

Economy and Growth Committee

Agenda

Date: Thursday 15th July 2021
Time: 2.00 pm
Venue: The Ballroom, Sandbach Town Hall, High Street, Sandbach, CW11 1AX

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 top of each report.

It should be noted that Part 1 items of Cheshire East Council decision meetings are audio recorded and the recordings are uploaded to the Council's website.

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

1. **Apologies for Absence**

To note any 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/Open Session**

In accordance with paragraph 2.24 of the Council's Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days' in advance of the meeting.

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4. **Asset Transfer Policy** (Pages 3 - 34)

To approve the revised Asset Transfer Policy for consultation.

5. **Economy & Growth Budget 2021/22** (Pages 35 - 46)

To note the decision of the Finance Sub-Committee to allocate the approved capital and revenue budgets, related policy proposals and earmarked reserves to the Economy and Growth Committee.

6. **Work Programme** (Pages 47 - 48)

To consider the Work Programme and determine any required amendments.

7. **Housing Development Framework - Update on Procurement Process and Sites Selection** (Pages 49 - 64)

To receive an update on the procurement framework and on the sites which have been selected to go through the framework.

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

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

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

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

9. **Housing Development Framework - Update on Procurement Process and Sites Selection** (Pages 65 - 66)

To consider the appendix to the report.

Membership: Councillors J Barber, S Brookfield, D Brown, J Clowes, M Goldsmith (Vice Chair), P Groves, M Houston, D Jefferay, A Kolker, N Mannion (Chair), R Moreton, D Stockton and P Williams.



Working for a brighter future together

Economy and Growth Committee

Date of Meeting: 15th July 2021

Report Title: Asset Transfer Framework

Report of: Director of Growth & Enterprise – Peter Skates

Report Reference No: EG/02/21-22

Ward(s) Affected: All Wards

1. Executive Summary

- 1.1.** The Council wishes to build on the successes of its previous assets transfer policy and be able to effectively transfer assets to the next tier of Local Government and other community organisations.
- 1.2.** In addition, the Council is currently undertaking a strategic review of assets which may create an increase in the number of assets that are surplus to the council's operational requirements and therefore introduces an increased potential for the community transfer of assets.
- 1.3.** The Council therefore wishes to encourage open dialogue about potential asset transfers with town councils, parish councils and community groups to help inform the strategic direction relating to the Council's assets.
- 1.4.** This report proposes revisions to the Council's existing community asset transfer framework to bring it line with the Council's Corporate Plan and to facilitate improved and more open dialogue with partners.
- 1.5.** The proposed revised framework would specifically support the delivery of the Corporate plan as follows:
 - **Open** – the revised policy provides a clearer and more transparent process for community organisations in how to engage in the process of community asset transfers.

- **Fair**– the proposed changes will provide a consistent and supportive approach to community organisations engaging in a community transfer process. Furthermore, transfer of assets to community organisations can enable the delivery of benefits to local communities
 - **Green** – The transfer of assets could facilitate investment to improve their energy efficiency and reduce their carbon footprint. Assets could also be transferred to support the delivery community led environmental projects.
- 1.6.** The driver for the framework is about enabling use of assets for the benefit of local communities and protecting their long-term use for the benefit of residents.
- 1.7.** This has the potential to strengthen community links and provide greater access to the community, increasing the flexibility of the offer of a particular asset whilst reducing costs to the council.
- 1.8.** The council has an existing asset transfer framework in place and has been able to transfer a number of assets successfully to community organisations and local councils under this framework.
- 1.9.** However, this policy has been reviewed and updated to give a greater degree of flexibility regarding the terms of transfer and also does not explicitly exclude any category of asset from potential transfer.
- 1.10.** The Committee is now being asked to approve the latest version of the framework for the basis of Borough wide consultation.

2. Recommendations

- 2.1.** That the Committee endorses and approves the revised Policy, which is outlined in Appendix A to this report for the basis of consultation.
- 2.2.** That the Committee delegates authority to the Executive Director – Place in consultation with the Chair of the Committee to consider the results of the consultation and approve the final version of the policy.

3. Reasons for Recommendations

- 3.1.** The revised policy enables the Council to ensure the long-term use of transferred assets is protected for the benefit of residents in the Borough.
- 3.2.** The Council and its predecessors have transferred assets prior to 2011 to community groups, since this time the Council has transferred 65 assets to the next tier of local government. Since 2019 it has transferred seven assets with a further seven assets progressing to completion. However, the Council wants to increase the opportunities for the transfer of assets.

- 3.3. The community transfer of assets to eligible organisations can also support the reduction of council running costs whilst offering the benefit of allowing local communities to provide improved and sustainable services.
- 3.4. The proposed policy will enable early discussions with interested parties, which will help them understand the framework and process. It is recognised that transfer of community related assets can be complicated, and this will enable prospective recipients to understand these issues as early as possible. Further to this the Council has not sought to limit the assets to be discussed.
- 3.5. The proposed Policy is underpinned by Government Legislation in relation to best consideration, public open space, Allotments, Town and Parish Councils, restrictive covenants, state aid and Landlord and Tenant legislation. This list is not exhaustive. The policy is intended to protect Cheshire East Council in exercising its powers with regard to land and property transactions and similarly it also looks to protect the recipient of any asset. The policy is designed to enable consistent decision taking by the Council, which will generate certainty for applicants.

4. Other Options Considered

- 4.1. To continue transferring assets under the 2016 Asset Transfer Framework however the proposed new Asset Transfer Policy is considerably more flexible which will enable the Council to deal with each request on a case by case basis.
- 4.2. Not adopting this approach will reduce the Council's ability to progress efficiently through the required property transactions, increasing the burden on resources without necessarily changing the outcome for residents.

5. Background

- 5.1. The revised Policy will provide a greater flexibility on terms than has previously been possible.
- 5.2. The Policy differs from previous policies in that it does not explicitly exclude any category of asset from potential transfer and this leaves open the possibility of transfer on a case by case basis. Therefore, the range of assets available is not just limited to assets held 'surplus to requirements.
- 5.3. The premise of any transfer of an asset is that the transaction is of mutual benefit to Cheshire East Council, the receiving organisation and the local community.

- 5.4. The policy is also drafted on the basis that the transaction of transfers must proceed on a cost neutral basis with no transfer costs to be incurred by the Council (such as legal and surveyors' fees). However, the council will, at its discretion, consider waiving these fees on an exceptional basis if that is deemed to be appropriate to support a particular community objective.
- 5.5. The policy is based on a presumption in favour of a management agreement as this allows the Council a greater degree of control to protect the longer-term interests of the asset for the benefit of residents in the Borough
- 5.6. However, the Council does recognise that in some exceptional circumstances that the transfer of freehold may be desirable, for example where a considerable investment is proposed by the recipient of the asset. This will therefore be considered
- 5.7. This Policy is designed to enable consistent decision taking by the Council, which will generate certainty for applicants and will follow the due process as set out in the Policy (appendix A).

6. Consultation and Engagement

- 6.1. Town and Parish Councils have been engaged in the development of this draft policy.
- 6.2. The revised draft will be subject to a Borough Wide consultation exercise so that all community organisations can provide their views on the proposed policy.

7. Implications

7.1. Legal

- 7.1.1. The Council has the power to dispose of land pursuant to s123 of the Local Government Act 1972 subject to it being at the best consideration that can reasonably be obtained. Section 123 of the Local Government Act requires the advertisement of the proposal to dispose of open space before its disposal and proper consideration of any objections received following such advertisement.
- 7.1.2. The Council would use its powers pursuant to Section 123 of the Local Government Act 1972 to dispose of the land . The Council would have to demonstrate best consideration for any disposals or meet the requirements of the General Disposals Consent and (where necessary) seek the permission of the Secretary of State to dispose at an undervalue.
- 7.1.3. Under section 123 of the Local Government Act 1972, a local authority has the power to dispose of land. The main caveat to this power is that the Council must not do so for "a consideration less than the best that can

be reasonably obtained". This is interpreted as being the best price achievable in the open market.

- 7.1.4. It is possible for Local Authorities to dispose of land at less than best consideration where the unrestricted value of the land is less than £2million, and to do this the Council must demonstrate that value is being received in other ways that justify the monies foregone to the public purse.
- 7.1.5. All disposals must comply with the new Subsidy Control rules Further legal advice on compliance with these rules will be taken if it is proposed to dispose of any land at an undervalue
- 7.1.6. Following the recent adoption of the social value policy, the Council should also consider whether or not the transfer of the asset will be of best value to the Council, and to the community to which the asset serves. The social value of any transfer includes the consideration of any social benefits that the users of the asset will gain ie social investment and the wider financial and non-financial impacts including the wellbeing of individuals and communities, social capital and the environment. As the transfer of an asset can be of value to both the community and for the Council.

7.2. Finance

- 7.2.1. All expressions of interest received will be dealt with by using existing staffing resource within the Council.
- 7.2.2. The new Policy contains a condition that all transfers must proceed on a cost neutral basis with no costs to be incurred by the Council such as legal and surveyors' fees. Any property transferred will do so in its present condition.
- 7.2.3. Financial Implications of specific asset transfers need to be considered on a case-by-case basis and will be subject to separate decisions when the need arises.
- 7.2.4. There is an expectation within the current MTFS proposals that asset transfers will deliver a financial benefit for the Council.

7.3. Policy

- 7.3.1. The new Policy is contained within Appendix A. The Council has the ability to dispose of property as set out in the legal implications section. This approach allows a consistent approach to dealing with property transactions in general and specifically asset transfers, enabling the Council to achieve its existing aims, objectives and policies in the most efficient way possible.

