of access to hospital-based GUM services than is needed by the population. We plan to secure significant efficiency savings and greater accessibility for young people through redeploying sexual health services into a range of local settings. This significant level of service redesign is likely to affect the length of the contract term that the market is willing to provide. We need the flexibility to appoint up to the current value for a period of up to 5 years, and so the upper limit of the sexual health budget envelope will be £18.5m over 5 years.
- 7.3 This budget cost has been factored into the Public Health services response to the Council's MTFS process. This supports increased investment in respect of agreed Public Health outcomes within the existing Public Health ring-fenced budget regulations.
- 7.4 Potential suppliers will be assessed on a number of financial ratios to ensure that there are limited risks involved. These financial assessments will include liquidity checks to ensure they have a healthy cash position, receivables and payables checks (which will establish whether they pay and receive cash in a timely manner) and a contract as a percentage of turnover check to ensure it is not above their current operation levels. Payments will be made in-arrears which further reduces the Councils financial risk.

8 Legal Implications

- 8.1 The Council has a statutory duty under the Health and Social Care Act 2012 for various public health functions. The responsibility for commissioning Sexual Health services transferred to the Council by virtue of The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013, which provide that each local authority shall provide, or make arrangements to secure the provision of, open access sexual health services in its area.
- 8.2 In order to determine the correct services to meet needs the Council has undertaken a strategic review, an Equality Impact Assessment and necessary engagement and consultation. It is intended that an EU complaint procurement process, in accordance with the Public Contracts Regulations 2006, will be undertaken with assistance from the Council's Procurement Unit and Legal Services. Advice will also be given as to the considerations required to be made under the Public Services (Social Value) Act 2012, which requires the Council to consider how what it is proposed to be procured might improve the social, economic and environmental well-being of the relevant area and how in conducting a procurement process it may act with a view to securing

that improvement as well as considering whether to undertake any community consultation on the proposals.

- 8.3 Due consideration will be given during the procurement process of any implications arising from the potential transfer of any staff pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and the potential application of the Fair Deal guidance.

9 Risk Management

- 9.2 Current Service Risks – services may experience uncertainty as we embark on this recommissioning work; however these services have been in place for a number of years and are linked with wider service commissioning through CCG contracts with the two main hospitals within the borough. We are ensuring that we are monitoring existing arrangements, and communicating with the suppliers and CCGs about the progress of this work. This will mean that concerns identified are addressed or mitigated as soon as is possible.
- 9.4 Transition risks – there may be risks associated with transitioning from one contractual arrangement to another, and we will require the new suppliers to identify a risk management approach. As commissioners we will hold a risk assessment for this transition phase.
- 9.5 New Contract – we are seeking major change within this new contract and whilst this is ambitious we will need to account for the impact of transition and behaviour change that will be required by more aggressive prevention and early detection and improved service access across the borough. This will take time to become established and therefore realistic targets for change will need to be established with the successful supplier[s] and the wider commissioner steering group.

10 Access to Information

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

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	11 th November 2014
Report of:	Chief Operating Officer
Subject/Title:	Heritage and Cultural Renewal in Macclesfield (Ref CE 14/15-12)
Portfolio Holder:	Cllr Peter Raynes, Finance

1.0 Background

- 1.1 Footpath 53, known as Step Hill, Macclesfield has been closed for health and safety purposes, the key issue originally thought to be one of stability of the wall abutting the footpath. The footpath and steps are important to the local community as an area of historic and special character.
- 1.2 Investigative works undertaken to date indicate that a full repair of the area will cost in excess of £1m. This paper suggests that a phased programme of works be undertaken in order to re-open the footpath and steps to members of the public
- 1.3 The investigative work undertaken has shown that there is an extensive problem in the area with the spread of Japanese Knotweed. Left uncontrolled, this plant can quickly dominate a site, causing damage to paving and foundations, and may increase the risk of soil erosion and bank instability. Treatment of the Japanese Knotweed has commenced, but requires a two year treatment programme, with a further three years monitoring. A further closure order has been granted for two years to allow the treatment of the knotweed and establish the extent of required works.
- 1.4 Whilst there are known structural issues with the stability of the walls, a stability analysis has been carried out using available ground investigation information which has established that the whole slope is potentially unstable. It is believed that the stability of the wall may be dependent upon improving the stability of the whole slope. An indicative solution has been found, which addresses both elements using 'anchors', over the whole earthwork. It is anticipated that a full repair of the area will cost well in excess of £1m and could, potentially, lead to further works in the wider Bunker Hill area. Additional ground investigation will be required to provide greater certainty of possible issues and estimate the costs required to complete the design and installation of anchors.

- 1.5 It is suggested that a phased approach be undertaken, with further geotechnical testing, ground and ecological survey investigative work being undertaken to fully inform any future requirement.
- 1.6 It should be noted that these cost estimates **exclude** design/supervision fees, legal fees, permanent land take costs, Inflation, site investigation costs, geotechnical testing, ecological surveys.

2.0 Recommendations

2.1 That, on a phased approach:

2.1.1 Approval be granted to, undertake repairs to wall 'D' on the attached plan, sufficient to allow the re-opening of the footpath at rear of town hall car park.

2.1.2 Approval be granted to undertake further site investigation, geotechnical testing and ecological surveys to the Step Hill area, to further establish slope stability.

2.1.3 Following such site investigation, and subject to the eradication of Japanese Knotweed to affected areas, approval be granted to undertake repairs to wall 'A' on the attached plan, to allow the re-opening of Footpath 53 (staircase down Step Hill numbered 3).

2.1.4 Delegated authority be granted to the Chief Operating Officer, in consultation with the Portfolio Holder for Finance, to proceed with any further works required, subject to cost.

3.0 Reasons for Recommendations

3.1 Cheshire East Council is committed to improving the Macclesfield economy, taking pro-active actions to reopen Step Hill ensures that Macclesfield Town Centre remains an attractive location for residents, businesses and visitors and promotes regeneration within Macclesfield.

3.2 To ensure that the integrity of the slope is maintained.

4.0 Wards Affected

4.1 All Macclesfield Wards

5.0 Local Ward Members

5.1 Councillors : K Edwards; J Jackson; D Neilson; L Brown; M Hardy; S Carter; D Druce; L Jeuda; B Murphy; L Roberts; C Andrew; A Harewood; L Smetham

6.0 Policy Implications

- 6.1 Re-opening the footpath and steps to members of the public supports the delivery of the following Resident First Outcomes:-
- Outcome 2: Cheshire East has a Strong and Resilient Economy:
Action taken to regenerate Macclesfield Town Centre will help to ensure that our visitor economy grows.
 - Outcome 4: Cheshire East is a Green and Sustainable Place:
Cheshire East's rural and urban character will be protected and enhanced through sensitive development and environmental management of the walls, steps and slopes at Step Hill.

7.0 Financial Implications

- 7.1 Capital funding in respect of schemes covered in Recommendations 1, 2 and 3 is available from existing approved budgets. Following those repairs and investigations, if further works are required additional funding may be needed; this will be subject to separate approval once scope and estimated costs are determined.

8.0 Legal Implications

- 8.1 As the likely value of the remedial works is below the current EU threshold for works contracts of £4,322,012 the Public Contracts Regulations 2006 do not apply but the works will need to be procured in accordance with the Council's Finance and Contract Procedure Rules.

9.0 Risk Management

- 9.1 A failure to carry out remedial works to ensure the stability of Step Hill could, in time, lead to land slippage, which would have a greater financial and reputational risk to the Council.

10.0 Background

- 10.1 Footpath 53, Step Hill, Macclesfield has been closed for some considerable time, for health and safety purposes, the key issue originally thought to be one of stability of the wall abutting the footpath.
- 10.2 Investigation work has been undertaken by Cheshire East Highways in order to establish an acceptable solution to these stability issues

Project Scope

- 10.3 The scheme was originally approached on the basis that the **key** issue was the stability of the walls. However, whilst there are

structural issues with the walls, it has been established, by carrying out stability analysis from the available ground investigation information, that the whole slope may be potentially unstable. Therefore, in order to find a solution, it has been necessary to widen the project to enable the instability of the slope to be rectified.

- 10.4 Investigative work has shown that there is an extensive problem in the area with the spread of Japanese Knotweed. Left uncontrolled, this plant can quickly dominate a site, causing damage to paving and foundations, and may increase the risk of soil erosion and bank instability. Work is already underway to deal with this issue.

Phased Programme of Works

- 10.9 If approval is received to proceed, it is proposed that the work is undertaken in the phase:-

- 10.10 **Phase 1** - Undertake repairs to wall 'D' on the attached plan, sufficient to allow the re-opening of the footpath at rear of town hall car park.

Phase 2 - Undertake further site investigation, geotechnical testing and ecological surveys to the Step Hill area, to further establish slope stability.

Phase 3 - Following the further site investigation, and subject to eradication of Japanese Knotweed, undertake repairs to wall 'A' on the attached plan, to allow the re-opening of Footpath 53 (staircase down Step Hill numbered 3).

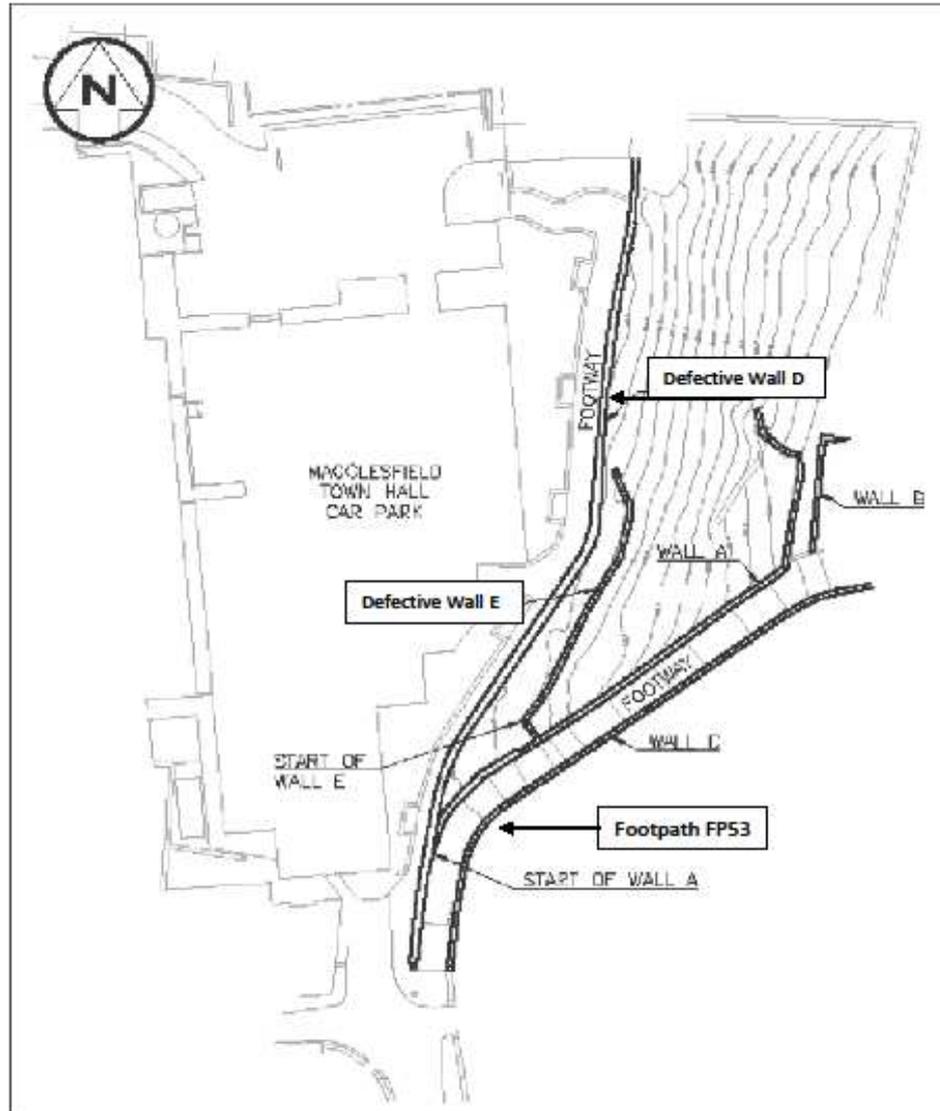
Phase 4 - Proceed with any further works required, subject to cost.

- 10.11 Phases 1 and 2 to be undertaken simultaneously.