7.4 Equality

- 7.4.1 An Equality impact assessment has been undertaken and it is considered that the transfer of assets to the community will enable greater access and

local say in how assets are used. It will generate increased flexibility and local 'ownership' of the asset, increasing the opportunity for a greater cohort of residents to access these assets

7.5 Human Resources

- 7.5.1** The general principle of transfer will be that TUPE applies and that staff will transfer to the relevant Town or Parish Council or Eligible Organisations where this is applicable.
- 7.5.2** Formal processes will need to be put in place to ensure a fair and smooth transfer. There are likely to be some individual instances where the transfer is subject to negotiation e.g. where a member of staff spans several relevant transferring assets but not a significant proportion at one particular asset.
- 7.5.3** It must be noted that there may be residual costs arising where TUPE does not apply but a post is no longer required as a result of transfer. HR advice, good practice and negotiation will be used to resolve such issues.

7.6 Risk Management

- 7.6.1** There are a range of risks for the Council and eligible organisations of an asset through a community asset transfer process. Clearly with any property transaction there are risks, which the Council from its perspective will actively look to manage through design of any agreements to protect the use and asset.
- 7.6.2** It is important that an eligible organisation of an asset fully understands the risks associated with a transfer of an asset. Eligible organisations will, at the right step in the process, need to be able to provide a business case and this must consider these risks. This will help the Council build the case for the asset to be transferred. The potential risks for the both the Council and an eligible organisation are outlined within the Policy.

7.7 Rural Communities

- 7.7.1** The new Policy is required in order to promote an enhanced public benefit which can be achieved by facilitating inward investment and grant funding, empowering rural communities, building the capacity of the community and developing sustainable organisations, providing improvements to local services and providing value for money in line with Councils corporate objectives.

7.8 Children and Young People/Cared for Children

- 7.8.1** Cheshire East Borough Council is committed to supporting Town and Parish Councils, Voluntary Organisations, Community Groups and Social Enterprises to improve the use of Council assets in order to benefit local residents in the communities that they reside. This approach to asset

transfers is also aligned to the Council's Corporate plan. The Corporate plan is based around a key vision of being open, fair and green.

7.9 Public Health

7.9.1 The Council is committed to supporting the most vulnerable residents, whilst enabling others to support themselves and lead a prosperous and healthy life. This is a core objective of the Council and the new Policy is aligned to this.

7.10 Climate Change

7.10.1 This proposal, as with any proposal to dispose of the Council's assets has the potential to reduce the Carbon Footprint of the Authority. It will enable recipient organisations to invest in the asset and this in turn may see not only greater use but other benefits such as improved efficiency of the asset.

| Access to Information | |
|------------------------------|---|
| Contact Officer: | Peter Skates Director of Growth & Enterprise peter.skates@cheshireeast.gov.uk |
| Appendices: | Asset Transfer Policy |
| Background Papers: | None |

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Cheshire East Council

Draft Asset Transfer Policy

Working for a **brighter future**  together



DRAFT

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1.0 Introduction and Overview

- 1.1 This policy supports the transfer of assets owned by the Council to Town and Parish Councils and voluntary organisations where this can improve the use of council assets to the benefit of residents in the local community.
- 1.2 The Council's Corporate Plan sets out the vision, priorities, and values that the Council will be following for the next five years, reinforcing the council's commitment to making Cheshire East a place where everyone can thrive.
- 1.3 One of the key aims of the plan is to support people and communities to be strong and resilient, strengthening our relationships with our partners and voluntary organisations and looking for opportunities to work together even better to deliver our joint priorities. This policy approach to asset transfer is therefore closely aligned to the Council's Corporate plan in:
 - 1.3.1 Working in partnership to support communities to address local priorities
 - 1.3.2 Involving residents and communities in the design and delivery of services
 - 1.3.3 Supporting voluntary and community sector organisations as key Partners in the delivery of services
 - 1.3.4 Making best use of our buildings and assets to support the borough and our partners
 - 1.3.5 Allowing local people to have control over how the buildings and spaces that have significance to them are used
 - 1.3.6 Providing opportunities to make reductions in the running costs of the council estate whilst also delivering local priorities
- 1.4 The Localism Act (2011) provides the legislation to allow the transfer of assets. The act sets out a series of measures with the potential to offer rights and powers for Local Councils, charitable trusts, voluntary bodies and others to be able to make decisions for themselves and take responsibility to benefit their local communities.
- 1.5 The Council first adopted a Community Asset Transfer Policy in 2011 in response to the introduction of the act to provide a clear framework to support effective transfer of assets owned by the council. This policy has been reviewed and updated and is set out below.

2.0 Aims of community asset transfer

- 2.1 The Council owns a diverse mix of assets, which are held for a wide range of reasons, however the Council recognises the opportunity that could be generated if some of these assets were in community management and / or ownership generating a range of benefits that have been set out previously.
- 2.2 This Policy is underpinned by Government Legislation in relation to best consideration, public open space, creation of new Town/Parish Councils, Allotments, restrictive covenants, state aid and Landlord and Tenant legislation. This list is not exhaustive. The policy is intended to protect Cheshire East Council in exercising its powers with regard to land and property transactions and similarly it also looks to protect the recipient of any asset.
- 2.3 The purpose of Community Asset Transfer invariably is about using assets for the benefit of the community. Therefore, this policy is also designed to protect the long-term use of transferred assets. As a result, the Council will design in protections in the legal documentation that reflect the proposals of the parties.
- 2.4 The Council also has a range of competing objectives when considering an asset for disposal, for example;
- Legislation: For example, Section 123 of the Local Government act 1972
 - Funding the Council's Capital programmes, by way of a Capital receipt
 - Generate an income by way of rental
 - Reducing the costs of the Council
 - Contribute to the Council regeneration priorities
 - Achieve corporate objectives by asset transfer to Town Councils, Parish Councils, and community organisations

The Council has to balance these potentially competing aims to maximise their contribution to achieve the objectives of the Council. A key aim of the Council will be to achieve a financial benefit on transfer.

- 2.5 Community assets are rarely used by all residents and the transfer of assets generates the opportunity for a wider range of residents to use the assets and therefore the Council will actively seek transfer to Eligible Organisations in order to promote the widest public value that can be achieved for example, facilitating inward investment and grant funding, empowering the community, building the capacity of the community and developing sustainable organisations, providing improvements to local services and providing value for money.
- 2.6 This policy is designed to enable consistent decision taking by the Council, which will generate certainty for applicants.

3.0 Benefits and Risks of Asset Transfer

- 3.1 There are a range of benefits and risks for the Council and Eligible Organisations relating to an asset being taken through a community asset transfer process. It is clear that the benefits of transfer are not only financial but can also be about the delivery of improved outcomes, which are aligned to the Council's and the Eligible Organisations corporate objectives. Clearly with any property transaction there are also risks, which

the Council will actively look to manage though design of any agreements to protect the use and asset.

- 3.2 It is important that an Eligible Organisations of an asset fully understands the opportunities and risks associated with a transfer of an asset. Eligible Organisations will, at the right step in the process, need to be able to provide a business plan and this must consider these risks and benefits. This will help the Council build the case for the asset to be transferred. For example,

The **potential benefits** of an asset transfer could include:

For the Council

- Reduce costs and management burden, or provide a rental income
- Strengthen community links and deliver social, economic and environmental benefits
- Provide greater access to the community, increasing the flexibility of the offer of a particular asset

For Eligible Organisations

- Improve ties with the local community, increasing community participation
- Generate certainty and medium to long term stability
- Improve ability to fund raise, particularly for grant funding
- Supports the development of community led projects

The **potential risks** of an asset transfer could include;

For the Council

- Potential of not being able to demonstrate value for money, and/or contravening state aid or procurement rules or other legal or regulatory constraints
- Disadvantage to the community or individuals or generate a perception of unfair advantage for one group over another
- Potential for ongoing Council cost or liabilities

For Eligible Organisations

- Increased risk and management responsibility for an asset
- Potential for the asset to become a financial liability for the recipient
- Perception of unfair advantage for one group over another
- Capacity and ability to deliver proposed services or outcomes and manage the asset
- Perception of a loss of the asset by certain sectors of the community

These risks are, in large part, managed by the processes implemented in this policy.

4.0 Eligible Organisations

- 4.1 This policy is not intended for commercial private organisations that generate a commercial return from an enterprise, distributing its profits. Other organisations, for example political parties are also not eligible. The Council will consider asset transfer to any Eligible Organisation whose delivery is aligned to the Council's objectives and its values.
- 4.2 Eligible Organisations must be able to demonstrate good governance, have an appropriate legal structure and have the capacity and competence to take responsibility for an asset, for example;
- Town and Parish Councils
 - Registered charities
 - Community Interest Companies / organisations
 - Social Enterprises
 - A constituted body
- 4.3 It is clear that, when considering organisations, their maturity and ability to manage an asset can vary. The Council will need to consider this factor when considering an asset transfer. A key document to support the Council in this decision making will be the proposals and business plan of the organisation.

5.0 Assets available for transfer

- 5.1 The Council is open to discussions about the transfer of its property assets to the next tier of local government or the community as defined under Eligible Organisations above. The Policy does not explicitly exclude any category of asset from potential transfer and this leaves open the possibility of transfer on a case by case basis. Therefore, the range of assets available is not just limited to assets held 'surplus to requirements.
- 5.2 However some assets for practical reasons are not suitable for transfer for example, where there would be a direct commercial impact to the Council or if it would hinder the delivery of the Council's services, remove the opportunity of strategic delivery of regeneration or due to the tenure of the asset may not be suitable to implement a transfer.
- 5.3 The Council also has a policy that relates to transfer of services to the community. The Council also has a policy, where the community can obtain rights to assets of community value and give an opportunity to bid for the property if it is sold. These policies are outside the scope of this policy and are called the Community Right to Challenge and the Community Right to Bid respectively. More information on these policies can be found on the Council's web pages.
- 5.4 Assets which are available for transfer will be transferred in their current condition, at nil cost to the Council and at the discretion of the Council.
- 5.5 The Council has publicly accessible information about all the assets it owns and is a good starting point to aid interested parties. For potential Eligible Organisations of

assets, the Council can provide more detailed information regarding the asset on a without reliance basis.