11.0 Access to Information

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

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	11 th November 2014
Report of:	Chief Operating Officer (Section 151 Officer)
Subject/Title:	2014/15 Mid-Year Review of Performance
Portfolio Holders:	Cllr. Peter Raynes, Finance Cllr. Barry Moran, Performance

1.0 Report Summary

- 1.1. This report sets out the Council's financial and non-financial performance at the mid-year stage of 2014/15 and highlights the latest progress towards achieving the Council's residents first outcomes as described in the Council's three year plan 2013 to 2016. Permanent savings of £5m in management costs have been achieved from 2013/14 to 2014/15.
- 1.2. The mid-year review shows how the Council is continuing to build on the final outturn position for 2013/14. The outturn position was recently signed off by the Council's external auditors, without qualification, and demonstrated that the overall financial health, performance, resilience and value for money at Cheshire East Council is strong despite taking £50m out of its cost base from 2011/12, and freezing Council Tax for the fourth consecutive year. Savings have been consistently achieved through efficiency, removing any duplication of effort, making reductions in management costs, and a planned programme of asset disposals. This approach has protected funding provided to front line services. The Council's strong financial position reflects its enhanced governance, innovative delivery arrangements and effective stewardship of public money.
- 1.3. Following the mid-year review the Council's reserves strategy remains effective, although currently there is a potential overspend being forecast of £1.1m, which represents only 0.4% against a budget of £253.8m. This is the lowest figure ever reported for the Council at this stage in the financial year.
- 1.4. Cheshire East is the third largest Council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Annual spending is more than £750m, with a balanced net budget for 2014/15 of £253.8m. The complexity of customer demands and the size of the organisation make it very important to manage performance and control expenditure to ensure the best outcomes for residents and businesses. The Council's response to these issues has seen the

development of Alternative Service Delivery Vehicles in 2013 and 2014. In Quarter Two, examples of good performance were:

- 35km of carriageway were resurfaced
- Over 900 Planning Applications were determined
- Over 60% of Household Waste was recycled

1.5. The attached report, **Annex 1**, sets out further details of how the Council is performing in 2014/15. It is structured into three sections:

Section 1 Summary of Council Performance - brings together the positive impact that service performance, the change management programme and financial performance have had on the 5 Residents First Outcomes in the first half of the year.

Section 2 Financial Stability - provides an update on the Council's overall financial position. It demonstrates how spending in 2014/15 has been funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

Section 3 Workforce Development, provides a summary of the key issues relating to the Council's workforce development plan.

2.0 Recommendations

2.1 Cabinet is asked to consider and comment on the mid-year review of 2014/15 performance, in relation to the following issues:

- the summary of performance against the Council's 5 Residents First outcomes (**Section 1**);
- the projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (**Section 2**);
- the delivery of the overall capital programme (**Section 2, paragraphs 127 to 133 and Appendix 4**);
- fully funded supplementary capital estimates and virements up to £250,000 in accordance with Finance Procedure Rules (**Appendix 5**);
- reductions to Capital Budgets (**Appendix 6**);
- treasury management investments and performance (**Appendix 7**);
- the Council's invoiced debt position (**Appendix 9**);
- use of earmarked reserves (**Appendix 10**);
- the workforce development and staffing update (**Section 3**).

2.2 Cabinet is asked to approve:

- supplementary revenue estimates to be funded by additional specific grant (**Appendix 8**).

3.0 Reasons for Recommendations

- 3.1 The overall process for managing the Council's budget, promoting value for money and complying with its Finance Procedure Rules, ensure that any changes that become necessary during the year are properly authorised. This report sets out those areas where any further approvals are now required.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 Performance management supports delivery of all Council policies. The projected outturn position, ongoing considerations for future years, and the impact on general reserves are fed into the assumptions underpinning the 2015/18 medium term financial strategy.

7.0 Implications for Rural Communities

- 7.1 None

8.0 Financial Implications

- 8.1 The Council's financial resources are aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively and that business planning and financial decision making are made in the right context of performance – to achieve better outcomes from an appropriate cost base.

9.0 Legal Implications

- 9.1 Although the Council is no longer required to report to Government on its performance against measures in the National Indicator Set, monitoring and reporting on performance is essential if decision-makers and the public are to be assured of adequate progress against declared plans and targets.

10.0 Risk Management

- 10.1 Performance and risk management are part of the management processes of the Authority. Risks are captured both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for

its residents, businesses, partners and other stakeholders. Risks identified in this report will be used to inform the Corporate Risk Register.

10.2 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2014/15 budget - and the level of general reserves – will be factored into the 2015/16 financial scenario, budget and reserves strategy.

11.0 Background and Options

11.1 The Council's quarterly reporting structure provides forecasts of a potential year-end outturn. The forecasts in this report highlight achievements against outcomes and provide an indication of potential risks at this stage of the year.

11.2 At the Mid Year stage, the Council's reserves strategy remains effective despite the current risk of a small overspend of £1.1m (0.4%) against a budget of £253.8m. Portfolio Holders and the Corporate Leadership Board continue to focus on improving this position to avoid any impact on the Council's general reserves at year end.

12.0 Access to Information

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

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Mid Year Review of Performance 2014/15

October 2014

Introduction

Overall performance, financial health and resilience of Cheshire East Council is strong. It is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of more than £750m. The Council continues to strive for further improvements, putting residents first in the provision of over 500 services delivering more for less.

A commitment across the public sector to contribute to reducing the high levels of national debt has meant local government is going through a period of unprecedented change and financial challenge. Cheshire East Council's response continues to be based on innovation and creativity. The Council continues to be relentless in its pursuit of greater efficiency and productivity, and minimising bureaucracy to enable it to deliver a high level of sustainable, quality services for a lower overall cost.

Our commissioning intentions to develop better ways to achieve the Council's five stated outcomes by using a mix of delivery mechanisms is continuing to gain momentum. The Council's philosophy is about much more than simply reducing costs through arranging cheaper provision or about traditional outsourcing. In 2013/14 the Council completed significant reviews of management structures to divert spending to front line services.

At mid year the Council's reserves strategy remains effective, despite the current risk of a small overspend of £1.1m (0.4%) against a budget of £253.8m. This is the lowest figure ever reported for the Council at this stage in the financial year.

To support openness and transparency the report has three main sections, to provide background and context, and then ten supporting appendices with detailed information about allocation and management of public money during 2014/15:

Section 1 provides a summary of Council performance and brings together service achievement highlights against the 5 Outcomes in the Council's three year plan.

Section 2 provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2014/15 is being funded, including the positions on overall service budgets, grants, council tax, and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

Section 3 provides a summary of the issues relating to the Council's workforce development plan.

- **Appendix 1** shows the Three Year Council Plan.
- **Appendix 2** explains budget changes since the First Quarter Review.
- **Appendix 3** shows the latest position for Corporate Grants.
- **Appendix 4** shows the revised Capital Programme expenditure.
- **Appendix 5** lists approved Supplementary Capital Estimates and Virements up to £250,000.
- **Appendix 6** lists Capital Budget Reductions.
- **Appendix 7** provides details of Treasury Management investments.
- **Appendix 8** lists requests for Allocation of Additional Grant Funding
- **Appendix 9** analyses the position on Outstanding Debt.
- **Appendix 10** lists details of Earmarked Reserves

PJ Bates

Peter Bates CPFA CIPD MBA

Chief Operating Officer (Section 151 Officer)

This report receives scrutiny and approval from members of Cheshire East Council. As a public report, anyone can provide feedback to the information contained here.

Anyone wanting to comment can contact the Council at:

shapingourservices@cheshireeast.gov.uk

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2014/15 Outturn Forecast at Mid Year Review Financial Position

2014/15 Mid Year Review (GROSS Revenue Budget £638.3m)	Revised Budget (NET) £m	Emerging Pressures £m	Remedial Actions Identified to Date £m	Current Forecast Over / (Underspend) £m	For further information please see the following sections
Children & Families	54.3	0.5	-0.2	0.3	Section 1 - Paragraphs 52 - 54
Adult Social Care	94.8	0.5	-	0.5	Section 1 - Paragraphs 85 - 88
Public Health and Wellbeing	2.2	0.1	-	0.1	Section 1 - Paragraphs 89 - 91
Environmental	29.4	0.4	-	0.4	Section 1 - Paragraphs 66 - 69
Highways	10.6	0.2	-0.1	0.1	Section 1 - Paragraphs 34 - 36
Communities	10.5	1.3	-0.7	0.6	Section 1 - Paragraphs 16 - 18
Economic Growth & Prosperity	14.8	0.2	-	0.2	Section 1 - Paragraphs 37 - 40
Chief Operating Officer	40.9	-1.1	-	-1.1	Section 1 - Paragraphs 95 - 99
Total Services Net Budget	257.5	2.1	-1.0	1.1	
CENTRAL BUDGETS					
Specific Grants	-18.3	0.5	-	0.5	Section 2 - Paragraphs 105 - 110
Capital Financing	12.5	-0.5	-	-0.5	Section 2 - Paragraphs 134 - 138
Contingencies	2.1	-	-	-	Section 2 - Paragraphs 139 - 140
Total Central Budgets	-3.7	0.0	0.0	0.0	
TOTAL NET BUDGET	253.8	2.1	-1.0	1.1	
	Planned Contribution	Forecast Variance	Impact on reserves		
	2014/15	Quarter 2	Quarter 2 Forecast		
	£m	£m	£m		
Impact on Reserves	-5.8 *	-1.1	-6.9		
*Increased from -£5.3m by Council approved in-year transfers to earmarked reserves					
General Reserves Balance	2014/15 Budget	Quarter 2 Forecast			
	£m	£m			
	Estimated	Actual			
Opening Balance April 2014	19.3	19.8			
2014/15 Impact on Reserves (see above)	-5.3	-6.9			} Section 2 - Paragraphs 145 -150
Closing Balance March 2015	14.0	12.9			

Overview of Performance ~ Putting Residents First

ACHIEVING THE COUNCIL'S FIVE OUTCOMES

Cheshire East Council provides more than 500 services, supporting over 370,000 residents, and over 17,500 businesses.

1 ~ Our local communities are strong and supportive

- WW1 commemoration events have been held across the area
- Community Hub working groups established
- Collaborative working with Cheshire Neighbours Credit Union

2 ~ Cheshire East has a strong and resilient economy

- 7% increase in tourism numbers
- Crewe lifestyle centre construction progressing
- University Technical College application approved
- 35km of carriageway resurfaced
- Crewe Rail Exchange project completed
- M6 Junction 17 work has begun

3 ~ People have the life skills and education they need in order to thrive

- 6% improvement in learners achieving a Good Level of Development
- 721 children now benefitting from the free childcare offer to two years olds
- 99% pass rate for A levels (grades A-E)
- 40+ students now involved in the 'My World' project

4 ~ Cheshire East is a green and sustainable place

- Local Plan is mid-way through the examination process
- Over 900 Planning Applications determined in the quarter
- New waste strategy was endorsed through local consultation
- 35% energy reduction achieved in Council buildings
- Traffic Signals project completed leading to annual reduction in carbon emissions of 308 tonnes

5 ~ People live well and for longer

- Model developed to provide rapid response to people in need
- 569 preventative actions achieved to support vulnerable people by the end of the quarter
- Multi-agency "Under the Weather" event was well attended
- Public Health Transformation fund established
- Over 2,200 young people now trained on the bikeability scheme this year
- Numbers of permanent social workers increased by 10%

FINANCIAL STABILITY

Cheshire East Council is achieving outcomes based on sound financial management. In 2014/15 the Council will operate on an annual budget of more than £750m.

- At Mid Year the risk of a total forecast **overspend of £1.1m** is being reported compared to budget.
- The potential overspend represents only 0.4% of the Council's **net revenue budget of £253.8m**. This is considerably lower than previous years' forecasts at the Quarter 2 stage, which have tended to be reduced as the year progresses, from robust management action to mitigate the pressures before year end.
- **Service Budgets** – a forecast overspend of £1.1m is reported.
- **Central Budgets** – are currently forecast to be balanced at year end.
- The Council is among the top third of Unitary Councils in terms of **Council Tax collection**. Over 99% of Council Tax and Business Rates are collected within three years.
- **Investment income** is £48,000 higher than budget for Quarter 2. The average rate earned on investments (0.56%) is higher than the London Inter Bank 3 month rate
- **General Reserves** - The robust reserves strategy assesses risk at the beginning of the year, and protects the Council against potential overspending. At this time of year the potential overspend of £1.1m is less than the original forecast risks. Further mitigation of the forecast outturn overspend is still expected to be achieved.
- The total 2014/15 **capital programme** stands at £148.2m. For monitoring purposes, the in-year capital budget for schemes committed or in progress is £124.9m, against which an underspend of £7.6m is currently forecast.
- Outstanding **Debt** (excluding local taxation) is £5.0m. This is a reduction of £0.8m from Quarter 1, and is an improved position from the same period last year. Only £2.4m (around 5% of total debt raised annually) of debt is over 6 months old and this is completely covered by provisions to meet potential write-offs.

1. Summary of Council Performance

Introduction

- Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km² for over 370,000 residents. The budget to deliver these services in the period April 2014 to March 2015 is over £750m, which is raised from a combination of local taxes, national taxes (in the form of Government Grants) and payments direct from service users. In terms of spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

	Cheshire East	Rural East Riding of Yorkshire	Urban Liverpool
	£	£	£
Grants	316	389	896
Council Tax	450	386	251
Total	766	775	1,147

- The Council's Three Year plan, which was agreed by Council on 28th February 2013, has five Residents First Outcomes that will focus service delivery in the medium term (see **Appendix 1**). This section of the report highlights progress towards achieving each of the five outcomes, in addition to inward-facing work undertaken during 2014/15 to support the delivery of a responsible, effective and efficient organisation.
- This report reflects activity that has taken place mostly in the period July 2014 to September 2014 including progress against the Council's change programme. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

1 ~ Our local communities are strong and supportive

Mutual Respect & Personal Responsibility

- Events have been taking place to commemorate the anniversary of the First World War during the second quarter of the year. George Osborne MP launched the 'Cheshire East Reflects' programme with a commemorative flame unveiled at Tatton Park, honouring the many lives lost from the Cheshire regiments throughout World War 1. The award of a silver gilt medal was given for an atmospheric and detailed view from soldiers serving in the trenches. This poignant and thoughtful garden design gave the visitors a reminder of the bravery and horrors suffered by the soldiers. Other events included the King Shilling Walk and Poppy Picnic at which over 500 walkers took part, and over 2,000 people attended the commemorate service.
- For the fourth consecutive year, officers from the Trading Standards Investigations team have been visiting schools in the Borough giving their popular 'Knock Knock' presentations. This year, officers have been educating year 5 and 6 pupils in the Crewe, Nantwich and Middlewich area on the issues surrounding doorstep crime and doorstep safety in conjunction with an interactive website. Each year Trading Standards run a competition on the back of the presentations where pupils are encouraged to design and create posters demonstrating the main themes. The posters have been judged by members and Cheshire East staff, and the winning 36 entries make their way into a calendar. All pupils who submitted an entry receive a copy of the calendar with the idea to gift the calendar as a Christmas present to an elderly resident, neighbour or relative, spreading the message to the target audience. To date we have presented to over 1,000 pupils.

Communities

6. As a Residents First Council, grants totalling £327,287 have been paid to a total of 23 groups, which have included the development of community venues and the purchase of a vehicle to expand a very successful furniture re-use project. The second round of Community Grant funding in Quarter Two saw £53,613 awarded to 32 organisations which contributed to total project costs of £258,095. This now brings the total amount awarded to community, voluntary and faith organisations within this year to £92,691, contributing towards £922,119 worth of community projects.
7. In July, the Council announced a budget surplus of £0.9m for last year which it wanted to return to the people of Cheshire East through a series of grants to local community groups. This then saw the launch of the Cheshire East Giveback (Your Money Fund) grant scheme. The scheme invites applications from young people's sections of uniformed organisations, organisations which provide services and support to older people and faith organisations who are connecting with communities. A total of £214,407 has been awarded via this scheme so far.
8. So far Cheshire East Council has awarded grant funding totalling £634,385 to worthy voluntary, community and faith groups.
9. Community Hub Groups have been getting together during quarter 2. A working group has been established to oversee the development of the Community Hub concept in Macclesfield. Elements of this include a major infrastructure project involving the Hurdsfield Family Centre, establishment of a social enterprise relating to developing a community facility in South Park Pavilion, supporting projects to develop neighbourhood hubs in Upton Priory, Weston and Jasmine Park. In addition, the Partnerships Team is working with Cheshire Constabulary to establish a series of "drop down points" within neighbourhoods where Police Community Support Officers and Police Constables can base themselves to facilitate a more sustained and visible presence within their communities. A pilot involving a base at Ash Grove School is due to begin in October 2014
10. A working group has now been established to oversee the development of the Community Hub concept in Congleton. The Group's initial focus will include supporting community and voluntary groups established to develop community facilities at St John's Church Hall, Buglawton and Astbury Mere. A current priority is to secure a town centre venue from which the Youth Support Service can operate. A recent consultation has revealed the considerable value local groups place on the public meeting room at Congleton Library and this facility has now been retained for the foreseeable future. The working group will work closely with the Congleton Lifestyle Centre project, to ensure a consistent and complementary approach. The Lifestyle Centre may form a key part of the hub network in the town.
11. Positive engagement and assistance was in evidence at the Nantwich Food and Drink Festival. Volunteer organisers supported successful delivery of one of the biggest events that takes place in Cheshire East with over 30,000 visitors.
12. In response to concerns raised by local community groups over a proposal to make changes to the meeting room at Congleton library, meetings were held with a number of the groups to help us understand how important the existing meeting room is as a community facility and the vital role it plays in raising essential funds for local organisations and charities through weekly coffee mornings. As a result, the decision was taken to retain the meeting room in its present location and invest in improving the toilet, baby changing facilities and the meeting room kitchen in order that this important community facility may continue to thrive.
13. In line with our ambition to develop our libraries into community hubs, we have worked with the Cheshire Neighbours Credit Union to provide information and signposting, and also provide space for their volunteers in a number of our libraries to promote

their services and enrol new members. This has proven a great success for the Credit Union to raise their profile within our communities and reach new members, with two new members recently enrolling at Macclesfield Library and each investing several thousand pounds.

14. The 2014 Summer Reading Challenge run by Cheshire East Libraries resulted in another record breaking year in which the total number of children who started and completed the challenge exceeded every previous year. The libraries also recruited and trained more volunteers than ever, with the Summer Reading Challenge providing a great volunteering opportunity for younger people, with almost two-thirds of our volunteers aged 24 or younger.
15. Universal Credit, part of the government's welfare reforms designed to help people lift themselves out of poverty and make work pay, has started to be rolled out into Cheshire East. The Department of Work and Pensions has asked the Council to provide support to Cheshire East residents with the introduction of Universal Credit by helping claimants to get online and stay online, and providing personal budgeting support to help claimants develop the confidence and motivation to manage their finances, and understand the Universal Credit financial changes and what they mean to them in terms of managing their money. Working in partnership with the Citizen's Advice Bureau, the Council has implemented a range of local services to support residents with the transition to this new benefit and the increased responsibility in managing their money.

Civic Pride

16. Parking enforcement figures rose during the second quarter, with a September outturn result of 1,406 deployed hours ahead of our target of 1,330 hours. However, there is a forecasted pressure of £1m on car parking services. £0.4m of this relates to the Car Park Enforcement team, but proposals to set up an Enforcement Company are being reconsidered. A review of enforcement has

been completed but does not alleviate the budget pressure. There is also a pressure of £0.6m for car parking pay and display income. It should be noted that consultation on a pricing policy that reflects the needs of different areas is underway with local residents and businesses, and the financial pressure in the service is unlikely to be balanced by the end of the year, especially if the consultation on parking leads to lower prices.

17. There are underspends in Local Area Working of £0.1m due to delays in filling vacancies earlier in the year.
18. There is a £0.3m favourable variance in Local Community Services because of a predicted better than budgeted subsidy recovery on housing benefits.

2 ~ Cheshire East has a strong and resilient economy

Business and Visitor Economy

19. Cheshire East's visitor economy continues to go from strength to strength increasing in value by 7% in 2013, making it now worth £737m and delivering 10,000 jobs. A major new TV drama has started to film and will be based in Cheshire East. Tatton Park was awarded Green Flag and Green Heritage status to add to the 'Gold Award' received in May at the Visit England National Tourism Awards for excellence as best large visitor attraction in England (May 2014). The Visit England Annual Attraction Survey 2013 revealed that overall visits to attractions in England increased by 5% with Tatton Park climbing two places in the visitor rankings to be the 17th most visited paid for attraction in England.
20. The Crewe Lifestyle Centre project has successfully progressed into Stage 3 construction and the schedule has been realigned with the final contract delivery dates. Handover from the contractor is expected in February 2016. Services are working hard on business migration activity and redesign to ensure a

smooth transition of services before April 2016. Risks around unforeseen circumstances on site that may impact on cost are being reviewed.

Workforce

21. The Council continues to take a proactive approach to increasing the number of apprenticeships, and is awaiting up-to-date apprenticeship data from the Skills Funding Agency. The Department for Education (DfE) approved the Council's application for a new University Technical College (UTC) in August 2014. The UTC Trust and a Project Steering Group has been established and pre-opening activity well underway.
22. In July 2014 Adult Social Care services held a conference entitled 'Social Work in the 21st century'. Lynn Romeo Chief Social Worker from the Department of Health was the keynote speaker. The event was a celebration of Adult Social Care Social Work within Cheshire East with a focus on looking to the future to identify how we can improve and enhance skills even further. The focus of the event also covered the new Care Act 2014 and the impact this will have on Social work practice and ultimately the support local residents receive to improve their outcomes.
23. A new data release from NOMIS shows that the number of adults with NVQ3 qualifications has increased since 2012 to 58.8%.

Infrastructure

24. Cheshire East Highways carried out surfacing work on 35km of carriageway in the second quarter, achieving a cumulative total of 303km to date. This result has significantly exceeded the 200km target set to be achieved by March 2015.
25. Strong progress continues to be made on the Council's major transport schemes. The Crewe Rail Exchange scheme is now complete. Recent funding bids for both Poynton Relief Road (PRR) and Congleton Link Road (CLR) have proved a good

return on initial project development. Work is now progressing to work up a planning application for CLR and a revised preferred route for PRR will be made in November 2014.

26. Crewe Green Link Road is on site and on programme. Sydney Road Bridge remains on programme but there is upward pressure on the original cost estimate. Other delivery arrangements are now being explored.
27. The M6 Junction 17 Pinch Point scheme is now on site; and the Junction 16 scheme is on target to be complete by March 2015. Additionally, the Basford West Spine Road scheme has now started on site.
28. The Connecting Cheshire Project continues to be recognised for its excellent management, having passed several governance assurance reviews with flying colours, receiving further nominations in national awards. Over 40,000 homes and businesses have been provided with a superfast broadband service marking the half way point in the project. The project is on track to be completed by summer 2015. The project team is taking over 150 enquires from the public a month, it has one of the most visited project websites in the country and has over 5,000 followers on Twitter. When combined with local switch on events and demand stimulation activity the project is having a profound positive impact to residents and businesses of Cheshire. Furthermore Britain's most decorated female Paralympian, Dame Sarah Storey, helped celebrate the arrival of superfast broadband in two Cheshire East communities as Disley and Poynton became the latest areas to join Connecting Cheshire's fibre-optic fast lane.

Inward Investment

29. On the 16th September, Cabinet unanimously approved a £5m investment by the Council into a new Alderley Park Investment Fund. This matches investments of £5m from both Manchester Science Partnerships and AstraZeneca made earlier this year.

The Fund will provide essential venture capital funding for life science Small and Medium Enterprises and start-ups based at Alderley Park, and an independent report suggests that the Fund could contribute to the creation of around 2,600 new jobs on site. It is anticipated that the investment by the Council will help to attract further private sector investors, enabling the size of the Fund to increase. Work is now underway to create the Fund for a launch in Spring 2015.

30. As part of the Cheshire and Warrington Local Economic Partnership's (LEP) growth deal award, the Council has secured a total of £81.5m through the Local Growth Fund. In line with the priorities identified in the LEP's Strategic Economic Plan, funding has been secured for the Poynton Relief Road and Congleton Relief Road Highways schemes. In addition to this, the Council also received £10m towards the creation of a £40m Greater Manchester and Cheshire Life Science Investment Fund which was matched by a similar award to the Greater Manchester LEP. Work is now underway to develop the detailed business case for the Fund.
31. The Connecting Cheshire Business Support Programme continues to go from strength to strength with the introduction of new online diagnostics and intensive master class events. The team is currently pushing to get as many companies involved as possible with the objective of providing 12 hours support to 900 businesses by June 2015. The Connecting Cheshire Project has also been successful in securing £75,000 of funding to support the Women and Broadband challenge, and is in the process of procuring a partner to deliver the project, to be concluded in spring 2015.

Responsible Business

32. Our target, of 95% Regulation Service users being satisfied with the service they receive, remained on track in the second quarter, achieving 100% during Q2 and bringing the 2014/15 total to 98% overall.

33. The percentage of completed high risk food inspections remained consistent in the second quarter at 91%, with 260 inspections out of 287 (performance for the year to date is 461 inspections out of 505 – also 91%).
34. At the Mid Year Review the Highways Service are reporting a £158,000 budget pressure against a net budget of £10.5m excluding cost of investment budget. This reflects an adverse movement from the emerging issues forecast at first quarter (£64,000 overspend reported), the principal change being due to the forecast overspend against Street Lighting energy of £261,000.
35. The Highways Service currently has several capital projects running on street lighting linked to inventory improvements, switching to LED lighting and dimming, the revenue consequences of which are intended to reduce energy consumption over time. The 2014/15 Budget included a £180,000 saving through reduced consumption and charges in year. However, under-recording of the baseline has resulted in a net increase in the energy used despite the savings being made. Based on actual data to August, consumption is currently increasing on 2013/14 usage at a rate of 4.64% projecting a forecast overspend of £261,000.
36. Furthermore, a new income target for 2014/15 relating to costs recoverable from PATROL (Parking and Travel Regulations Outside London) are only forecast to be partly achieved projecting a £22,000 shortfall. Forecast improvements against other Highways Fees & Charges at MYR total £45,000 reducing in part the impact of some of the above pressures.
37. An overspend of £0.2m is projected against the Economic Growth & Prosperity net budget of £14.8m. This has not changed since the first quarter in overall terms. However there have been changes in the elements that make up this forecast.

38. The main variances include the Council's Planning function, which faces significant challenges in 2014/15. This is creating financial pressures for the Service, in the region of £1.2m in this financial year. Firstly the Local Plan has advanced to a critical stage with the start of examination hearings. This has necessitated the commissioning of additional research and advice, and has increased the costs of running and supporting the Examination process.
39. At the same time the planning teams are progressing with Neighbourhood Planning and Site Allocations and the Council has also faced a significant increase in the scale and volume of planning applications and appeals. Although this increases income, the desire to defend important planning appeals, and the 5 year supply of housing land, has led to enhanced costs of consultants, legal fees and other support staff. It had been hoped that a definitive position would have been reached on appeals earlier in the summer, but it now appears the appeals will continue.
40. It is anticipated that the above budget pressure in the Strategic and Economic Planning Service should mostly be mitigated from a favourable outturn projected across the following Services:
- Investment Service (£0.3m underspend) - principally due to a delay in recruiting to vacant posts in the newly created Business Engagement & Inward Investment and Regeneration & Major Projects teams, and similarly in Strategic Housing together with a modest over achievement of income forecast from Roe Street Hostel
 - Assets (£0.4m underspend) - Farms Estate shared service £0.2m and a net favourable variance of £0.2m on employees budget
 - Strategic Infrastructure (£0.3m underspend) - in respect of Public Transport Support and Concessionary Fares reimbursement to operators

3 ~ People have the life skills & education they need in order to thrive

Securing the Best Start in Life

41. Quarter 2 provisional data returns show that 62% of all learners achieved a Good Level of Development (GLD) at the end of the Early Years Foundation Stage – this is a 6% improvement on last year and is above the national average. For those children accessing free school meals, this figure was 42%; up from 35% last year. 56% of learners living in the bottom 40% disadvantaged areas and 51% of learners living in the bottom 20% disadvantaged areas achieved a GLD which is an improvement on last year.
42. Work continues to ensure that all eligible children benefit from the free childcare offer for disadvantaged 2 year olds. As at mid September there were 721 individuals in two year old provision against a target of 644 by the end of the summer term.