- 5.6 The Council's asset transfer process is not designed to provide grant funding to an Eligible Organisation. Should, as part of a business case, an applicant wants to understand the opportunity for funding, the team dealing with the asset transfer will direct applicants to the appropriate part of the Council or to another funding body. The outcome of these discussions can then feed into the applicant's planning and business case.

6.0 Asset transfer process

- 6.1 To initiate a process, the Council will conduct a series of meetings with interested parties. These will allow those bodies to understand the process and discuss and test opportunities. Following this, the process that the Council will follow when considering asset transfers is set out in Appendix A.
- 6.2 The Council will prioritise applications in order of the scale of opportunity that this delivers to the Council in terms of financial savings. A timeline will be provided to applicants in the process.
- 6.3 Community asset transfers are considered to be the freehold or leasehold transfer of assets from the Council to third parties, invariably at less than best consideration in order that a good for the community can be delivered from the asset on an enduring basis. In transferring its assets to an Eligible Organisation, the Council will consider the transfer of management, offering a short, medium or long term lease, or in exceptional circumstances the freehold. This will be considered on a case by case basis, informed by an assessment of the business case put forward by the recipient.
- 6.4 The Council is bound by s123 of the Local Government Act 1972, State Aid rules and a general fiduciary duty to residents. These factors have to be considered when considering any transfer to another party, including other local government organisations. Risk relating to these issues is managed by encumbering any lease.
- 6.5 There is a presumption in favour of management agreement or lease as this will give the option to the Council of continuing to provide services from the asset, if the proposal fails and also allows the Council a greater degree of control over the asset ensuring that the intent of the parties at the inception is carried out over the long term. The Council does recognise that in some exceptional circumstances that the transfer of freehold may be desirable, for example where a considerable investment is proposed by the recipient of the asset at the Council's discretion.
- 6.6 Eligible Organisations will be offered the opportunity to submit an informal expression of interest in Council Assets for Transfer. A copy of the form can be found at Appendix B. An outline understanding of the use will be required, but a detailed business case will not be required at this stage. This allows Eligible Organisations to raise potential asset transfers with officers of the Council and work through the implications of these together prior to expressing a formal expression of interest. This also reduces the level of resource that interested parties need to undertake prior to understanding if an asset transfer is feasible or not.
- 6.7 The Council can treat with Town and Parish Councils, using the concept of One Public Estate. The concept of One Public Estate enables government bodies to trade assets amongst themselves at market value. Community organisations with an established property link to an asset could also be an eligible interested party. Parties without a

property interest in an asset are not be able to directly benefit from this policy, however if there is sufficient interest for the use of an asset for community activities, the Council may consider marketing the asset for this purpose, with groups being able to compete for the asset through a tender process.

- 6.8 The Council also has to consider the risk of a community asset transfer not progressing and therefore accruing additional holding costs and risks to the Council. Therefore, the Council may deliver community asset transfer on a twin track approach where applications from the community can be received whilst also marketing for an open market disposal.
- 6.9 The Estates Service of the Council will consider each informal expression of interest on its merit against the proposed use of the asset and what implications does this have for the Council in terms of asset management. A list of these questions can be found in Appendix C of this policy.
- 6.10 The outcome of this assessment will be reported to the Head of Estates to establish a firm officer recommendation for asset transfer. This also allows a wide range of officer inputs from across the spectrum of services that the Council provides aiding the development of recommendations relating to the disposal.
- 6.11 Should this process consider the asset available for transfer, the interested party will be asked to submit a full asset transfer application including a robust and detailed business case. A sample application form can be found at Appendix D. This is subject to the Council being able to treat directly with the party. If the council is unable to treat directly then the usual process of property disposal may be followed where the interested party may put forward their proposals.
- 6.12 Once an application is received an asset transfer report will be submitted to the Head of Estates together with any relevant business case and financial information along with further information from relevant CEC departments to establish a firm officer recommendation. Terms for the transfer will then be agreed subject to formal approval. Following this the decision to dispose by this format is taken in line with the Council's constitution and delegations.
- 6.13 In certain circumstances, transfers can take place for a nominal value. The Council is able to do this by encumbering the asset and this also ensures that the intent of both parties at the time of transfer is protected. Should the recipient not wish to accept the encumbrances that are designed to protect the asset, the parties may wish to consider at a market value disposal. The recipient will be wholly responsible for the service and the asset save insofar as the Council chooses to take back leases of accommodation within the asset or enter into joint use arrangements or has residual legal responsibilities under contract or legislative provisions.
- 6.14 The length of the lease, restrictions on use, overage provisions and any other addition terms specific to the transfer will be determined on a case by case basis to provide a greater flexibility on terms. These considerations protect the use of the asset and also underpin the ability of the Council to offer assets to interested parties at a less than market value for the asset.
- 6.15 Where Cheshire East services will remain using a transferred asset, it will only be responsible for the general outgoings and repair and maintenance of the premises it occupies and may pay a service charge. No rent or occupancy charge will be paid. Appropriate access and operational arrangements will be agreed.

7.0 Assessment of an Asset Transfer application

- 7.1 Each asset transfer application will be assessed on its merits to determine an outcome which will either result in the application being successful or rejected.
- 7.2 Where an asset has been openly marketed for a community use there may be a choice between a number of competing proposals. In this scenario a scoring mechanism would be created to compare the comparative benefits of any proposals received.
- 7.3 Best practice for setting up any business or launching any venture is the development of a business plan. The Council therefore does not have a defined model business plan but are happy to accept and review the model that the recipient wishes to use. The recipient must have a very clear rationale for their proposal backed by a robust business plan, which demonstrates the recipient's ability to deliver their objectives and manage the asset effectively and needs to include financial and organisational capacity. The Council is happy to provide detailed information about the asset to aid the development of the recipient's business cases, subject to the recipients own due diligence. This will include most recent costs of operation, title information and existing surveys, where these are available.
- 7.4 Although a recipient organisation may choose to have more information in their business plan the minimum the Council will expect to see is set out below:
- The organisational health and capacity of the organisation
 - Benefits and risks to the transfer of the asset
 - The need for transfer and its proposed use, maintenance management and insurance of the asset
 - Business plan for the proposed use including cashflow
 - Liabilities and how these will be managed
 - How progress will be monitored and outline of any 'fall back' arrangements.
 - Statement from sponsoring Council Department
 - Proposed type of transfer, terms of transfer and reasons
- 7.5 The Council will consider the organisational health and capacity of the recipient. Some partners, such as Town and Parish Councils should be able to satisfy these requirements without detailed checks being undertaken. The following will be assessed as appropriate and information should be contained in the business plan;
- How is the organisation managed and governed? Does it have a constitution?
 - What is its status? How long has it been established?
 - Does the organisation have insurance, annual accounts or report?
 - Does it have an Equal Opportunities Policy?
 - Does it have referees?
 - Does the organisation have the expertise to take on the asset – now and in the future?
 - How does the organisation plan to build capacity?
- 7.6 The reasons for acceptance or rejection of an application will be provided to the recipient origination.

8.0 Risk Management and lease clauses

- 8.1 The Council reserves the right to include conditions to restrict the use or enable the asset to be reverted to the Council to ensure that the property remains in public ownership and ensure continued benefit to the Community. The reason for this step is to ensure that the Council complies with s123 of the Local Government Act and State Aid rules.
- 8.2 Reversion clauses enable the Council to recover the asset from the recipient of the asset and cover a range of instances where the Council may have to step in to ensure an asset remains in public ownership or there is a risk that the asset does not continue to be used for the benefit of the community. Examples of the type of event that may trigger this this type of event would be insolvency, corruption, a material breach of lease covenants, the benefits of the transfer are not realised or serious failing of service provision. The imposition of such conditions can reduce the ability of a recipient to deliver the benefits that they intend and therefore such conditions will be considered carefully during the assessment process.
- 8.3 The Council may wish to include break clauses for redevelopment or regeneration purposes.
- 8.4 It is not the intent of the Council to provide a grant by another means when providing a recipient an asset through the community asset transfer process. Therefore, where appropriate the Council will include a clawback clause in the lease. Should it be the intention of the parties to dispose of a property, once transferred to the recipient, as part of a wider proposal a separate decision will be taken in accordance with the Council's constitution, although the business case will be managed and reviewed through the community asset transfer process.
- 8.5 Town and Parish Councils are partner local government organisations and therefore the presumption is that transfers to these organisations should be less restricted than to other parties. Although terms can be different the issues around s123 of the Local Government Act would remain and may be addressed dependant on the circumstances and at the discretion of the Council by a variety of measures embedded in the transfer terms.
- 8.6 For community organisations the presumption is that an asset transfer will be by way of a lease, except in exceptional circumstances, for example where a considerable investment has been made in the asset. Restrictions will limit the use to a specific community use as set out in the recipient's business case and would require permission for any future disposal (sale or sub lease) and pay a clawback on any future sale, except in exceptional circumstances, which tapers over 25 years.
- 8.7 As part of this policy there is no scope for the Council to enter into direct awards of contracts or provide a financial provision to the receiving organisation. Should a receiving organisation wish to secure funding separately to the transfer process from the Council then it will need to do this independently to this process.
- 8.8 In imposing such conditions the Council will aim to ensure that its decisions are both transparent and consistent and will be made public.

Appendix A – Flowchart

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Asset Transfer Policy- Process



Appendix B - Informal expression of interest

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Asset Transfer Enquiry Form

Please complete the details below and forward to: property@cheshireeast.gov.uk.

Once this enquiry form has been received the information provided will be assessed against specific criteria following which an officer will inform you whether the matter can progress to the next stage.

Completing the table on this form will help facilitate a preliminary assessment of your application and establish if there is any benefit in working on a more detailed proposal. This will avoid incurring unnecessary costs in developing any proposals that the Council are unable to support either because they conflict with Council policy or there is a lack of clear outputs and benefits.

PLEASE READ CAREFULLY **Data Protection Act 1988**

The details you provide on this form will only be used in connection with your expression of interest Asset Transfer enquiry. Your information will be shared with Elected Members, colleagues within Cheshire East Council and other Voluntary and Community Agencies.

| | |
|--|--|
| Name and Address of Organisation | |
| Asset requested | |
| Registered status | |
| Proposed use of the asset | |
| Brief overview of the reasons for the request | |
| Provide details of any key dates or milestones that you are working to in respect of the request. | |
| Please provide details of any other matters that you consider pertinent | |

Appendix C– Initial asset considerations

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| Question | Yes / No | Comments / Additional Information |
|---|----------|-----------------------------------|
| Is the asset operational? | | |
| | | |
| What are the views of the relevant service of the Council and that of local ward members? Are they supportive of the proposal? | | |
| | | |
| Is asset surplus to operational requirements? | | |
| | | |
| Does the asset have any future / potential regeneration or strategic value? | | |
| | | |
| Does the asset have any future / potential redevelopment potential / value? | | |
| | | |
| Does the proposal comply with the constraints placed on the Council regarding property management? Is the proposal aligned to the Council's Policy on Community Asset Transfer? The Council needs to act within the legislative, policy and corporate constraints placed upon it. | | |
| | | |
| Does the asset generate an income? | | |
| | | |
| Does the asset have extensive management, holding, maintenance costs which will result in a significant revenue saving for the Council? | | |
| | | |
| Does the asset have an existing planning designation? | | |
| | | |
| Does the Council have any statutory processes to follow prior to any transfer? | | |
| | | |
| Are there any restrictions on title? Assets held by the Council can have a wide range of restrictions placed on them due to the way and purpose the Council holds these assets. For example, there may be restrictions that prevent the Council transferring assets or that constrain the use of an asset for a particular purpose. | | |
| | | |
| Are there any existing legal interests in respect of the asset? (i.e. leases) | | |
| | | |
| Is the asset a 'stand-alone' property? | | |
| | | |
| Is there any retained land adjacent to the asset that may be affected? | | |
| | | |
| Are there any existing land/property issues? There may be land or property issues which are not apparent at the informal stage. This information would be shared with the applicant to ensure that they had a good understanding of the issues that they may encounter at the earliest appropriate stage in the process. | | |

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Appendix D - Full Asset Transfer Application

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Asset Transfer Application Form

Please complete the details below and forward to: property@cheshireeast.gov.uk

Attached for your assistance below is a guide to the type of information required in each section.

PLEASE READ CAREFULLY

Data Protection Act 1988

The details you provide on this form will only be used in connection with your expression of interest Asset Transfer enquiry. Your information will be shared with Elected Members, colleagues within Cheshire East Council and other Voluntary and Community Agencies.

| | |
|---|--|
| Name and address of Local (Town or Parish) Council or organisation | |
| Name and address of asset | |
| Length of lease required or are you requesting the devolution of services? | |
| How is it proposed that the asset will be used to address the priorities of the local neighbourhood? | |
| How will the asset be used to benefit the local community? | |
| How will use of the asset link to the priorities set out in the local plan? | |
| Demonstration that the use of the asset and responsibility for it can be managed, and will be cost-neutral from a Cheshire East Council's perspective | |

| | |
|--|--|
| | |
| Please demonstrate the long-term sustainability of the asset via a business case | |
| Details of deadlines / timelines which would impact on outcomes. | |
| Any other information that you consider relevant to support your application. | |

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The table below provides a breakdown of the information required to complete the summary section of the application form.

| Details of use and circumstances | Specify relevant details |
|--|--|
| Evidence supporting priorities in the local neighbourhood. | Add details including: <ul style="list-style-type: none"> • Information relating to the role of your organisation. • Opportunities to engage with the local neighbourhood. • Information of how your community group gathers views of the local community. • How your Council or community group complements local services. • Fill gap in provision locally • Improvement to local services, including evidence of working in partnership. |
| Information how the asset be used to benefit the local community. | Add details including: <ul style="list-style-type: none"> • Main or subsidiary uses, any services, activities offered • level of use • Identity of user groups • Whether local or have a wider significance • Current condition and how it would improve • Network / Franchise / potential Franchise within the Community Hub. • Estimated costs of any repairs / maintenance. Identify how recent this information is, • Assessment of how the proposals will improve the economic and social offer in the locality |

| | |
|---|--|
| | <ul style="list-style-type: none"> Funding associated with the asset where conditions on its user ownership may apply. |
| Information linked to the priorities set out in the Local Plan. | <p>Add details including:</p> <ul style="list-style-type: none"> Assessment of how well the proposals contribute to CEC Corporate plan priorities/Themes/Objectives Details of creating employment in the local economy Improve skill levels for local people Support the local economy |
| Demonstration that transfer will offer a cost neutral status to Cheshire East Council. | <p>Add details including:</p> <ul style="list-style-type: none"> Any improvements required to the asset prior to transfer identified and accounted for financially. Legal fees. Ongoing maintenance, management within the expenditure of Community Group. |
| Long term sustainability | <p>Add details including:</p> <ul style="list-style-type: none"> Existing contractual or financial obligations on the asset, covenants on the asset etc. Community empowerment Promoting a sustainable community and voluntary sector (supporting Community Hub evidence). Information of any previous asset transfers to your Council or group (case studies), Plans to expand, volunteering opportunities. Present an opportunity for a 'non-operational' asset to be used. Represent the best use of the asset particularly in the medium to long-term Repair and maintenance budgets Opportunity costs Funding commitments – applications to support plans and receive financial support from other bodies. |

| | |
|-------------------------------|--|
| | <ul style="list-style-type: none"> Existing freehold/leasehold arrangements, other contractual arrangements or any. Information relating to proposed term of lease with CEC. |
| Timescales / deadlines | <p>Add details including:</p> <ul style="list-style-type: none"> Funding applications dependant on ownership Planning application |

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Working for a brighter future together

Economy and Growth Committee

| | |
|-----------------------------|--|
| Date of Meeting: | 15 July 2021 |
| Report Title: | Economy and Growth Budgets 2021/22 |
| Report of: | CLT Lead Officer: Alex Thompson, Director of Finance & Customer Services |
| Report Reference No: | EG/03/21-22 |
| Ward(s) Affected: | All wards and all members will be affected and impacted by the content of the MTFS and Corporate Plan. |

1. Executive Summary

- 1.1. The Corporate Plan and Medium-Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2021/22 to 2024/25 was approved by full Council on 17th February 2021.
- 1.2. Cheshire East Council provides in the region of 500 local services every day. During 2020/21 the Council drafted and consulted on a new Corporate Plan to articulate a vision of how these services will make Cheshire East an Open, Fairer and Greener borough. The MTFS matches forecast resources to the costs associated with achieving the Council's vision.
- 1.3. The Finance Sub Committee meeting on the 1st July 2021 approved the allocation of the approved capital and revenue budgets, related policy proposals and earmarked reserves to each of the service committees.

2. Recommendations

- 2.1. To note the decision of the Finance Sub-Committee to allocate the approved capital and revenue budgets, related policy proposals and earmarked reserves to the Economy and Growth Committee, as set out in Appendix A.
- 2.2. To note the MTFS timelines, as set out in paragraphs 5.9 – 5.12.
- 2.3. To note the supplementary estimates and virements as set out in Appendix B.

3. Reasons for Recommendations

- 3.1.** The Economy and Growth Committee has the responsibility for the oversight, scrutiny, reviewing of outcomes and performance, budget monitoring and risk management of the Directorate of Growth and Enterprise (with the exception of land and property functions) including: Facilities Management; Assets; Farms; Economic Development; Housing; Rural and Cultural Management; Tatton Park; Public Rights of Way; Cultural Economy; Countryside; and the Visitor Economy.
- 3.2.** Finance Sub-Committee met on 1st July and set out the budgets in accordance with the above responsibilities.

4. Other Options Considered

- 4.1.** Not applicable.

5. Background

- 5.1.** All councils are legally required to set a balanced budget each year. The Budget Setting Process 2021-2025 was developed and endorsed by the Cabinet and Corporate Leadership Team in May 2020 and the MTFS was approved by full Council in February 2021.
- 5.2.** Page 17 of the MTFS includes a Report from the Chief Finance Officer in line with the Section 25(1) of the Local Government Finance Act 2003. This report confirms that the MTFS is balanced and that the Chief Finance Officer is satisfied with the robustness of the estimates and the adequacy of the financial reserves of the Council. The report also highlights the factors taken in to account in arriving at this judgement including relevant financial issues and risks facing the Council during the medium term.
- 5.3.** Finance Procedure Rules set limits and responsibilities for movement of funds within this balanced position, treating reserves as part of this overall position. Any movement within this balanced position is treated as a virement. To increase the overall size of the MTFS requires a supplementary estimate, which must be backed with appropriate new funding and approved in line with the Procedure Rules.
- 5.4.** On 19th November 2020 the Council resolved to cease operating the existing Leader and Cabinet model of governance and implement a committee system model of governance to take effect from the Annual Council meeting on 4th May 2021.
- 5.5.** To support accountability and financial control the 2021/22 budget is being reported across the Committees based on their associated functions. This report sets out the allocation of the revenue and capital budgets and earmarked reserves to the Economy and Growth committee in accordance with its functions.
- 5.6.** Each committee Function has been associated with a Director budget. Budget holders are responsible for budget management. Where a team

supports multiple Directors (most notable in Corporate Services) the budget remains with the Director and is not split, for example, Governance and Democratic Services are aligned to the Corporate Policy Committee even though the activity of the team is split across all teams.

- 5.7.** The financial alignment of budgets to each Committee is set out in Table 1 with further details on the Economy and Growth Committee budgets in Appendix A.