Highest Achievements for All Learners

43. The Education Board has now evaluated its work last year and revised its priorities within the Raising Achievement Plan. Learner outcomes have improved across all phases of education in 2013/14 and this will be highlighted in the Annual Education report which currently is being prepared.
44. The percentage of learners achieving Level 4+ in Reading, Writing and Maths is 84% this year which is 3 percentage points above last year. This places the Authority equal first compared to its statistical Neighbour Authorities.
45. To date 98 of our schools have been inspected under the new tougher Ofsted regime. The Ofsted profile as at the end of Q2 shows that 87.9% of Schools in Cheshire East are good or Outstanding which is the highest it has ever been.

Achieve Aspirations

46. Post 16 Provisional results show that the A level A*-E pass rate for 2014 stands at 99% with 53.6% of learners achieving the highest grades of A*-B.
47. The Youth Service continues to work closely with the vulnerable individuals to support them into suitable education, employment and training. Supporting care leavers into education, employment and training remains a key priority and we have recently supported 2 individuals to establish their own business.
48. Building on the successful "My World" project in Knutsford, the concept is now being applied in Alsager. This aims to raise life and career aspirations of Year 6 students (particularly those from relatively underprivileged backgrounds) by introducing them to the world of work during their final year of primary education. The first cohort of participants in Alsager are the Year 6 students from Highfields Primary School. There are 40+ students involved, the largest cohort involved in "My World" to date. The project started in September 2014.

Inclusion

49. Significant work has been undertaken that is likely to close achievement gaps for vulnerable learners at Key Stage 4 (outcomes to be reported in Q3). Early Years data shows that more vulnerable learners have achieved a Good level of Development.
50. Based upon provisional data, 12% of Cared for Children in care for more than 12 months achieved 5 A*-C including English and Maths. This is at a time when the national rate for all learners has dropped significantly (national rate for cared for Children not yet known).

51. Service Users with a learning disability who use the Care4CE Macclesfield Lifestyle Centre and the Mayfield Centre have been supported as part of their own drama group, 'All dressed Up,' to take part in a joint initiative with Stafford College. The group uses their skills in drama in order to share their experiences through acting, to explain what it is like to live with a disability. The target audience was the college students, enhancing their learning and understanding.
52. Early Help and Protection - Two main pressures totalling £165,000 continue to be worked on to further improve the overall position. The first of these relates to the cost of placements for Looked after Children, with the Medium Term Financial Strategy continuing to anticipate year on year reductions. Whilst this is happening and there are further plans to enable this to continue beyond the current financial year, an increase in the numbers of this cohort during recent weeks has resulted in a small adverse variance compared to target. It is hoped this position will have improved in advance of Three Quarter Year Review (TQR).
53. The second issue remains the recruitment and retention of social workers with the consequent ongoing need to employ Agency Social Workers. This issue has been reported on a regular basis to Members and whilst recent intensive recruitment campaigns have produced some success there still remains the need for agency staff in order to cope with the level of demand. Again it is hoped that this position will have improved by the third quarter. At present, these pressures are offset by an anticipated underspend on one year budgets.
54. The pressure within Education is in relation to Special Education Needs (SEN) transport which has an inherent budget pressure of approx £0.6m. Procurement processes have been reviewed and improved and it is anticipated that this will generate £0.2m savings over 2014/15 and 2015/16. Savings on mainstream home to school transport have been generated as a result of a retendering exercise. These will be achieved from September 2014 with a full year effect being recognised in 2015/16. Looked

after children transport is in line with 2013/14 and an underspend of £125,000 is forecast. The service is reviewing the progress on the position in advance of TQR, to further understand the base budget need for SEN / Children's Transport. It is anticipated that this area will spend £75,000 from cost of investment leaving an unspent balance of £175,000.

4 ~ Cheshire East is a green and sustainable place

Development Management

55. The Local Plan process is currently mid way through the Examination with an adjournment to be taken in October to allow all the Inspector and all parties time to consider the unprecedented volume of statements and submission for the individual towns and strategic sites. It is expected to be reconvened in late November / early December.
56. Spatial and Economic Planning has brought together several significant work streams into a new integrated programme approach. Including the Local Plan Examination (and post Examination) the programmes brings together Appeals, Housing Land Supply, Site Allocations Development Plan, Community Infrastructure Levy, Neighbourhood Plans, Planning and Enforcement Improvement, S106 process reengineering and development of a Planning ASDV. Each of these represent significant policy or service milestones; all are interdependent in terms of delivering the Council's Core Strategy. A holistic approach brings clear management and performance and seeks economies of scale, recognising the interdependencies.
57. The overall number of applications determined for the quarter remains very high, at 907 planning applications. CEC continues to be in the top 10 most productive Local Planning Authority's in the country.

Waste Management

58. The Council is nearing completion of its new Waste Strategy which outlines the Council's objectives and aspirations in municipal waste management to 2030. The strategy received strong endorsement during the recent public consultation and is due to be considered at the October Cabinet meeting.
59. The Waste Service is now delivered through our alternative service delivery vehicle Ansa Environmental Services. The first six months of Ansa have gone well with the Council owned company set to meet its savings targets, deliver infrastructure improvements and new waste contacts to divert waste from landfill. This year sees the first stage in a move away from land filling of residual waste. An agreement with Staffordshire County Council has enabled residual waste from the north to be processed at the Stoke-on-Trent waste to energy plant following the closure of the Macclesfield landfill site in July 2014. This should result in approx 40% of our waste being diverted from landfill disposal. Based on the first two quarters performance our recycling rate is also likely to make a step increase. Continued high levels of public participation in our recycling schemes will be supplemented through the recycling of energy from waste ash into building materials.
60. Reuse of waste is also likely to increase this year. This is being assisted with a new venture with Christian Concern Crewe who now undertake all our bulky waste collections to assess if collected material can be reused for social benefit.

Carbon Management

61. Electricity & gas consumption by the Authority's buildings continues to fall and have achieved the revised 35% reduction target; whilst energy consumption for street lighting remains flat, with efficiency measures being balanced out by additions to schedules. The Highways Service currently has several street lighting capital projects in development linked to inventory

improvements, switching to LED lighting and dimming which, if implemented, will ensure the carbon reduction targets are achieved by 2016.

62. The two phases of the Traffic Signals project were completed during the summer of 2014, resulting in a total carbon reduction of 308 tonnes per annum.

Environmental Management

63. South East Cheshire Cycling Action Group, established by Congleton Local Area Partnership in 2012, continues to be involved in a number of initiatives aimed at increasing the use of the bicycle as a viable mode of transport. Discussions between the Group and Cheshire East Council led directly to the first Cheshire East Cycling Seminar being held in July 2014. A range of groups and individuals interested in cycling attended, and the main outcome of that initial seminar was the appointment of Cllr Phillip Hoyland as the Council's "Cycling Champion". A second cycling seminar is planned for October.

Sustainable Energy

64. An Energy Company 'Steering Group' to help guide energy development has now been established. Following two meetings, a series of potential company models/structures are currently being considered, with an Options Paper planned for October. The Project is still on target to present to Cabinet in March 2015.
65. The potential for geothermal energy is being explored. Site selection and site investigation work to determine a suitable location in proximity to heat users has taken place. CEC delivered a presentation at the '4th UK Deep geothermal Conference' in partnership with Keele University, with the aim of sharing best practice and strengthening industry links.

66. Overall the Environmental Service is reporting a budget pressure of £436,000 against a net budget of £29.4m. This is partly includes a £77,000 under-spend against cost of Investment.

67. Environmental Operations are projecting an adverse variance of £252,000. Of this potential overspend £163,000 relates to one off costs (including VR) for staff displaced through the management review and who left the Council by 30 June, plus a £89,000 shortfall in funding for Client Team posts.

68. A forecast shortfall in income means the Bereavement Services budget is currently projecting an overall annual pressure of £179,000 against a net budget of £1.3m. The financial pressure is due to a combination of issues. There is a positive reduction in the death rate in Cheshire East during the first six months of the year which also mirrors national reductions. This year there has been an increase in competition to provide local bereavement services with the earlier than anticipated opening of a nearby private facility and there has also been a noticeable reduction in the number of other service requests to date. Orbitas Bereavement Services Ltd are working with Cheshire East staff to consider a range of potential mitigations that can be delivered in year.

69. Ansa & Orbitas Management Fee budgets required a funding adjustment to meet the revised pension uplift in the current service pension rate for the ASDV's. In total a further £82,000 pressure is reported at mid-year in relation to this issue.

5 ~ People live well and for longer

70. Facilitating people to live independent, healthier and more fulfilled lives
71. Given the demographics and the levels of complexity locally there is likely to be an increase in the admissions to residential care unless some significant action is taken. People often find

themselves in residential care following a hospital admission. Increased investment is planned in community based support to both prevent admissions to hospital and increase the interventions to prevent deterioration in health of frail older people. In Q2 Adult Social Care services together with health partners have developed an outline model of a service which will provide rapid response to people who need urgent assistance in the community but where a hospital admission is not required. This model will be developed further over the next 6 months leading to implementation in 2015/16.

- 72. The Accommodation Strategy was adopted in April 2014. There are now 8 project groups in place to take forward the actions outlined within the strategy. The overall strategy is monitored via a cross departmental oversight group. Affordable Housing Supply for the Authority is on target to complete 350 houses by year end, with 188 completed by the end of the second quarter.
- 73. The target to increase number of preventative actions taken in order to reduce levels of homelessness has been achieved with 569 actions by end of Quarter 2.

Early Intervention, Help and Prevention

- 74. The services for prevention, early intervention and physically and mental wellbeing have continued to be developed. In this quarter the range of such provision has been promoted to customers in a number of ways e.g. a market place event, brochures have been developed. Under the programme of work to implement the Care Act a work stream is on-going to improve the way that the public and customers get the information and support they need, for example by re-design of the relevant parts of the Council's website.
- 75. Development of the integration programmes - Caring Together and Connecting Care - has moved at pace in Q2 with the signing off of the strategic plans for delivery of whole system redesign across local health and social care services to deliver improved

experience and outcomes for residents and deliver a co-ordinated service across health and social care professionals.

- 76. Participation in the sub-regional alcohol harm reduction work programme continues. Progress has been made with the proposal to introduce the 'Cardiff Model' for data sharing in Macclesfield A&E and work is now under way to plan for implementation.
- 77. The Winter Wellbeing Group is continuing its preparations for winter 2014/15. A successful multi-agency "Under the Weather" Event was held in July 2014 to plan new approaches covering winter, summer and flooding. Q2 has seen detailed planning jointly with health partners to prepare for the winter period and ensure that services to people who fall ill over the winter period can be supported in a timely way. This planning has resulted in additional resources being allocated across the social care and health services to ensure sufficient staff will be available should the winter period result in a significant increase in illness and demand for services.

Accessible Services, Information and Advice

- 78. The Council's Bikeability scheme is doing well. Quarter 2 saw 2,209 young people trained against the annual target of 4,000. Performance is ahead of schedule with training completed across 60 schools and bookings confirmed for this new academic year. There was a drop off over summer as a result of school holidays although involvement in summer camps and the Young Carers Project help maintain uptake. September saw the busiest month to date with 600 attendances however autumn and winter months become weather dependent in terms of training taking place.
- 79. Leisure Services use is now monitored by a new single leisure management system which is more accurate. In accordance with the 'Everybody Sport & Recreation' contract, the revised baseline figures will be established this year for future comparison.