Table 1: Revenue and Capital Budgets allocated to service committees as per the approved MTFS

| Committee | Expenditure £m | Income £m | Net Budget £m | Total Capital Budget £m | Total Rev + Cap £m |
|--------------------------------------|-------------------|-----------------|------------------|----------------------------------|--------------------------|
| Adults and Health | 178.348 | -59.304 | 119.044 | 1.434 | 120.478 |
| Highways and Transport | 23.090 | -11.849 | 11.241 | 90.996 | 102.237 |
| Children and Families | 74.100 | -5.906 | 68.194 | 22.683 | 90.877 |
| Economy and Growth | 32.692 | -10.866 | 21.826 | 31.459 | 53.285 |
| Environment and Communities | 52.512 | -10.613 | 41.899 | 11.220 | 53.119 |
| Corporate Policy | 112.635 | -76.421 | 36.214 | 6.451 | 42.665 |
| Finance Sub Committee | 19.340 | -6.662 | 12.678 | 7.030 | 19.708 |
| | | | -311.096 | -171.274 | -482.370 |
| Original Budget (MTFS Feb 21) | 492.717 | -181.621 | 0.000 | 0.000 | 0.000 |

- 5.8.** The 2021-25 MTFS includes a net revenue budget of £311.1m and an approved capital programme of £171.3m for the financial year 2021/22. Further details on the schemes within the capital programme for the Economy and Growth Committee are provided in Appendix A.

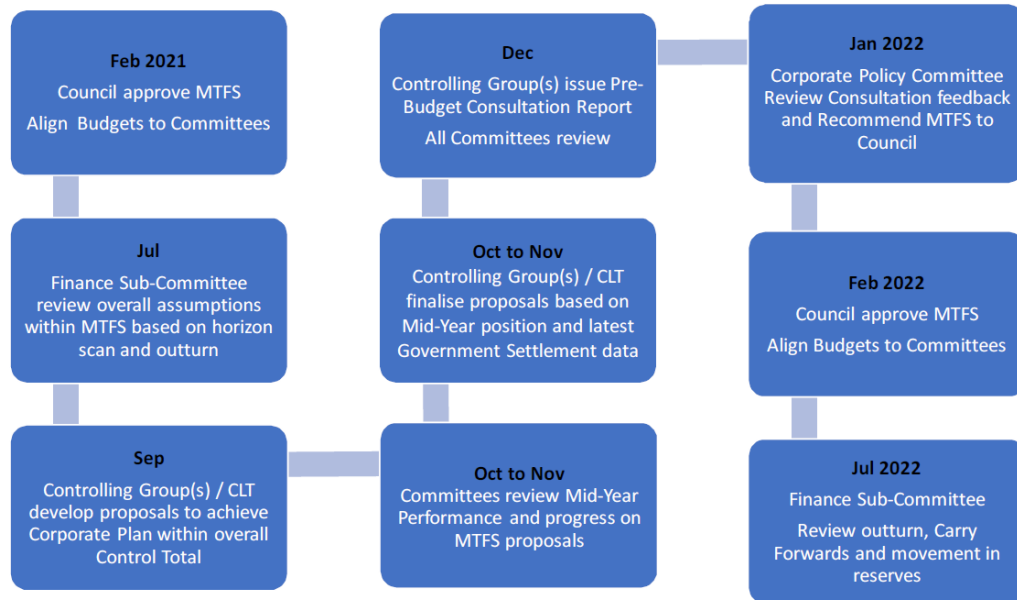
MTFS Timelines

- 5.9.** Council wide budget control rests with the Corporate Policy Committee (and Finance Sub Committee) and Council. Budgets have been aligned with service committees to facilitate expenditure assurance but committees do not hold 'a budget'. Responsibility for budget management remains with officers but the Committee is responsible for assuring the budget is spent on delivering the objectives set out in the policy framework of the Corporate Plan.
- 5.10.** The new budget process will provide each committee with a review of the mid year position and the opportunity to comment on future proposals relating to their areas, by individual service area, which can be considered with the new budgetary consultation process and will be considered by Corporate Policy Committee for recommendation to Council.
- 5.11.** Sessions will be arranged for all members in advance of the wider consultation on proposals. This will increase opportunities for all members to engage with the process to review the Medium Term Financial Strategy. Members will be invited to attend sessions that will allow them to share ideas to support development of future proposals in an informal setting. This

approach was well received when trialled in 2019, but, due to circumstances, could not be re-run in 2020.

5.12. The budget setting process is set out below:

Indicative Budget Setting Process



6. Consultation and Engagement

- 6.1.** The annual business planning process involves engagement with local people and organisations. Local authorities have a statutory duty to consult on their Budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with other stakeholder groups. The Council continues to carry out stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.
- 6.2.** Cheshire East Council conducted an engagement process on its Medium-Term Financial Plans through a number of stages running from December 2020 to Council in February 2021.
- 6.3.** The budget consultation launched on-line on the 2nd December 2020, included details of the proposals against each (draft) Corporate Plan aim. This consultation was made available to various stakeholder groups and through a number of forums.

7. Implications

7.1. Legal

- 7.1.1. The legal implications surrounding the process of setting the 2021 to 2025 Medium Term Financial Strategy were dealt with in the reports relating to that process.

7.2. Finance

- 7.2.1. Contained within the main body of the report.

7.3. Policy

- 7.3.1. The Corporate Plan sets the policy context for the MTFs and the two documents are aligned. Any policy implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

7.4. Equality

- 7.4.1. The Council needs to ensure that in taking decisions on the Medium Term Financial Strategy, the Budget and the Corporate Plan, the impacts on those with protected characteristics are considered. The Council undertakes equality impact assessments where necessary and continues to do so as proposals and projects develop across the lifetime of the Corporate Plan. The process assists us to consider what actions could mitigate any adverse impacts identified. Completed equality impact assessments form part of any detailed Business Cases.
- 7.4.2. Any equality implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

7.5. Human Resources

- 7.5.1. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

7.6. Risk Management

- 7.6.1. 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 2021/22 budget and the level of general reserves were factored into the 2021/22 financial scenario, budget and reserves strategy.

7.7. Rural Communities

- 7.7.1. The report provides details of service provision across the borough.

7.8. Children and Young People/Cared for Children

- 7.8.1. The report provides details of service provision across the borough.

7.9. Public Health

- 7.9.1.** Public health implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

7.10. Climate Change

- 7.10.1.** Any climate change implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

| Access to Information | |
|------------------------------|--|
| Contact Officer: | Alex Thompson Director of Finance and Customer Services (Section 151 Officer) alex.thompson@cheshireeast.gov.uk |
| Appendices: | A - Allocation of capital and revenue budgets, earmarked reserves and policy proposals to service committees B – Supplementary Estimates |
| Background Papers: | The following are links to key background documents: Medium Term Financial Strategy 2021-25 |

Appendix A – Allocation of capital and revenue budgets, earmarked reserves and policy proposals to service committees.

| 2021/22 Economy & Growth Committee MTFS page 172 | Exp £m | Inc £m | Revenue Budget £m | Capital Budget £m | Total Rev + Cap £m |
|---|-------------------|--|----------------------------------|----------------------------------|-----------------------------------|
| Estates | 17.154 | -3.858 | 13.296 | | |
| Economic Development | 1.662 | -0.510 | 1.152 | | |
| Rural & Visitor Economy | 8.404 | -5.086 | 3.318 | | |
| Housing | 3.830 | -0.883 | 2.947 | | |
| Directorate | 1.642 | -0.529 | 1.113 | | |
| Capital Programme | | | | 31.459 | |
| Total | 32.692 | -10.856 | 21.826 | 31.459 | 53.285 |
| Earmarked Reserves | | Estimated Opening Balance as at 1st April 2021 £m | | | |
| Sustainability & Investment Portfolio | | 0.34 | | | |

Economy and Growth Committee

CAPITAL PROGRAMME 2021/22 - 2024/25

| Scheme Description | Forecast Expenditure | | | | | Total Budget £000 |
|---|----------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
| | Prior Years £000 | Budget 2021/22 £000 | Budget 2022/23 £000 | Budget 2023/24 £000 | Budget 2024/25 £000 | |
| Committed Schemes - In Progress | | | | | | |
| Growth and Enterprise | | | | | | |
| Archive Option Development | 276 | 120 | 0 | 0 | 0 | 396 |
| Astbury Marsh Caravan Park | 100 | 147 | 0 | 0 | 0 | 247 |
| Connecting Cheshire 2020 | 1,207 | 4,810 | 1,234 | 0 | 0 | 7,250 |
| Connecting Cheshire Phase 2 | 5,366 | 536 | 332 | 0 | 0 | 6,234 |
| Connecting Cheshire | 28,929 | 300 | 295 | 0 | 0 | 29,524 |
| Corporate Landlord - Operational | 999 | 18 | 5 | 0 | 0 | 1,022 |
| Countryside Capital Projects | 600 | 5 | 0 | 0 | 0 | 605 |
| Countryside Vehicles | 518 | 101 | 0 | 0 | 0 | 619 |
| Crewe Town Centre Regeneration | 11,795 | 975 | 15,139 | 314 | 3,781 | 32,004 |
| Disabled Facilities | 14,680 | 2,400 | 2,400 | 0 | 0 | 19,480 |
| Farms Strategy | 1,762 | 300 | 300 | 1,018 | 0 | 3,380 |
| Gypsy and Traveller Sites | 1,170 | 2,096 | 0 | 0 | 0 | 3,266 |
| Home Repairs for Vulnerable People | 100 | 300 | 200 | 0 | 0 | 600 |
| Leighton Green | 1,548 | 200 | 150 | 198 | 0 | 2,096 |
| Macclesfield Town Centre | 639 | 1,580 | 0 | 0 | 0 | 2,219 |
| Malkins Bank Golf Course - Phase 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Cheshire Garden Village | 5,470 | 3,732 | 10,500 | 10,025 | 0 | 29,727 |
| Premises Capital (FM) | 26,098 | 4,375 | 0 | 0 | 0 | 30,473 |
| PROW CMM A6 MARR | 2 | 98 | 0 | 0 | 0 | 100 |
| Public Rights of Way: Capital Structures Investments | 62 | 37 | 0 | 0 | 0 | 99 |
| Public Rights of Way Capital Works | 788 | 10 | 0 | 0 | 0 | 798 |
| Public Rights of Way: Flood Damage Capital Investment | 93 | 29 | 0 | 0 | 0 | 122 |
| Rural & Green S106 Schemes | 74 | 21 | 22 | 0 | 0 | 117 |
| Schools Capital Maintenance | 3,468 | 135 | 0 | 0 | 0 | 3,603 |
| Septic Tanks | 317 | 319 | 0 | 0 | 0 | 636 |
| South Macclesfield Development Area | 3,011 | 3,534 | 10,395 | 7,873 | 0 | 24,814 |
| St Annes Car Park | 173 | 5 | 0 | 0 | 0 | 178 |
| Tatton Park Investment Phase 2 | 1,414 | 1,470 | 401 | 0 | 0 | 3,285 |
| Total Committed Schemes - In Progress | 110,660 | 27,654 | 41,373 | 19,428 | 3,781 | 202,895 |
| New Schemes | | | | | | |
| Environment and Neighbourhood Services | | | | | | |
| Green Investment Costs | 0 | 3,600 | 350 | 0 | 0 | 3,950 |
| Replacement CCTV Cameras | 0 | 205 | 0 | 0 | 0 | 205 |
| Total New Schemes | 0 | 3,805 | 350 | 0 | 0 | 4,155 |
| Total Capital Schemes | 110,660 | 31,459 | 41,723 | 19,428 | 3,781 | 207,050 |