Public Protection and Safeguarding

80. The Council has continued to work with Ofsted on piloting its improvement framework. Monthly reports from Ofsted suggest significant improvements in safeguarding quality of practice. Plans to increase the number of high quality Social Workers are supporting these improvements and have been a real focus in Q2. The number of permanent social workers has increased by 10%, with the Macclesfield Team now only needing four Social Workers to be fully staffed. An assessment of Social Workers caseloads has identified a number of cases that can be stepped down to early help, consequently a pilot team has been established to facilitate the transfer of work and this is starting to impact positively. Additional Family Support Workers are being recruited to support Social Workers, where needed.
81. There has been an increase in the number of children being the subject of child protection plans and generally the volume of referrals has remained high which has impacted on the timeliness of assessments. However, the recruitment of more permanent Social Workers will lead to improved performance in this area.
82. Good progress is being made in increasing the number of children and young people not only participating in their child protection plan but all wider aspects of their lives. In the half year to date there is evidence to support an increasingly improving picture of children and young people's opinions being captured and heard as part of the Child Protection process, with 97% of cases showing good evidence of this as at August 2014.
83. November is Children's Rights Month and a range of activities are planned, giving the opportunity for children and young people to 'take control' of decisions around services. This includes a 'take over' of the Local Safeguarding Children Board (LSCB) in November. There will also be the launch of the revised Safeguarding Unit website, which is much more interactive and will allow direct feedback and opportunities for children and young people posting their thoughts. We are currently consulting with young people about child sexual exploitation in order to help us shape the services for the future.
84. The annual Looked After Children Sufficiency Statement was published in Q2. A corporate parenting strategy has been developed and will be presented to the Corporate Parenting Board in October for endorsement. Also in Q2, new supported accommodation for care leavers has been commissioned from the YMCA and Moving Up, thus meeting a particular need for accommodation in Macclesfield.
85. The projected overspend in Adults Social Care and Independent Living results from three main issues, all of which are being actively pursued as avenues for remedial action. The first relates to the ongoing funding for Complex Care, where the current assumption is that the sole funding from Health will be in respect of cases that convert to Continuing Health Care (CHC) status. There is currently a long backlog of cases, primarily Learning Disability service users, awaiting determination and the financial projection assumes 50% of these cases will convert and the Council will be reimbursed all care costs incurred in these cases in 2014/15. This means the projection includes an assumption that £2.6m of current costs will be reimbursed. Beyond this, when the criteria for CHC has been met (or not), the issue of funding of complex care is being pursued with Health partners.
86. The second issue within Individual Commissioning, centres on the progress to date with delivering the MTFS financial savings required for 2014/15. Additional pressures have occurred in year, including extra work as a result of the Deprivation of Liberties judgement and also, provider failure in the Residential & Nursing sector. These have contributed to the delays in delivering the required savings in respite and applying the care fund calculator to external packages of care with resultant reduction in costs. Remedial measures are now being undertaken including catching up with the implementation of care fund calculator work.

87. Finally, Care4CE is projected as being overspent by £200,000 after activities funded by S256 agreement monies (legal agreements with Health colleagues) have been excluded. This projection results primarily from undelivered MTFs savings targets. It includes shortfalls on some targets brought forward from previous years (such as Waking Nights), some cross cutting savings allocated for 2014/15 and some service specific reductions which need formal decisions making in order to be implemented.
88. A concerted group of remedial action measures have now been initiated with Care4CE working closely with Commissioners to minimise this position in the remainder of the financial year. In previous years Care4CE have successfully managed to alleviate pressures identified at First Quarter and Mid Year Review and as always, this will depend on factors such as occupancy levels and the need for additional hours (for example, covering staff sickness, supporting additional demands etc) through to the end of the financial year. The Third Quarter Review will outline progress with these remedial measures and also, will give an early indication of any increase in activity as winter begins to bite and demand traditionally rises.
89. Public Health has a ring-fenced budget allocation of £14.25m for 2014/15. Under the ring-fenced arrangements any non-allocated funds are re-apportioned via the Public Health reserve. This reserve is being used to support the transformation of public health activities and commissioned services in particular, through a Public Health Transformation Fund.
90. The Fund enables new approaches to the delivery of public health services to be considered. To date the Fund has received 35 bids which are being evaluated by a Member led panel. Further investment is planned through the re-tendering of key contracts including sexual health, drugs and alcohol, school nursing and the NHS Health Checks Programme to support the Council's Outcome 5 and local partnership and integration work-streams. This work, although in its infancy, will address key

public health outcomes identified in both national and local agendas and sources such as the Joint Strategic Needs Assessment and the mandated Director of Public Health's Annual Report.

91. A Leisure Services overspend of £85,000 is forecast due to additional Client staffing costs. Additional costs may arise from the closure of the Leisure accounts as at end of April 2014 but these are still being finalised.

6 ~ A Responsible, Effective and Efficient Organisation

92. Based on an assessment of economy, efficiency and effectiveness, external auditors Grant Thornton have given the Council an 'unqualified' Value for Money opinion and said the Council is to be commended for its improved arrangements for 2013/14. Presenting their report to the Authority's Audit and Governance Committee, the independent auditors highlighted that Cheshire East Council was in a strong financial position and was better placed than many local authorities around the country. The Council received praise for the way it has balanced its books, added to its reserves and notched up big savings. The report stated: "Our work highlights that the Council managed its finances effectively for 2013/14 within its revenue budget of £260m..."
93. The Authority produced its best ever performance for the Year 2013/14. It eliminated a £11.1m budget deficit, reduced borrowing by £6m, increased its reserves by £13.2m and also made a surplus of £0.9m, which is being given back to the community through investment in local schemes and groups.
94. A refresh of the Council's Strategic Asset Management and Delivery Plan has recently been commissioned to ensure the Council is making best use of its assets. This involves a comprehensive review of strategies, plans and priorities and a detailed assessment of asset performance information. The

Corporate Assets Team is undergoing a programme of transformation covering all aspects of business. The property agent appointed to accelerate the disposal of the Council's surplus assets has developed a pipeline of disposals. Furthermore, a programme of business improvement has been initiated to ensure the service is running effectively and efficiently.

outturn is currently forecast. A one-year budget of £316,000 will not be required in 2014/15.

95. Resources & Stewardship is forecasting a £500,000 underspend against a budget of £29m. This is due to staff vacancies across the service resulting in an underspend of £300,000, and £200,000 savings on energy costs within Facilities Management.
96. The Governance & Democratic service is forecasting a broadly balanced outturn, however there is pressure within the Coroners' budget and potential pressure within Democratic Services which is expected to be off-set by underspends elsewhere in the service.
97. The Monitoring Officer/Legal Service is forecasting a broadly balanced outturn but there are potential pressures as general fees and charges income is lower than last year due to the way the service has needed to organise its workload. Extra resources have also been required to undertake additional Inquiries work.
98. Organisational Development is forecasting a £150,000 underspend against a budget of £2.9m. The position is as a result of unspent budgets within Workforce Development due to staff vacancies (£100,000), and supplies and services (£50,000). A one-year budget of £230,000 will not be required in 2014/15.
99. No significant budget pressures have been identified for Communications at this stage of the year and a broadly balanced outturn is currently forecast.
100. No significant budget pressures have been identified for Strategic Commissioning at this stage of the year and, assuming all posts on the staffing structure are recruited into, a broadly balanced

2. Financial Stability

Introduction

101. Financial performance has continued to improve compared to previous financial years. Improvements in financial planning, governance and stewardship are having a clear impact on the Council's ability to manage its budget and create greater confidence in the medium term plans which is evidenced by improved estimates for the second quarter of 2014/15.
102. Applying the best fit approach towards commissioning means the Council now wholly owns several supplier companies as well as maintaining relationships with private sector suppliers, charitable trusts and voluntary sector organisations. The financial position of the wholly owned companies will have a direct effect on the financial performance of the Council over time, but to date no forecast profit or loss is being factored in to the outturn position for the Council.
103. **Table 1** provides a service summary of financial performance at Quarter 2. For further details please see Section 1 and the notes below the table. Changes to service net budgets since Original Budget are analysed in **Appendix 2**.

Table 1 - Service Revenue Outturn Forecasts

	Revised Net Budget	Emerging Pressures	Remedial Actions	Current Forecast Over / (Underspend)	Outcome Number 1 - 5
	£000	£000	£000	£000	
Early Help & Protection	39,460	184	-184	0	
Education Strategy	12,626	302	0	302	
Safeguarding	2,177	30	-30	0	
Children & Families	54,263	516	-214	302	3, 5
Adult Social Care & Independent Living	94,847	539	0	539	5
Public Health & Wellbeing	2,229	85	0	85	5
Environment	29,433	436	0	436	4
Highways	10,550	238	-80	158	4
Communities	10,522	1,306	-730	576	1, 2
Economic Growth & Prosperity	14,780	207	0	207	2
Chief Operating Officer	40,849	-1,196	0	-1,196	
TOTAL SERVICE OUTTURN	257,473	2,131	-1,024	1,107	

104. The impact of the projected service outturn position at this stage of the financial year could decrease balances by £1.1m. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on centrally held budgets.

Government Grant Funding of Local Expenditure

105. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2014/15 was £387.4m.

106. In 2014/15 Cheshire East Council's specific use grants held within the services was budgeted to be £283.6m based on Government announcements to February 2014. Further announcements have revised this figure to £271.1m. Spending in relation to specific use grants must be in line with the purpose for which it is provided. General purpose grants were budgeted to be £103.9m based on Government announcements to February 2014. Further announcements have revised this figure to £104.3m.
107. **Table 2** is a summary of the budgeted and updated position for all grants in 2014/15. A full list is provided at **Appendix 3**.

Table 2 – Summary of Grants to date

	Revised Forecast FQR 2014/15 £m	Revised Forecast MYR 2014/15 £m	Change 2014/15 £m
SPECIFIC USE			
Held within Services	279.3	271.1	-8.2
GENERAL PURPOSE			
Central Funding	86.5	86.5	0.0
Service Funding			
Children & Families	1.1	1.5	0.4
Adult Social Care & Independent Living Environment	0.4	0.4	0.0
Communities	0.2	0.2	0.0
Economic Growth & Prosperity	3.2	3.2	0.0
Chief Operating Officer	0.8	0.9	0.1
Total Service Funding	12.1	11.7	-0.4
TOTAL GENERAL PURPOSE	17.8	17.8	0.0
TOTAL GRANT FUNDING	383.6	375.4	-8.2

108. Specific use grants have decreased by £8.2m. This is mainly due to a reduction in pupil numbers and academy conversions
109. Additional general purpose grants have been received during the second quarter of 2014/15 totalling £0.5m. This includes £353,000 Youth Justice Grant, £60,000 additional Skills Funding Agency grant and £73,500 for Open Transparency. There has also been a reduction in the Education Services Grant of £496,000 due to academy conversions following the calculation of the grant entitlement.
110. Requests for the allocation of all the additional grants received are detailed in **Appendix 8**.

Collecting Local Taxes for Local Expenditure

111. Cheshire East Council collects Council Tax and National Non Domestic Rates for use locally and nationally.

Council Tax

112. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2014/15 at £1,216.34 for a Band D property. This is applied to the taxbase.
113. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non collection). The taxbase for 2014/15 was agreed at 137,548.53 which, when multiplied by the Band D charge, means that the expected income for the year is £167.3m.
114. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these

amounts separately, giving a total budgeted collectable amount of £202.7m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	167.3
Cheshire Police & Crime Commissioner	21.1
Cheshire Fire Authority	9.5
Town & Parish Councils	4.8
Total	202.7

115. This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however, to allow for non-collection the actual amount billed will therefore be more than the budget.
116. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £206.2m.
117. **Table 4** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – Over 99% of Council Tax is collected within three years

Financial Year	CEC Cumulative		
	2011/12 %	2012/13 %	2013/14 %
After 1 year	97.7	98.2	98.1
After 2 years	99.1	99.3	98.4*
After 3 years	99.4	99.4*	**

* year to date

**data not yet available

118. The Council Tax in-year collection rate for 2014/15 is currently 48.6% compared to 48.7% for the same period in 2013/14. This represents a decrease in collection rate of 0.1% on last year and equates to a decrease in cash collection of £0.2m when set against the current net debit.
119. Council Tax support payments (incl. Police and Fire) were budgeted at £19.1m for 2014/15 and as at the end of the second quarter the total benefit awarded totalled £16.8m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the Council Tax Support awards in the year than increased or new awards. The amount of negative adjustments is expected to reduce later in the year as the current increased workload due to Welfare Reform changes is cleared.
120. Council Tax discounts awarded are £18.6m which is broadly in line with the same period in 2013/14.
121. Council Tax exemptions currently awarded total £2.9m. This is lower than the same period in 2013/14 where the amount awarded totalled £3.3m.

National Non Domestic Rates (NNDR)

122. NNDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief. This year the multiplier was capped by the Government at 2%.
123. The small business multiplier applied to businesses which qualify for the small business relief has been set at 47.1p in 2014/15. The non-domestic multiplier has been set at 48.2p in the pound for 2014/15.
124. The amount of business rates set by Department for Communities and Local Government (DCLG), to be collected by Cheshire East at the start up of the business rates retention scheme, was £132.5m

(including an allowance for valuation appeals). This baseline is subject to an inflationary increase each year (capped at 2% for this year) therefore for 2014/15 this level will be £135.1m. Current estimates forecast that rates income should be in line with this baseline level.

125. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

Table 5 – Over 99% of Business Rates are collected within three years

Financial Year	CEC Cumulative		
	2011/12	2012/13	2013/14
	%	%	%
After 1 year	98.1	98.0	98.2
After 2 years	99.1	98.8	98.6*
After 3 years	99.4	99.1*	**

* year to date

**data not yet available

126. The business rates in-year collection rate for 2014/15 is currently 47.6% compared to 51.2% for the same period in 2013/14. Over 16% of ratepayers, including some larger business property owners have now taken the opportunity to pay over 12 instalments instead of 10. This has the effect of reducing cash collection in the first 10 months of the year compared to previous years.

Capital Programme 2014/18

127. Since reporting the Capital Programme for the First Quarter Review in September 2014 the overall forecast expenditure for the next three years has reduced by £6.1m as shown in **Table 6**.

Table 6 – Summary Capital Programme

	FQR Total Forecast Budget 2014/18	Amendments to MYR Forecast Budget 2014/18	Amended MYR Forecast Budget 2014/18	Budget Reductions	SCE's	Revised Total Forecast Budget 2014/18
	£m	£m	£m	£m	£m	£m
Early Help & Protection	3.3	-1.0	2.3	0.0	0.0	2.3
Education Strategy	32.3	0.0	32.3	-0.1	0.0	32.2
Adult Social Care & Independent Living	3.4	0.0	3.4	0.0	0.0	3.4
Health & Wellbeing	32.1	0.0	32.1	-5.0	0.0	27.1
Environment	17.8	-0.1	17.6	-0.2	0.0	17.4
Highways	36.2	0.3	36.5	0.0	0.0	36.4
Communities	1.2	1.4	2.6	0.0	0.0	2.6
Economic Growth & Prosperity	251.1	0.0	251.1	-0.3	0.0	250.8
Chief Operating Officer	71.7	-0.4	71.3	-0.6	0.0	70.7
	449.1	0.1	449.3	-6.3	0.0	443.0

128. The programme has been revised to reflect Budget reductions of £6.3m contained in **Appendix 6**. There have also been a number of minor budget approvals since the First Quarter report of £0.1m that have increased the budget, primarily on Section 106 and Section 278 funded schemes.
129. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 7**.

Table 7 – Capital Funding Sources

	FQR Total Forecast Budget £m	MYR Total Forecast Budget £m	Change £m
Grants	201.2	198.6	-2.6
External Contributions	41.6	44.1	2.5
Cheshire East Resources	206.4	200.4	-6.0
Total	449.1	443.0	-6.1

Capital Budget 2014/15

130. At the Mid Year review stage, the total in-year budget for 2014/15 has been revised from the First Quarter budget of £147.8m to £148.2m as shown in **Appendix 4**. This includes the net impact in 2014/15 of supplementary capital estimates, virements and budget reductions listed in **Appendices 5 and 6**.
131. The capital programme is now reported by the stages in the approval process. For in year monitoring and reporting purposes, only schemes that are noted as committed and in progress will have slippage monitored against them during the year, as these schemes should have commenced prior to or during 2014/15 and a detailed forecast expenditure plan should be in place. The in-year budget for these schemes is £124.9m. Forecast expenditure on these schemes in 2014/15 is £117.3m, as analysed in **Table 8**. The £7.6m underspend has been re-profiled to future years. Schemes will be monitored on their progress during the year and re-categorised quarterly.

Table 8 – Changes to the 2014/15 Capital Budget

	Revised FQR Budget £m	Revised MYR Budget £m	Forecast Exp £m	Current Forecast Over / Under Spend £m
Early Help & Protection	0.1	0.1	0.3	0.2
Education Strategy	10.5	10.3	10.1	-0.2
Adult Social Care & Independent Living	0.9	0.8	0.8	0.0
Public health & Wellbeing	8.5	8.5	5.6	-2.9
Environment	2.9	2.6	2.7	0.1
Highways	31.1	31.4	31.4	0.0
Communities	0.3	0.7	0.7	0.0
Economic Growth & Prosperity	25.5	26.2	26.2	0.0
Chief Operating Officer	44.3	44.3	39.6	-4.7
Total	124.1	124.9	117.3	-7.6

132. **Appendix 5** lists approved supplementary capital estimates and virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.
133. **Appendix 6** lists details of reductions of £6.2m in Approved Budgets where schemes are completed, will not be monitored as part of the Council’s capital programme and can now be removed. These are for noting purposes only.

Central Adjustments

Capital Financing Costs and Treasury Management

134. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These costs are partly offset by the interest the Council earns from temporary investment of its cash balances during the year. The capital financing budget of £12.5m accounts for 5% of the Council's net revenue budget.
135. Investment income to August 2014 is £181,000 which is higher than the budgeted income of £133,000 for the period. The level of cash balances have remained high and returns from the externally managed funds have improved in the last few months although given their below expectation performance over the previous 12 months, consideration is being given to withdrawing these funds in favour of different types of long term investment:
- The average lend position (the 'cash balance') including fund manager up to the end of August 2014 was £83.8m.
 - The average annualised interest rate received on in house investments up to the end of August 2014 was 0.58%.
 - The average annualised interest rate received on the externally managed pooled funds up to the end of August 2014 was 0.64%.
136. The Council's total average interest rate up to the end of August in 2014/15 was 0.56%. This is just higher than Base Rates and higher than the London Inter-bank Bid Rate for 7 days at 0.39%. The base rate remained at 0.50% for the quarter.
137. At Mid Year Review, the capital financing budget is forecast to be underspent by £0.5m, mainly due to the savings in external interest charges.

Table 9 – Interest Rate Comparison

Comparator	Average Rate Q2
Cheshire East	0.56%
LIBID 7 Day Rate	0.41%
LIBID 3 Month Rate	0.49%
Base Rate	0.50%

138. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 27th February 2014. Further details of counterparty limits and current investments are given in **Appendix 7**.

Central Contingencies and Contributions

139. A provision of £1.1m was included in the 2014/15 budget to meet ongoing actuarial charges relating to Voluntary Redundancies. Spending in-year is forecast to be in line with the provision.
140. Following transfers from services, a budget of £1.0m is also held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. At Mid Year, it is forecast that spending will be in line with the budget.

Allocation of Additional Grant Funding

141. The Council's budget provides for the receipt of known specific grants. However where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding. This report seeks approval to services' requests to incur additional expenditure in 2014/15 fully funded by additional grant. Details of the allocations are contained in **Appendix 8**.

Debt Management

142. The balance of outstanding debts has reduced slightly since quarter one. Balances remain within forecast levels and adequate provisions have been made. A summary of outstanding invoiced debt by Service is contained in **Appendix 9**.

Outturn Impact

143. The impact of the projected service outturn position could reduce balances by up to £1.1m as reported above (**para 104**).
144. Taken into account with the central budget items detailed above, the financial impact described in this report could reduce balances by up to £6.9m as summarised in **Table 10**.

Table 10 – Impact on Balances

	£m
Service Net Budget Outturn	-1.1
Central Budgets Outturn	0.0
Use of Reserves reported to Council	-5.8
Total	-6.9

Management of Council Reserves

145. The Council's Reserves Strategy 2014/17 stated that the Council would maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves is likely to remain at £14.0m throughout the medium term.
146. The opening balance at 1st April 2014 on the Council's General Reserves is £19.8m, as shown in the published statement of accounts for 2013/14.

147. Council have approved the use of £5.8m of general reserves in 2014/15, to support investment in sustainability and communities, at their meetings in February and July 2014.
148. The overall impact of service budgets, central budgets and Council decisions is identified in **Table 10** above. **Table 11** shows how this impacts on the forecast closing balance of general reserves.

Table 11 – Change in Reserves Position

	£m
Opening Balance at 1 April 2014	19.8
Quarter 1 Outturn Impacts	-6.9
Forecast Closing Balance at March 2015	12.9

149. The projected balance of £12.9m reflects the current forecast that risks associated with budget achievement in 2014/15 may actually materialise and this is within the range provided in the Reserves Strategy. Options to mitigate the current risk will continue to be explored in the remaining six months of the financial year. Overall the Council remains in a strong financial position given the major challenges across the public sector.
150. The Council also maintains Earmarked Revenue reserves for specific purposes. At 1 April 2014 balances on these reserves stood at £25.9m, excluding grants reserves and balances held by Schools. Council have approved the transfer of a further £5.8m from general reserves into earmarked reserves in 2014/15 to support investment in sustainability and communities. During 2014/15, an estimated net £12.6m will have been drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding. The majority of the funding will be applied from the reserves for Business Rates Retention (£5.1m), Communities Investment (£2.3m), Adult Social Care (£1.4m), and Service Manager carry forwards (£3.3m). A full list of earmarked reserves is contained in **Appendix 10**.

3. Workforce Development

151. This section sets out the Council's activities and progress in relation to HR, Organisational Development, Workforce Development plans and changes to staffing levels.
152. A number of key workforce projects (eg Building Capacity and Engagement) continue to support the Council's transformation. In order to understand the levels of staff engagement and morale an employee survey was run earlier this year. The results highlighted some key strengths as well as some areas for improvement – providing a baseline from which to build. A work programme has been developed recognising that there are many factors which contribute to building an engaged workforce. A key area of focus is to ensure all employees understand, live and consistently experience the Council values as well as an effective communications strategy to allow upward, lateral and downward communication and engagement. The aim is to ensure all employees feel connected, valued and their comments on suggested improvements/problems are actioned. The work programme includes a range of local manager and corporate actions which are underway and ongoing, as well as a programme of further engagement activities planned over the next 12 months.
153. Following the recent launch of our Residents First values, a framework of behaviours defining our values in action has been developed for managers and staff to be used in a range of people processes, for example, performance development, performance management, recruitment and progression. To support the launch of the behaviours a series of behaviours and performance workshops are being run for managers, team leaders and supervisors to enable them to engage and explain to their teams.
154. The recently launched Making a Difference employee recognition scheme has got off to a great start. During the first two months we have had a very positive response to the nominations for employee

and team of the month. In addition, more than 50 “made my day” instant recognition acknowledgements are being sent to staff each month. Preparations are now underway for the celebratory event in December where employee, team and manager of the year will be announced, alongside a members' choice award.

155. A comprehensive learning, development and staff improvement annual programme continues for all employees comprising of statutory, mandatory, vocational and professional themes and topics. This ensures that Cheshire East creates a workforce who are safe, knowledgeable and competent in performing their duties to the highest possible standard, providing the best quality services to the residents and businesses. In summary, over 2,200 delegates have attended statutory, mandatory and vocational training to date, with a further 150 undertaking management qualifications and workshops.
156. The workforce development team continues to work closely with numerous regulatory and professional bodies, and link into several local universities and colleges to ensure academia and research based theories are inherent in everything we do. As a recognised centre of excellence, our quality assurance measures ensure that all employees and apprentices receive up to date training and surpass expectations of external verification and examination boards and feel fully supported throughout all stages of their career. We are currently ahead of delivery targets and within budget with further work required to ensure good attendance rates are maintained. Eight children's social work trainees are currently being supported; the number will be increased by the new student sponsorship scheme. 40 newly qualified social workers (adults and children's) are registered on the Assessed and Supported Year in



Employment programme with a further 20 Children's Social Worker's undertaking the Progression Year 2 programme, PG Diploma and 40 accessing the Approved Mental Health Practitioner training programme and Best Interest Assessor training. The current cohort of Apprentices is 43, with 6 vacancies being advertised and/or in the recruitment process.

Staffing Changes

157. **Table 12** demonstrates that there has been an increase in Cheshire East's employee headcount of 1.29% between July and September 2014, albeit that the FTEs have decreased. The employee headcount in September 2014 was 4,011 – a reduction of 16.9% from March 2014, predominantly as a result of employees transferring to ANSA and Orbitas on 1st April 2014, and to ESAR and CoSocius on 1st May 2014.

Table 12 - Headcount and FTE figures for July to September 2014

Directorate/ Service	Jul-14		Aug-14		Sep-14	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Children's Services	1,103	750	1,109	753	1,164	753
Adults Social Care & Independent Living	1,161	869	1,169	873	1,163	869
Public Health	19	16	19	16	19	16
Environmental and Highways (Commissioning and Client Support)	56	53	55	52	58	55
Communities	572	447	567	443	560	436
Economic Growth & Prosperity	373	292	379	298	377	298
Chief Operating Officer	658	493	660	496	649	489
Apprentices / Graduate Trainees	37	35	36	34	39	38
Cheshire East Council Total	3,960	2,957	3,976	2,966	4,011	2,955

Note: Employees with multiple assignments across services appear in the headcount figures for each service, but are counted only once in the total (CE) headcount figure.

158. **Table 13** demonstrates that over the second quarter in 2014/15 the cumulative average days lost to sickness was slightly higher than the previous financial year. Management of sickness absence levels during this financial year will focus on developing greater resilience and addressing stress and a detailed action plan to address this has been developed.

Table 13 - Comparison of average days lost to sickness in the Second Quarter of 2014/15 to the same period in 2013/14

	Jul	Aug	Sep
Q2 2014/15	3.79	4.63	5.58
Q2 2013/14	3.49	4.35	5.26

Whole Council excluding Schools – year to date cumulative effect; figures show cumulative calculated days lost to sickness absence per FTE employee

Voluntary Redundancies

159. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.
160. Twelve people have left the Council under voluntary redundancy terms in Quarter 2, six of whom held posts within the management grades (Grade 10 or above). The total severance costs, for all twelve employees were £440,300, inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £2,775,630 (which is the combined accumulated costs of the deleted posts).