OFFICIAL

| Budget Policy Proposal | 2021/22 £000 | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 |
|---|-----------------|-----------------|-----------------|-----------------|
| [80] Tatton Park | | -6 | -28 | -46 |
| [30] Public Rights of Way Resources (Revenue implications of Capital) | 10 | | | |
| [49] Estates Transformation - Office Accommodation | -44 | -100 | -460 | |
| [51] Neighbourhood Estate Review | -90 | -260 | | |
| [81] Asset / Service Transfer | -50 | -30 | -20 | |
| [83] Housing Services | -45 | | | |
| [79] Development of a Transit Site (Revenue implications of Capital) | 27 | | | |
| [25] Transfer of Congleton Visitor Information Centre | 1 | -20 | -10 | -20 |
| Investment Income: Income Target Adjustment | 575 | | | |

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Appendix B – Supplementary Estimates

Table A - Supplementary Estimates less than £1,000,000

| Committee | Year | Type of Grant | £000 | Details |
|----------------------------------|---------|---|------------|---|
| Economy & Growth | 2021/22 | Homelessness Prevention (Specific Purpose) | 560 | Homelessness Prevention Fund is to be used for the following: <ul style="list-style-type: none"> - To fully enforce the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness - To reduce family temporary accommodation numbers through maximising family homelessness prevention - To eliminate the use of unsuitable bed and breakfast accommodation for families for longer than the statutory six week limit |
| Economy & Growth | 2021/22 | Rough Sleeping Initiative (Specific Purpose) | 371 | Funding has been used to establish or continue Rough Sleeping Initiative services agreed by the Ministry of Housing Communities and Local Government (MHCLG) to immediately intervene in, prevent and reduce rough sleeping in financial year 2021/22. |
| Economy & Growth | 2021/22 | COVID-19 Cold Weather Fund (Specific Purpose) | 6 | The Cold Weather Fund is to be used to enhance accommodation provision such as access to the private rented sector, provide space in existing supported housing projects and fund more emergency accommodation for rough sleepers. |
| Total Grants £1m or Below | | | 937 | |

Table B – Urgent Decisions already made

| Committee | Year | Type of Grant | £000 | Details |
|-------------------------------|---------|---|-----------|---|
| Economy & Growth | 2020/21 | Covid-19 Towns Fund Initial Capacity Funding (Specific Purpose) | 40 | June Council. Towns Fund Capacity Grant for Crewe - £40,000 of capacity funding to support the development of the business case over the next 12 months. The Ministry of Housing, Communities and Local Government require, over the next 12 months, that the Council and the Town Board provide detailed business cases for projects identified in its initial submission for the Towns Fund on 29 th January 2021. |
| Decisions Already Made | | | 40 | |

Work Programme – Economy and Growth Committee – 2021/22

| Reference | Committee Date | Report title | Purpose of Report | Report Author /Senior Officer | Consultation and Engagement Process and Timeline | Equality Impact Assessment Required and Published (Y/N) | Part of Budget and Policy Framework (Y/N) | Corporate Plan Priority | Exempt Item and Paragraph Number |
|-------------|----------------|---|--|--|--|---|---|-----------------------------------|----------------------------------|
| EG/01/21-22 | 15 Jul 2021 | Housing Development Framework - Update on Procurement Process and Sites Selection | To provide an update on the procurement of the framework and advise on the sites which have been selected to go through the framework. | Director of Growth and Enterprise | TBC | TBC | Yes | A thriving and sustainable place | Part Exempt Paragraph 3 |
| EG/02/21-22 | 15 Jul 2021 | Asset Transfer Policy | To approve a new Asset Transfer Policy. | Executive Director Place | TBC | TBC | Yes | A thriving and sustainable place | N/A |
| EG/03/21-22 | 15 Jul 2021 | Economy & Growth Budget 2021/22 | To receive a report on the capital and revenue budgets for 2021/22 and to note or approve virements and supplementary estimates as required. | Director of Finance and Customer Services (s151 Officer) | N/A | N/A | Yes | An open and enabling organisation | |
| EG/01/21-22 | 16 Sep 2021 | Capital Development Project - Broadways Meadows MSCP | To approve a Development Project for a new Multi Storey Car Park in Wilmslow. | Director of Growth and Enterprise | TBC | TBC | yes | A thriving and sustainable place | |
| EG/05/21-22 | 16 Sep 2021 | Homeless and Rough Sleeping Strategy 2021-2025 - Feedback on Consultation | To provide feedback on the consultation and seek approval for the final version of the strategy. | Director of Growth and Enterprise | TBC | TBC | Yes | A thriving and sustainable place | |
| EG/06/21-22 | 16 Sep 2021 | Connecting Cheshire - Future Phases | To report on digital connectivity and infrastructure future phases. | Director of Growth and Enterprise | TBC | TBC | Yes | A thriving and sustainable place | |
| EG/07/21-22 | 16 Sep 2021 | Rural Strategy Update | To receive an update on the Rural Strategy. | Director of Growth and Enterprise | TBC | TBC | Yes | A thriving and sustainable place | |
| EG/08/21-22 | 16 Sep 2021 | Report from Tatton Park Board | To receive an update from Tatton Park Board. | Director of Growth and Enterprise | TBC | TBC | Yes | A thriving and sustainable place | |

| Reference | Committee Date | Report title | Purpose of Report | Report Author /Senior Officer | Consultation and Engagement Process and Timeline | Equality Impact Assessment Required and Published (Y/N) | Part of Budget and Policy Framework (Y/N) | Corporate Plan Priority | Exempt Item and Paragraph Number |
|-------------|----------------|---|--|-----------------------------------|--|---|---|-----------------------------------|----------------------------------|
| EG/09/21-22 | 15 Nov 2021 | Corporate Asset Management Strategy | To seek endorsement of the Council's Asset Management Strategy. | Director of Growth and Enterprise | TBC | TBC | Yes | A thriving and sustainable place | |
| EG/10/21-22 | 15 Nov 2021 | Update on Town Centre Regeneration Programmes | To report Progress on Town centre regeneration initiatives in Crewe & Macclesfield | Director of Growth and Enterprise | TBC | TBC | yes | A thriving and sustainable place | |
| EG/11/21-22 | 15 Nov 2021 | Mid-Year Finance Review | To receive an update on the financial position for 2021/22 and to note or approve supplementary virements as required. | Director of Growth and Enterprise | N/A | N/A | Yes | An open and enabling organisation | |
| EG/12/21-22 | 11 Jan 2022 | Third Quarter Finance Review | To receive an update on the financial position for 2021/22 and to note or approve virements and supplementary estimates as required. | Director of Growth and Enterprise | N/A | N/A | Yes | An open and enabling organisation | |
| EG/13/21-22 | 11 Jan 2022 | Medium Term Financial Strategy | To respond to the budget consultation. | Director of Growth and Enterprise | N/A | N/A | yes | An open and enabling organisation | |



Working for a brighter future together

Economy and Growth Committee

Date of Meeting: 15th July 2021

Report Title: Housing Development Framework - update

Report of: CLT Lead Officer: Frank Jordan – Executive Director - Place

Report Reference No: EG/01/21-22

Ward(s) Affected: All wards

1. Executive Summary

- 1.1. On the 5th May 2020, Cheshire East Cabinet approved the procurement and establishment of a Housing Development Framework to commission the development of mixed tenure housing provision on certain sites where this was deemed to be appropriate.
- 1.2. Delegated authority was given to the Executive Director – Place in consultation with the Portfolio Holder of Environment and Regeneration to:
 - 1.2.1. Award and enter into a Framework agreement with a minimum of two and up to eight Housing Providers who meet the procurement criteria and requirements of the Framework.
 - 1.2.2. To identify and approve appropriate Council owned land assets to be taken through the Framework
 - 1.2.3. To approve the award of financial contributions held by the Council in lieu of affordable housing provision, to enhance development opportunities which are in line with the requirements specified under the terms of any Section 106 agreement where such financial contributions are made.
- 1.3. Work on this has been progressing and the aim of this report is to provide an update on the project and to seek support for the sites which we are proposing to take forward through this process.

- 1.4.** The establishment of a Housing Development framework supports the delivery of the Corporate Plan as follows:

Open - The selection of organisations to work with the Council has been established following a robust, transparent procurement process. The framework will deliver much needed housing

Fair - The proposal provides the Council with an opportunity to influence the type of development to meet housing need, especially in relation to increasing affordable housing and specialist housing provision.

Green - Through the framework we will deliver homes which are well designed, affordable and safe, contributing to the environmental, social and economic wellbeing of the Borough.