Appendices to Mid Year Review of Performance 2014/15

October 2014

Appendix 1 – The Three Year Council Plan



To assist with reading this page a PDF version is has been made available at: www.cheshireeast.gov.uk/budget

Appendix 2 – Changes to Revenue Budget 2014/15 since First Quarter Review

	FQR Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Other Virements £000	MYR Net Budget £000
Childrens & Families	54,264	389	-390		54,263
Adult Social Care & Independent Living	94,780		67		94,847
Public Health & Wellbeing	1,619		610		2,229
Environment	28,501		932		29,433
Highways	10,501		49		10,550
Communiites	10,497		25		10,522
Economic Growth & Prosperity	14,756	60	-25	-11	14,780
Chief Operating Officer	42,043	74	-1,268		40,849
TOTAL SERVICE BUDGET	256,961	523	0	-11	257,473
Central Budgets					
Specific Grants	-17,770	-523			-18,293
Capital Financing	12,500			11	12,511
Contingencies	1,143				1,143
Corporate Contributions	1,027				1,027
Contribution to/from Reserves	-40				-40
	-3,140	-523	0	11	-3,652
TOTAL BUDGET	253,821	0	0	0	253,821

Appendix 3 – Corporate Grants Register

Corporate Grants Register 2014/15 Mid Year Review		Revised Forecast FQR 2014/15 £000	Revised Forecast MYR 2014/2015 £000	Change 2014/15 £000	SRE / Balances (Note 2)
	<i>Note</i>				
SPECIFIC USE (Held within Services)					
Schools					
Dedicated Schools Grant	1	167,729	160,722	-7,007	
Pupil Premium Grant	1	6,796	6,795	-1	
Sixth Forms Grant	1	5,579	4,408	-1,171	
Total Schools Grant		180,104	171,925	-8,179	
Housing Benefit Subsidy		84,518	84,518	0	
Public Health Funding		14,274	14,274	0	
Restorative Justice Development Grant		8	8	0	
Bus Services Operators Grant		348	348	0	
TOTAL SPECIFIC USE		279,251	271,072	-8,179	
GENERAL PURPOSE (Held Corporately)					
Central Funding					
Revenue Support Grant		48,601	48,601	0	
Business Rates Retention Scheme		37,883	37,883	0	
Total Central Funding		86,484	86,484	0	
Children & Families					
Troubled Families		130	130	0	
Troubled Families - Co-ordinator		100	100	0	
Extended Rights to Free Transport		153	153	0	

Corporate Grants Register 2014/15 Mid Year Review	Revised Forecast FQR 2014/15 £000	Revised Forecast MYR 2014/2015 £000	Change 2014/15 £000	SRE / Balances (Note 2)
<i>Note</i>				
GENERAL PURPOSE (Held Corporately)				
Children & Families				
Adoption Reform Grant (unringfenced element)	275	275	0	
Special Educational Needs Reform Grant	384	384	0	
Youth Detention - Looked After Children	27	27	0	
Youth Justice Grant	0	353	353	SRE
Staying Put Grant	0	36	36	SRE
Adult Social Care & Independent Living				
Local Reform and Community Voices Grant	262	262	0	
Care Bill Implementation Grant	125	125	0	
Environment				
Lead Local Flood Authorities	52	52	0	
Sustainable Drainage Systems Capability and Capacity	123	123	0	
Communities				
Housing Benefit and Council Tax Administration	1,760	1,760	0	
NNDR Administration Grant	562	562	0	
Social Fund - Programme funding	612	612	0	
Social Fund - Administration funding	119	119	0	
Council Tax - New Burden	135	135	0	
Implementing Welfare Reform Changes	57	57	0	
Economic Growth & Prosperity				
Skills Funding Agency	830	890	60	SRE
Neighbourhood Planning Grant	5	5	0	

Corporate Grants Register 2014/15 Mid Year Review	Revised Forecast FQR 2014/15 Note £000	Revised Forecast MYR 2014/2015 £000	Change 2014/15 £000	SRE / Balances (Note 2)
GENERAL PURPOSE (Held Corporately)				
Chief Operating Officer				
Education Services Grant	4,769	4,274	-496	From Balances
New Homes Bonus 2011/12	870	870	0	
New Homes Bonus 2012/13	1,844	1,844	0	
New Homes Bonus 2013/14	1,037	1,037	0	
New Homes Bonus 2014/15	1,358	1,358	0	
Affordable Homes 2012/13	85	85	0	
Affordable Homes 2013/14	82	82	0	
New Homes Bonus 2013/14 - return of topslice	129	129	0	
Council Tax Freeze Grant 2014/15	1,807	1,807	0	
Community Rights to Challenge	9	9	0	
Community Rights to Bid	8	8	0	
Individual Electoral Registration	117	117	0	
NNDR software changes - Retail Relief	8	8	0	
Open Data and Transparency Programme	0	74	74	SRE
Local Government Transparency Code 2014	0	0	0	
Total Service Funding	17,834	17,862	27	
TOTAL GENERAL PURPOSE	104,318	104,345	27	
TOTAL GRANT FUNDING	383,569	375,418	-8,152	

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases to allocations by the DfE and conversions to academy
- 2 SRE - Supplementary Revenue Estimate requested by relevant service (see Appendix 8).

Appendix 4 – Summary Capital Programme and Funding

Commissioning Service	In-Year Budget	SCE's Virements Reductions	Budget Realignment	Revised In-Year Budget	Forecast Expenditure		
	MYR	MYR	MYR	MYR	2014/15	2015/16	2015/16 and Future Years
	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	2015/16 £000	2015/16 and Future Years £000
Early Help and Protection							
Committed Schemes - In Progress	131	0	0	131	285	206	206
Committed Schemes at Gate 1 Stage	1,147	0	-300	847	747	400	0
Medium Term and Rolling Programme	804	0	0	804	350	150	0
Education Strategy							
Committed Schemes - In Progress	10,479	-70	-130	10,279	10,121	1,010	698
Committed Schemes at Gate 1 Stage	3,428	50	130	3,608	1,659	3,123	393
Medium Term and Rolling Programme	3,658	-170	0	3,488	309	9,173	5,705
Adult Social Care and Independent Living							
Committed Schemes - In Progress	938	-121		817	817	0	0
Medium Term and Rolling Programme	750		0	750	750	1,059	800
Health & Wellbeing							
Committed Schemes - In Progress	8,526	-2	0	8,524	5,639	9,471	0
Longer Term Proposals	300	0	0	300	300	8,700	3,000
Environment							
Committed Schemes - In Progress	2,942	-206	-144	2,592	2,666	108	90
Medium Term and Rolling Programme	4,515	0	0	4,515	8,220	6,280	50
Highways							
Committed Schemes - In Progress	31,132	11	274	31,417	31,351	2,406	2,710

Commissioning Service	In-Year Budget	SCE's Virements Reductions	Budget Realignment	Revised In-Year Budget	Forecast Expenditure		
	MYR	MYR	MYR	MYR	2014/15	2015/16	2015/16 and Future Years
	2014/15	2014/15	2014/15	2014/15	2014/15	2015/16	2015/16 and Future Years
	£000	£000	£000	£000	£000	£000	£000
Communities							
Committed Schemes - In Progress	324	0	378	702	702	170	0
Committed Schemes at Gate 1 Stage	426	0	300	726	226	400	0
Medium Term and Rolling Programme	100	0	0	100	100	995	0
Economic Growth and Prosperity							
Committed Schemes - In Progress	25,523	676	0	26,199	26,201	13,636	3,889
Committed Schemes at Gate 1 Stage	2,018	0	0	2,018	1,323	7,298	300
Medium Term and Rolling Programme	3,395	-200	0	3,195	3,535	25,120	20,443
Longer Term Proposals	900	0	0	900	700	4,200	144,109
Chief Operating Officer							
Committed Schemes - In Progress	44,269	778	0	44,269	39,567	16,626	7,900
Committed Schemes at Gate 1 Stage	2,050	0	0	2,050	500	3,270	2,868
Committed Schemes - In Progress	124,264	1,066	378	124,930	117,349	43,633	15,493
Committed Schemes at Gate 1 Stage	9,069	50	130	9,249	4,455	14,491	3,561
Medium Term and Rolling Programme	13,222	-370	0	12,852	13,264	42,777	26,998
Longer Term Proposals	1,200	0	0	1,200	1,000	12,900	147,109
Total Net Position	147,755	746	508	148,231	136,068	113,801	193,161

Funding Sources	2014/15 £000	2015/16 £000	2015/16 and Future Years £000
Grants	68,035	23,949	106,576
External Contributions	14,315	10,770	18,970
Cheshire East Council Resources	53,718	79,083	67,615
Total	136,068	113,802	193,161

Appendix 5 – Approved Supplementary Capital Estimates and Virements up to £250,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000		
Supplementary Capital Estimates		
Environmental		
ROWIP Cycle/Walking Schemes	13,170	The additional £13,170 has been received from Sustrans to cover the Leighton Hospital link scheme.
Total Supplementary Capital Estimates	13,170	
Capital Budget Virements		
Adults		
Community Capacity Grant	237,883	Residual grant from the completed scheme - Building Base Review, vired to the Community Capacity Grant for re-allocation.
Community Capacity Grant	20,543	Residual grant from the completed scheme - Careworks , vired to the Community Capacity Grant for re-allocation.
Education Strategy		
Basic Need Block	32,276	Residual grant from the completed scheme at Oakefield Primary School, vired to the Basic Needs Block for re-allocation.
St. Benedict's CPS Extension	223,026	This virement is for the St. Benedict's CPS Extension, approved at Gateway 1 and will be funded by the Basic Needs Grant.
Basic Need Block	21,000	Reduction in funding required for Leighton Academy School Project, vired back to the Basic Needs Block for re-allocation.
Leisure		
Pool Hoists and strobe lights	1,160	Due to the cost of three hoists coming in at well within budget the scope of this project has been extended to allow for the purchase of an additional pool hoist at Congleton Leisure Centre. There is a slight shortfall to be taken from the underspend on the Squash Court
Total Virements Approved	535,888	
Total Supplementary Capital Estimates and Virements	549,058	

Appendix 6 – Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Cabinet are asked to note the reductions in Approved Budgets				
Adults				
Building Base Review	794,598	777,746	-16,852	The Building Base Review project is completed and no further budget is required.
Education Strategy				
Capital Maintenance Grant	6,800,000	6,735,548	-64,452	Reduction in the anticipated funding from the Department of Education due to schools converting to Academies.
Oakefield Primary School - Basic Needs	854,247	853,132	-1,115	This project was completed during 2013/14 and the retention period for the works ended in August. This budget reduction is being undertaken as no further costs are now anticipated for this scheme.
School Maintenance Projects - Black Firs Primary School	3,701,502	3,694,804	-6,698	Reduction due to works being undertaken and funded by Black Firs Primary School
School Maintenance Projects - Wilmslow High School	3,694,804	3,685,304	-9,500	Reduction in funds required as to be funded by Wilmslow High School directly.
Highways				
Local Sustainable Transport Fund	1,273,000	1,253,000	-20,000	Budget reduction to reflect the amount to be claimed via the DfT.
Capacity enhancement A534 Nant Rd	85,000	72,892	-12,108	Scheme now complete and budget is no longer required.
Environmental				
Macclesfield New Cremators	806,787	801,672	-5,115	Scheme now complete and budget is no longer required.
Earl's Court, Earlsway, Macclesfield	128,203	126,203	-2,000	Scheme now complete and budget is no longer required.

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Cabinet are asked to note the reductions in Approved Budgets				
Environmental				
Milton Park Project	49,453	45,678	-3,775	The original analysis included the Wren offer of £24,057 towards the project based on an estimate of costs (pre tender). This original offer was later reduced by Wren to £19,029 as the winning tender price was less than that estimated. The budget is adjusted accordingly in line with the actual receipts.
Middlewood Way Viaduct Repair	544,535	457,462	-87,073	Middlewood Way Viaduct - A revised business case for the full amount to complete the work will be re-submitted.
Crematoria - Replacement Cremators	49,660	48,760	-900	Budget Reduction as no longer required.
Cemetery Road & Path improvements	100,000	95,493	-4,507	Budget Reduction as no longer required.
Cremators at Crewe	623,500	569,000	-54,500	This is mainly due to contributions from Planned Maintenance to undertake the fire alarm works and savings on the replacement loader trolleys.
Bollin Valley Infrastructure	115,000	53,621	-61,379	Seddons contribution to Countryside projects, to be moved into revenue reserves
Leisure				
Fitness Equip Nantwich Pool	23,525	21,374	-2,151	The project is now finished, the last equipment was installed and paid for in November 2013.
Congleton Lifestyle Centre	12,000,000	7,000,000	-5,000,000	Programme level re-prioritisation of budget allocations toward other strategic projects in Congleton has reduced the target budget for the lifestyle project to £7m. A feasibility study on the options for lifestyle centre is underway and following a better understanding of the project's funding requirements, future re-allocation of budget to the lifestyle project may take place.

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Cabinet are asked to note the reductions in Approved Budgets				
COO				
Connecting Cheshire Phase 2	5,700,000	5,098,800	-601,200	Budget reduction to report in line with figures submitted to Cabinet. 29th April 2014.
Integrated Legal ICT System	60,000	46,771	-13,229	Any residual costs associated with this project will be funded from the Core System Stability project.
Economic Growth and Prosperity				
Housing Development	500,000	184,699	-315,301	Contracts have been awarded for three of the four projects awarded Housing Challenge funding. A decision has now been taken to withdraw the offer of funding for the fourth project and therefore the required capital requirement will be reduced resulting in an underspend on the programme.
Total Capital Budget Reductions	37,903,814	31,621,959	-6,281,855	

Appendix 7 – Treasury Management

Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. For named UK banks and credit rated building societies this has been set at 10% of our total investments subject to a maximum value of £10m. These limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £10m per fund and operationally 25% of total investments per fund although this will be reduced to 10% in line with updated guidance. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. As at 31st August, one investment counterparty, Lloyds Bank, was temporarily in breach of our limits. Investments with this counterparty have now been brought back within the prescribed limits. Volatility in cash flows and the timing of fixed rate investments can sometimes cause unpredictable breaches of limits. However, a review of the process should avoid a repetition of this going forward.
3. Our approved counterparties list also includes a number of foreign banks. As the limits applicable to all organisations have been reduced the Council is looking to invest in selected highly rated foreign institutions. The Council currently holds Certificates of Deposits with Deutsche Bank.
4. In order to diversify investments over a broader range of counterparties, the Council is also investing with other Local Authorities and some unrated Building Societies on advice from our treasury advisors who are monitoring their financial standing in the absence of any normal credit rating. Investments have so far

been made with Vernon and Market Harborough Building Societies.

5. Banks credit ratings are kept under continual review. There have not been any significant changes in 2014/15. In addition to ratings, other credit indicators, such as Swap rates are also monitored.

Table 1 shows the current investments and limits with each counterparty. A full analysis of the types of investment and current interest rates achieved is given in **Table 2**.

Table 1 – Current Investments and Limits

Counterparties	Limits		Investments as at 31st August 2014	
UK Banks				
Barclays Bank	10%	£10m	4%	£3.1m
Lloyds TSB	10%	£10m	11%	£9.0m
Santander (UK) plc	10%	£10m	6%	£5.1m
Standard Chartered Bank	10%	£10m	2%	£2.0m
Foreign Banks				
Deutsche Bank	10%	£10m	7%	£6.0m
Building Societies	20%		10%	
Leeds Building Society	10%	£1m	1%	£1.0m
Market Harborough Building Society	10%	£1m	1%	£1.0m
Nationwide Building Society	10%	£10m	7%	£6.0m
Vernon Building Society	10%	£1m	1%	£1.0m
Other				
Lancashire County Council	10%		3%	£2.5m
Money Market Funds	50%		32%	
Deutsche	25%	£10m	3%	£2.7m
Ignis	25%	£10m	12%	£9.8m
Federated Prime Rate	25%	£10m	5%	£4.3m
Morgan Stanley	25%	£10m	4%	£3.2m
Scottish Widows	25%	£10m	8%	£6.7m
Pooled Funds – External Fund Manager	50%		25%	£20.4m
				£83.8m

Table 2 – Types of Investments and Current Interest Rates

Instant Access Accounts	Avg rate %	£m
Instant Access Accounts	0.40%	5.2
Money Market Funds	0.46%	26.7

Fixed Term Deposits	Start	Maturity	Rate %	£m
Standard Chartered CD	26/11/2013	26/11/2014	0.69	2.0
Nationwide Building Society	15/01/2014	14/01/2015	0.81	2.0
Lloyds	14/04/2014	14/01/2015	0.80	3.0
Nationwide BS	15/04/2014	18/09/2014	0.52	2.0
Lloyds	15/04/2014	17/10/2014	0.70	2.0
Deutsche Bank CD	05/06/2014	04/06/2015	0.82	2.0
Vernon Building Society	11/07/2014	17/10/2014	0.44	1.0
Leeds Building Society	17/07/2014	24/10/2014	0.36	1.0
Deutsche Bank CD	17/07/2014	17/07/2015	0.92	4.0
Lancashire County Council	22/07/2014	22/01/2015	0.50	2.5
Market Harborough Building Soc.	28/07/2014	04/11/2014	0.45	1.0
Lloyds	05/08/2014	05/09/2014	0.43	2.0
Lloyds	05/08/2014	03/11/2014	0.57	2.0
Nationwide Building Society	21/08/2014	20/08/2015	0.96	2.0
Barclays	29/08/2014	28/08/2015	0.98	3.0

Externally Managed Funds	£m
Pooled Investments	20.4

Maturity Profile	£m
Instant Access	31.9
Maturing < 1 month	4.0
Maturing within 1 - 6 months	16.5
Maturing within 6 - 12 months	11.0
Externally Managed Funds	20.4
Total	83.8

Performance of Fund Manager

6. The table below shows the performance of the funds (net of fees) since the initial investment of £20m (£10m in each model) on 27th May 2011.

	STANDARD MODEL	DYNAMIC MODEL
April 2014	0.03%	0.02%
May 2014	0.13%	0.14%
June 2014	0.02%	-0.01%
July 2014	0.00%	0.04%
August 2014	0.08%	0.09%
Cumulative 2014/15	0.26%	0.28%
Value of Investment at 31/08/14	£10,267,737	£10,247,731
Fees (Total since start)	£82,829	£89,206
Average Annual Rate as at 31/08/14	0.57%	0.49%

7. The fund has made steady progress in 2014/15 with most recent gains arising from currency positions (particularly the US Dollar). Corporate credit holdings detracted from performance mostly as a result of hedging to protect against sharper losses.
8. Although some volatility is expected the general trend in performance of the fund, whilst delivering a steady return has been below expectations. The Council is intending to withdraw from this fund and is currently looking at alternative options for longer term investments including property funds and covered bonds where security is provided by a renewable source of underlying assets such as mortgages with relatively low loan to value ratios.

Appendix 8 – Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Children and Families	Staying Put Grant (General Purpose)	36	<p>The Children & Families Act 2014 introduced a new duty on local authorities to support young people to continue to live with their former foster carers once they turn 18. This duty came into force on 13th May 2014.</p> <p>The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them in respect of a young person aged 18 and their former foster carer to continue to live together in a 'Staying Put' arrangement. For the purposes of this grant, 'young person' means a former relevant child who was looked after immediately prior to their 18th birthday. This supported arrangement can continue until the young person's 21st birthday.</p>
Children and Families	Youth Justice Grant (General Purpose)	353	<p>The purpose of the Youth Justice Good Practice Grant is to develop good practice and commission research, with a view to achieving the following outcomes:</p> <ul style="list-style-type: none"> • Reduction in youth re-offending; • Reduction in the numbers of first time entrants to the justice system; • Reduction in the use of youth custody <p>The YJB issues the grant with terms and conditions. Failure to comply with these terms and conditions will enable the YJB to withhold or withdraw the grant at any time, and to require the repayment in whole or in part of any sums already paid.</p>
Economic Growth and Prosperity	Lifelong Learning (General Purpose)	60	<p>£59,575 for learners attending Skills Funding Agency courses. The funding contributes towards the Council priority area of responding to the changing education and learning environment. The grant is in part awarded subject to achievement of performance measures stipulated in the grant conditions and therefore partial repayment of the grant may be required for underperformance.</p>
Chief Operating Officer	Resources and Stewardship (General Purpose)	74	<p>Funding from the department of business, innovation and skills of £73,500. This is for work aligned with the open data and transparency programme and will be used to contract development (undertaken by a company called POIRSM) on LGA Inform Plus software solution.</p>
TOTAL	Total	523	

Appendix 9 – Debt Management

1. In addition to the collection of Council Tax and National Non-Domestic Rates the Council also issues invoices to organisations or individuals for certain key services. Performance related to Council Tax and Non-Domestic Rates is contained in Section 2 of this report.
2. Annually, the Council raises invoices with a total value of around £50m. This includes around £25m in Adult Social Care relating to client contributions towards care packages and income from Health on pooled budget and partnership arrangements.
3. Total Invoiced Debt at the end of August 2014 was £6.2m. After allowing for £1.2m of debt still within the payment terms, outstanding debt stood at £5.0m. This is £0.8m lower than at 30th June.
4. The total amount of service debt over 6 months old is £2.4m which is broadly in line with the older debt reported at the end of June 2014.
5. Services have created debt provisions of £2.5m to cover this debt in the event that it needs to be written off.
6. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
Children & Families	345	37	183
Adult Social Care	2,184	1,557	1,557
Public Health & Wellbeing	123	46	14
Environmental	466	199	199
Highways	322	332	332
Communities	29	29	29
Economic Growth and Prosperity	385	135	135
Chief Operating Officer	1,096	54	89
	4,950	2,389	2,538

Appendix 10 – Earmarked Reserves

Name of Reserve	Opening Balances 1 April 2014 £000	Forecast movement in 2014/15 £000	Estimated Balance 31 March 2015 £000	Purpose
Children & Families				
Long Term Sickness	213	0	213	LTS Insurance Scheme, surplus premiums paid by schools ~ operated as a trading account
Education All Risks (EARS)	261	0	261	Carried forward surplus of insurance premiums paid by schools ~ operated as a trading account
Children's Social Care	650	-650	0	To support implementation of Children's social care bill
Adult Social Care and Independent Living				
Extra Care Housing PFI	1,466	215	1,681	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009
Individual Commissioning	580	-580	0	To provide capacity to perform Deprivation of Liberties and Best Interest reviews of care customers following recent case law
NHS Section 256	1,784	-784	1,000	To support adult social care which also has a health benefit, as agreed with Eastern Cheshire and South Cheshire Clinical Commissioning Groups and governed by Cheshire East Health and Wellbeing Board.
Public Health	1,620	380	2,000	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues.

Name of Reserve	Opening Balances 1 April 2014 £000	Forecast movement in 2014/15 £000	Estimated Balance 31 March 2015 £000	Purpose
Environmental & Leisure				
Crematoria	367	175	542	Mercury abatement income set aside to fund potential replacement cremators as per the capital programme.
Winter Weather	120	120	240	To provide for future adverse winter weather expenditure
Economic Growth & Prosperity				
Building Control	181	-151	30	Ring-fenced surplus (could be used to offset service deficit, if applicable)
Tatton Park	241	0	241	Ring-fenced surplus on Tatton Park trading account
Economic Development	141	-71	70	Support for town centres and economic development initiatives
Communities				
Communities Investment <small>Note 1</small>	2,768	-2,330	438	Amalgamation of Promoting local delivery; Grant support; New initiatives and additional funding from outturn to support community investment
Emergency Assistance	400	0	400	Underspend on 2013/14 scheme

Name of Reserve	Opening Balances 1 April 2014 £000	Forecast movement in 2014/15 £000	Estimated Balance 31 March 2015 £000	Purpose
Chief Operating Officer				
Elections	486	0	486	To provide funds for Election costs every 4 years
Insurance & Risk	2,776	0	2,776	To settle insurance claims and manage excess costs.
Climate Change	67	-67	0	Renewable Energy project
Investment (Sustainability) ^{Note 2}	2,050	5,300	7,350	To support investment that can increase longer term financial independence and stability of the Council
Pension Contributions	150	0	150	To meet impact of reduced workforce on fixed contribution to Past Service Pensions deficit
Business Rates Retention Scheme	5,071	-5,071	0	To manage cash flow implications following changes from the 2012/13 NNDR system
Service Manager carry fwd	4,485	-3,298	1,187	Allocations for Costs of Investment or grant funded expenditure
TOTAL ^{Note 3}	25,877	-6,812	19,065	

Notes:

1. Previous communities reserves are now amalgamated under Communities Investment
2. £5.3m was approved by Council to be established from 1 April
3. Figures exclude:
 - Schools balances £8.810m (1 April 2014)
 - Grants Reserves £0.467m (1 April 2014)

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 11th November 2014
Report of: Anita Bradley, Head of Legal Services and Monitoring Officer
Subject/Title: Property Search Fees

1.0 Report Summary

- 1.1 This report seeks to update Cabinet in respect of claims against the Council for refunds of property search fees. The report is in two parts and the Schedule in Part II sets out the detail of the claims and proposed resolution and is exempt from publication.

2.0 Recommendation

- 2.1 Approval is given to proceed with the proposed settlement framework.
- 2.2 The Head of Legal and Monitoring Officer, in consultation with the Chief Operating Officer and the Finance Portfolio Holder, be authorised to take all future steps to settle this claim.
- 2.3 That officers be authorised to undertake all necessary actions to implement the recommendations above.

3.0 Reasons for Recommendations

- 3.1 The reasons are set out in the Part II Schedule of this report. This issue refers to a 2008 Central Government charging policy change which was removed in 2010.

4.0 Wards and Local Ward Members Affected

- 4.1 All

5.0 Policy Implications

- 5.1 None

6.0 Financial Implications

- 6.1 The amount being claimed is above £50,000 but below the £1m threshold for a Council decision.
- 6.2 Reserves have been earmarked in the budget to cover these claims.

7.0 Legal Implications

- 7.1 The legal advice contained in this report, including on the basis of settlement and figures, is subject to legal professional privilege, which applies not just to this Council but all authorities involved in the proceedings and it is for this reason that the report has been written with a confidential schedule which is exempt from publication.

8.0 Risk Management

- 8.1 Issues are set out in the confidential appendix.

10.0 Background and Options

- 10.1 The charges levied by local authority land charges departments for property searches have historically been regulated by statute either on a mandatory charging basis or a permissive charging basis.
- 10.2 For several years during the early 2000s, there was debate about whether fees set by authorities for providing their land charges information were incompatible with the Environmental Information Regulations 2004 (the "EIRs"). The EIRs were brought into force on 1 January 2005 and specifically state that environmental information contained on a register or list must be made available for personal inspection free of charge.
- 10.3 Central Government failed to realise when publishing Charges Regulations in 2008 that there was a potential conflict with the EIRs. The result of this failure to identify potential conflict between the two statutory regimes is that a number of property search companies have now brought or threatened to bring legal action against authorities for charges levied from 1 January 2005 onwards.
- 10.4 A group of Property Search Companies are seeking to claim refunds of fees paid to the Council to access land charges data. Proceedings have not yet been issued. The claimants have also intimated that they may bring a claim against all English and Welsh local authorities for alleged anti-competitive behaviour. It is not clear what the value of any such claim would be as against the Council. It is possible that additional claimants may come forward to submit claims for refunds, but none have been identified at present.

11.0 Access to Information

Due to the report being primarily in respect of Exempt Information no background papers are available for inspection.

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Designation: Head of Legal Services and Monitoring Officer

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