- 1.5.** Furthermore, on 8th October 2019 Cabinet received a report in relation to the disposal of the former Vernon Primary School, Poynton. Approval was obtained to proceed with the required actions to move the site forward for disposal, whilst delegating authority to the Executive Director for Place in consultation with the Portfolio Holder for Environment and Regeneration to develop a disposal strategy for the Site and to report back to Cabinet with the proposed strategy and recommendations for the method of disposal of the Site.
- 1.6.** Following an assessment of the site, it was felt that it provided an opportunity to deliver much needed affordable housing within one of the Council's highest house priced areas and would be a good site for inclusion within the Housing Development Framework.
- 1.7.** This report therefore seeks approval of the proposed strategy for the disposal and re development of the former Vernon Primary School.

2. Recommendations

- 2.1.** That the Economy and Growth Committee:
- 2.1.1.** Note the progress which has been made in relation to the procurement of the Housing Development Framework.
 - 2.1.2.** Supports the disposal route of the sites which have been identified for progression through the Housing Development Framework (Appendix One).
 - 2.1.3.** Approves of the disposal route of the former Vernon Infant School, Poynton through the Housing Development Framework.
 - 2.1.4.** Notes that the final decisions regarding the disposal of these sites will be undertaken in line with decision making processes for land and property disposals as outlined in the constitution

3. Reasons for Recommendations

- 3.1.** The rationale for the establishment of the Housing Development Framework is that the Council has the ability to intervene in the market to:
 - 3.1.1.** Contribute towards the housing supply across the Borough in order to address identified housing need
 - 3.1.2.** Deliver specialist housing provision in the Borough
 - 3.1.3.** Reduce the current use and cost of temporary accommodation.
 - 3.1.4.** Have the potential to provide a revenue stream for the Council as opposed to a one-off capital receipt.
- 3.2.** This approach will contribute towards the ambition set out within the new Corporate Plan 2021-2025 to enable access to well designed, affordable, and safe homes for all our residents.
- 3.3.** This paper also sets out a disposal strategy for the former Vernon Infant School, in Poynton
- 3.4.** The former Vernon Infant School has been declared surplus and is now vacant. The site is incurring holding costs and therefore consideration has been given to the best route to dispose of the site, whilst ensuring that any future developments meets the needs of the community and also enables the required reinvestment back into the local education sports provision in Poynton.
- 3.5.** There have been very few opportunities to bring forward a site for affordable housing in the Poynton area, which will provide opportunities for local residents to access affordable housing provision to rent and purchase in what is one of the highest house price area in Cheshire East.
- 3.6.** Over the last 3 years, there have been no affordable homes delivered in Poynton. There are currently 3 strategic development sites within Poynton which will bring forward 121 affordable housing in the future, of which 78 will be for rent.
- 3.7.** The current social housing waiting list data highlights that 153 households have applied for rented social housing provision in Poynton, however this may not reflect the total demand as residents acknowledge the limited provision and will register for other areas to enable them to secure affordable housing.

- 3.8. It is important that residents in Poynton who are seeking their first house, or need to move due to an expanding family, have the choices available to them to stay within their community, close to friends and family, and to access property that is both of quality and affordable, without the requirement to move to other towns and areas.
- 3.9. House price data in Poynton demonstrates that to access a 2 bedroomed house (current average asking price of £299,722) a resident would require an income of £63,275 (based on a 5% deposit and 4.5 times income), making it unachievable for those in receipt of average incomes, which are currently £31,700, (source: Income estimates for small areas, England and Wales: financial year ending 2018 - Office for National Statistics (ons.gov.uk))
- 3.10. Most first-time buyers are priced out of the market and have to rely on the private rented market if they wish to stay within the area. The average rent for a 3 bedroomed property in Poynton is £950pcm (source: home.co.uk) which makes it unaffordable for the majority and especially those reliant on the welfare benefits system who are excluded from the market as Local Housing Allowance rates (3 bedroomed house £824.99) will not cover the average private rented property unless they can access affordable rented provision.

4. Other Options Considered

- 4.1. In relation to the Housing Development Framework, a variety of mechanisms were considered or tested over a period of time to meet the objectives of increasing affordable housing provision, having control over the type and tenure of provision developed and securing a revenue stream. These were considered by Cabinet Members and it was agreed that the establishment of a Housing Development Framework was the most appropriate method.
- 4.2. The alternative option in relation to the former Vernon Infant School would be to take the site to market. Whilst this would potentially generate a higher capital receipt it would not enable the Council to have any control or influence over the future development of the site.

5. Background

- 5.1. **Housing Development Framework** - The Framework has been procured in accordance within the Council's Contract Procedure Rules.

- 5.2. The Framework will be in place for a period of 3 years with the ability to extend it for a further 12 months. During this period, the Council will be able to conduct mini competitions for the development of individual or packaged parcels of Council owned land.
- 5.3. We do not have to provide a guarantee of the volume of sites to be procured through this route nor are we contractually locked into this arrangement should a more viable alternative route be identified.
- 5.4. Appendix One outlines the initial sites that have been identified to be developed through this framework (this forms Part Two of this report due to the fact they are commercially sensitive). We are seeking Member support for the disposal route of these sites.
- 5.5. These sites are predominately brownfield sites which in some cases have vacant buildings on site. The sites have been through a process of identification. Officers reviewed the Council's disposal schedule, which outlines the assets that may come forward for disposal in the short to medium term. Services have been consulted to ascertain if they have a use for these assets, before commencing the disposal process. As part of this exercise, interest in these assets was identified for the Housing Development Framework. The reason that these sites were identified was at this stage the assets were deemed to be potentially suitable for this use.
- 5.6. Following the mini competition process, formal approval for disposal will be obtained in line with the Council's Constitution.
- 5.7. The Local Plan seeks to protect open space and greenbelt and therefore careful consideration has been given to the sites prior to selection to ensure that they meet the requirements of the Local Plan.
- 5.8. In addition to the information within this report a further questions and answers briefing has been compiled which is hoped to provide further clarification for Members – Appendix Two
- 5.9. **The former Vernon Infant School** –The school has been declared surplus to operational requirements and was closed in 2007, having been empty for a number of years it is now in a poor state of repair.
- 5.10. The site has been recommended as a parcel to be included in the Draft Site Allocations and Development Policies Document (SADPD) to deliver circa 50 dwellings and has previously had planning consent for an extra care scheme in 2010 (now expired). The site consists of the former school and a proportion of the playing field. The disposal of part of the school playing fields would not result in the adjacent Primary School having insufficient provision as they will still have in excess of the DfE guidance for playing pitch provision.

- 5.11.** It was agreed that consideration should be given to the most appropriate disposal route and development strategy, which then would require further approval by Cabinet, now through the Committee process.
- 5.12.** All the requirements have now been undertaken in order to facilitate the disposal of the site including
- 5.12.1.** The Council placed an advertisement in the local newspaper in respect of the proposed disposal of the public open space land at the Former Vernon Infant School for two consecutive weeks on 20th and 27th December 2019, in accordance with Section 123 of the Local Government Act 1972 (as amended by Section 118 of the Local Government Planning and Land Act 1980), and placed the same notice on the website of the Council during that period.
 - 5.12.2.** This allowed the local community/residents to comment, make objections or representations on the disposal. The deadline for such comments, objections or representations was 5pm on the 13th December 2019. The Council received no objections to the proposed disposal of the former Vernon Infant School site as advertised.
 - 5.12.3.** The Council carried out a consultation exercise for 8 weeks from December 2020 to January 2021 as part of the application to the Department for Education with regard to the disposal of playing fields. The Council received 7 representations who objected to the sale of the section of playing field, expressing concerns over flooding and the development of houses on the site These representations will be submitted with the S77 application.
 - 5.12.4.** The next step is to undertake a formal valuation report which to be included (by an independent valuer with RICS approval and a list of schemes needs to be determined, which the Council is considering and how these schemes are sustainable. The projects are listed in a hierarchy should the enclosed valuation not be achieved to allow some flexibility.
- 5.13.** This site would provide a good opportunity for the Council to influence the type of development required on the site and for it to contribute towards the Corporate target of increasing the numbers of affordable homes through the Housing Development Framework. The Housing Development Framework presents this opportunity.

5.14. Following this decision and in order to achieve the benefits set out in this report, less than best consideration decisions may need to be made on a case by case basis. These decisions would be supported by the relevant professional advice and in line with the legal implications set out below.

5.15. The recommendation is therefore for the site to be included in the framework for the provision of family houses (affordable rent and sale) and older persons bungalows, which would meet some of the housing need in the area.

6. Consultation and Engagement

When allocating the sites through the framework, the successful organisation will be expected to undertake consultation as part of the planning process. Ward Members and local residents' engagement will form part of this process prior to completion of a final design.

Other consultations may be required as part of the process for the disposal of sites.

7. Implications

7.1. Legal

7.1.1. The Council has the power to dispose of land pursuant to s123 of the Local Government Act 1972 subject to it being at the best consideration that can reasonably be obtained. Section 123 of the Local Government Act requires the advertisement of the intention to dispose of open space before its disposal and proper consideration of any objections received following such advertisement. The consent of the Secretary of State is required prior to the disposal of land used as school playing fields by a maintained school in the period that is ten years prior to the disposal pursuant to s77 of the School Standards and Framework Act 1998.

7.1.2. General Housing Consents will apply if any of the sites have been appropriated for housing purposes.

7.1.3. The consent of the Secretary of State is required prior to the disposal of land used as school playing fields by a maintained school in the period that is ten years prior to the disposal pursuant to s77 of the School Standards and Framework Act 1998

7.1.4. The sale of developed or undeveloped land does not constitute a public works contract. However, it may be the case that an authority led development will result in the award of a public works contract where it falls within the ambit of the Public Contracts Regulations 2015 ("the Regulations"). Where the Council intends to impose by way of legal obligations on the developer the requirement to develop a site in a specific way this will give rise to a need to procure such a

contract. A Framework enables the Council to meet its need for a service, supply of goods or works for a set period of time in order to obviate the need to undertake a wide competitive procurement process for each individual scheme. It complies with the Regulations and the Council's Contract Procedure Rules.

- 7.1.5.** Under section 123 of the Local Government Act 1972, a local authority has the power to dispose of land but must achieve best consideration i.e. achieve the best price for the disposal
- 7.1.6.** However, the council is able to dispose of land at less than best consideration if the environmental, economic and social well-being of the residents in the local area is improved as a consequence subject to the undervalue being no more than £2million.
- 7.1.7.** Furthermore, all disposals must comply with the new Subsidy Control rules. Further legal advice on compliance with these rules will be taken if it emerges at the mini competition stage any subsidy is likely to arise either in the form of viability gap funding or other funding to develop affordable housing or disposal of any land at an undervalue. Where a subsidy is to be made available then:
 - 7.1.7.1.** this will only be done where it would be compliant with UK subsidy control law; and
 - 7.1.7.2.** where appropriate additional clauses and/or documentation for the subsidy are prepared to document the subsidy and the parties' respective obligations with regard to it.
- 7.1.8.** Legal advice on compliance with statutory obligations and regulations will be required in respect of the disposal of each site as terms are agreed with selected bidders on the HD framework.

7.2. Finance

- 7.2.1.** The aim of the framework will be to achieve a capital receipt or a percentage of the rental yield to provide a revenue stream for the council, or a mixture of both.
- 7.2.2.** This will be determined on a site by site basis and will be confirmed before a final decision is made on each scheme
- 7.2.3.** It is anticipated that any rental yield received by the council will be equivalent or higher than the sum of a capital receipt, however it is likely to be a deferred payment to the council over a set period of time.
- 7.2.4.** The disposal of the Vernon road site is subject to the Secretary of State for Education's consent to dispose of playing fields land is

required under Section 77 of the School Standards and Framework Act 1998.

- 7.2.5.** This outlines a Government expectation when an application is made for such consent that any proceeds received from the sale of land which is designated as playing fields is re-invested into local education infrastructure. In the first instance for the purposes of sport and recreation and then should these needs be met funding can be spent on other education projects.
- 7.2.6.** Due to the requirement for reinvestment in sport on the Vernon School site, it is anticipated that a capital receipt will be sought for this particular scheme and any ringfenced capital will be allocated to Education services in line with the requirements of s77 of the School Standards and Framework Act 1998.
- 7.2.7.** The Council has the ability to make use of Section 106 financial contributions to purchase land which will be fed through the Housing Development Framework. Due to this funding arrangement, sites will need to provide 100% affordable housing schemes on this land.
- 7.2.8.** The Housing Development Framework has potential to impact on the Medium-Term Financial Strategy (MTFS). This could include a reduction in holding costs for sites currently owned by the council, a streamlining of costs for care services, as well as providing income streams for the council's land assets. If adjustments are required or anticipated to the MTFS, these will be implemented at the appropriate time.

7.3. Policy

- 7.3.1.** Affordable housing in Cheshire East plays a fundamental role in realising the ambition to deliver jobs-led growth and sustainable vibrant communities. The ambition to increase the level of affordable housing is set out both within the Council new Corporate Plan 2021-25 and the Housing Strategy 2018-2023.

7.4. Equality

- 7.4.1.** Affordable housing in Cheshire East plays a fundamental role in realising the ambition to deliver jobs-led growth and sustainable vibrant communities.

7.5. Human Resources

- 7.5.1.** There are no direct implications for human resources.

7.6. Risk Management

- 7.6.1.** The establishment of a Framework will enable Council to undertake mini competitions with a select number of organisations. The risk is that following the mini tender process the submissions do not provide offers which meet the requirements of the Council. There is however no requirement for the Council to proceed and can use alternative methods to dispose of the sites should they wish to.

7.7. Rural Communities

- 7.7.1.** There are no direct implications for rural communities, however some of the sites may be within rural locations which will enable local residents to access housing to enable them to continue to reside within their local communities. These sites would be subject to the appropriate local planning policies.

7.8. Children and Young People/Cared for Children

- 7.8.1.** Poor housing can have a negative impact on our children's wellbeing. Increasing affordable housing provision will ensure that families have access to appropriate housing options and reduces the risk of having to reside in temporary accommodation.

7.9. Public Health

- 7.9.1.** Providing decent living accommodation will benefit some of our vulnerable residents' mental and physical wellbeing and reduce demand on health and social care services. There are no direct implications for public health.

7.10. Climate Change

- 7.10.1.** The Council has committed to becoming carbon neutral by 2025 and to encourage all businesses, residents, and organisations in Cheshire East to reduce their carbon footprint.
- 7.10.2.** Building sustainability is a requirement within the specification and design of the homes, ensuring that every opportunity to reduce building operating costs are evaluated in order to tackle fuel poverty and tackle climate change.

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| Access to Information |
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| Contact Officer: | Karen Carsberg – Head of Housing Karen.carsberg@cheshireeast.gov.uk 01270 686654 |
| Appendices: | Appendix One – Sites (Part 2) Appendix Two - All Elected Members Briefing - HDF |
| Background Papers: | Previous Cabinet reports – Housing Development Framework 5 th May 2020 Former Vernon School – 8 th October 2019 |

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May 2021

Housing Development Framework

Briefing for All Elected Members

Dear Member,

The establishment of a Housing Development Framework was presented and approved by Cheshire East Cabinet in April 2020 and subsequently discussed at the Environment and Regeneration Overview and Scrutiny Committee. The invitation to tender was opened via the Cheshire East Chest on the 11th March 2021 and the deadline for submissions was 10th May 2021. This note provides further background information for members in relation to this framework to provide clarity and assurance

Why is Cheshire East Council establishing a Housing Development Framework?

Developing the right type of housing in the Borough in the right locations at the right price is a key objective of the Council. This is important so that the housing in the Borough meets the needs of existing residents and also attracts residents in the Borough, particularly those with the skills required to support our local businesses

Unlike many councils, Cheshire East Council does not own or manage housing since this housing stock was transferred to registered providers by the predecessor authorities

However the Council still retains the statutory responsibility to address housing need this includes:

- developing and maintaining a Local Lettings Policy which determines how social housing is to be let
- preventing and relieving homelessness

To fulfil these responsibilities, we have to rely on our partners to develop social housing. With the need for social housing increasing, it is the Council's duty to consider ways in which we can assist in increasing supply of the right type of housing in the Borough. We currently have over 8,900 applicants registered on Cheshire Homechoice for social housing (March 2021) and we receive on average 600 new applications each month. Over the last 12 months 1394 properties were available for allocation, which demonstrates that need is far outstretching supply.

In addition to working with our partners the Council is also able to influence the delivery of housing through the planning process. Typically, housing developers are required to allocate 30% of their housing developments for the provision of affordable housing, which is secured through the S106 process.

Registered Housing Providers also develop affordable housing on sites which they have acquired.

However, the Council has seen that there is the case for further intervention in the housing market so that it can influence the design, location, tenure and style of housing to meet the many needs of our local residents.

Therefore, there are a number of benefits to the framework, which gives the Council the ability to:

- Contribute towards the housing supply across the Borough in order to address identified housing need, including specialist housing provision and older persons housing provision.
- Enable the Council to influence the type of housing and tenure developed on Council land, which can include specialist housing, older persons, rented and market housing.
- Support our economic ambition to increase the levels of working age professionals living in the area.
- To reduce the current use and cost of temporary accommodation.
- Have the potential to provide a revenue stream for the Council as opposed to a one off capital receipt.

How would the Housing Framework work?

A Housing Development Framework is an agreement put in place with a selected number of Housing Providers/Developers to enable the Council to dispose of identified land assets in their ownership for the provision of housing.

A framework agreement is established through a procurement process which once established enables the Council to conduct mini competitions for the development of individual or packaged parcels of Council owned land.

The agreement lasts for a period of 4 years, in line with The Public Contracts Regulations 2015, however the Council do not have to provide a guarantee of the volume of sites to be procured through this route nor be contractually locked into this arrangement should a more viable alternative route be identified.

Will the Council be disposing of Public Open Space?

We are predominantly looking at brownfield and strategic land holdings for the purpose of the framework. Local Plan policies seek to protect and enhance open space provision. Careful regard will be had to planning policies, whether they relate to those protecting open space or other planning matter relevant to a site, in deciding which areas of land to include in the framework. Early discussion with the Planning team will therefore be an important part of this process.

Will any scheme require Planning consent?

The selected partner from the framework will be required to go through the same planning process as any normal applicant. They will be required to go through the pre

application process and submit a planning application in the same way. It will be for the Planning Committee to determine if planning consent is to be granted.

Do you know yet which sites are going to be put through the Framework?

The Council has a number of assets including buildings and land, however the sites which will go through the framework will only be considered if they are no longer required for operational purposes by the council and have been declared surplus. These sites are predominately Brownfield sites for example former care homes, car parks, schools and offices. Consideration is also being given to sites which have already been identified within the Local Plan (Allocated sites). What we can give confidence in, is that a site will not be progressed without consideration to a number of Planning policies including the Affordable Housing Policy (SC5) and Rural Exception Policy (SC6)

How are Elected Members to be informed which sites will go through the Framework?

The intention is to keep Elected Members updated on the progress of the Framework via the new Committee system. Elected Members will be made aware of the sites which have been selected for the Framework.

What type of housing will be developed?

Consideration will be given to a number of factors when determining what type of housing will be required on each site. We will consider the housing needs for the area, taking into account housing waiting list data, the housing needs of young professionals seeking access to the housing market and local families.

Consideration will also be given to the need for specialist provision taking into account the data within the Vulnerable and Older Persons Housing Strategy and also the site as well for example can an existing building be converted. Some sites will provide a mix of tenures, including open market sale or private rented provision.

The use of Section 106 payments.

Consideration will be given to the use of Section 106 payments which have been received in lieu of affordable housing. The use of payments are outlined within the Section 106 agreements and can only be used to provide affordable housing. If a payment has already been allocated to a scheme then they will not be considered.

Where can I access further information?

If you have any further questions please contact Karen Carsberg – Head of Housing

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