

Cabinet Agenda

Date: Monday, 23rd July, 2012
Time: 2.00 pm
Venue: The Capesthorpe Room - Town Hall, Macclesfield SK10 1EA

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

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

1. Apologies for Absence

2. Declarations of Interest

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non pecuniary interests.

3. Public Speaking Time/Open Session

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to the work of the Committee.

Individual members of the public may speak for up to 5 minutes but the Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers.

In order for an informed answer to be given, where a member of the public wishes to ask a question of a Cabinet Member three clear working days notice must be given and the question must be submitted in writing at the time of notification. It is not required to give notice of the intention to make use of public speaking provision but, as a matter of courtesy, a period of 24 hours notice is encouraged.

4. **Minutes of Previous Meeting** (Pages 1 - 6)

To approve as a correct record the minutes of the meeting held on 25 June 2012.

5. **Key Decision The Housing Challenge** (Pages 7 - 22)

To consider the current position regarding overall housing provision and delivery across Cheshire East, and endorse the programme to stimulate delivery.

6. **Treasury Management Annual Report 2011/2012** (Pages 23 - 38)

To receive the Treasury Management Annual Report for 2011/12.

7. **Final Outturn Performance 2011/2012** (Pages 39 - 106)

To consider the financial and non-financial performance of the Council at the final outturn stage of 2011 to 2012.

8. **Business Planning Process 2013/2016** (Pages 107 - 128)

To agree the Business Planning Process to develop a Business Plan for 2013 to 2016.

9. **Addressing the Accommodation Needs of Gypsies and Travellers** (Pages 129 - 172)

To agree an approach in the light of the new planning policy for gypsies and travellers.

10. **Carbon Management Annual Monitoring Report** (Pages 173 - 180)

To consider the figures presented in the Carbon Management Plan annual monitoring report 2011-12.

11. **Scrutiny Review - Residential Provision Within Cheshire East** (Pages 181 - 250)

To receive the final report of the Adult Social Care Scrutiny Committee Review into Residential Provision within Cheshire East.

12. **Notice of Motion - Centenary of the First World War and Conservation of War Memorials** (Pages 251 - 258)

To consider a response to the Notice of Motion submitted to Council on the centenary of the First World War and the conservation of war memorials in the Borough.

13. **Notice of Motion - Responding to Elected Member Enquiries** (Pages 259 - 262)

To consider a response to the Notice of Motion to Council on the response time for elected member enquiries.

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

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

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

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

15. **Managing Workforce Change** (Pages 263 - 272)

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

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Monday, 25th June, 2012 in Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Jones (Chairman)
Councillor D Brown (Vice-Chairman)

Councillors Rachel Bailey, J Clowes, H Gaddum, L Gilbert, R Menlove,
B Moran and P Raynes.

Councillors in attendance:

Rhoda Bailey, G Baxendale, P Edwards, P Findlow, P Hoyland, B Livesley,
B Murphy, H Murray, D Newton, J Saunders and L Smetham.

Officers in attendance:

Borough Solicitor and Monitoring Officer; Director of Finance and Business
Services; Head of HR and Organisational Development; Strategic Director,
Children, Families and Adults; Strategic Director, Places and Organisational
Capacity.

9 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Jamie Macrae.

10 DECLARATIONS OF INTEREST

Councillors D Brown, H Gaddum, L Gilbert and R Menlove all declared a
personal interest in agenda item 9 (Discretionary Enhancement to the
English National Concessionary Travel Scheme) by virtue of having either
a concessionary bus or rail travel pass. Councillor Rhoda Bailey declared
the same interest at the time of the discussion.

11 PUBLIC SPEAKING TIME/OPEN SESSION

There were no questions from members of the public.

12 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 28 April 2012 be approved as a
correct record.

13 KEY DEC 12/13-2 SHADOW HEALTH AND WELLBEING BOARD TERMS OF REFERENCE

Consideration was given to the revised Terms of Reference for the Shadow Health and Wellbeing Board, taking into account previous concerns raised in respect of member representation and the voting rights of Board members.

The initial draft Terms of Reference had been reviewed against those of a number of other Local Authorities and revisions made following an analysis of emerging best practice. The Leader confirmed that the opposition group would nominate the opposition member on the Board and that he would be happy to abide by their decision. It was also confirmed that the Terms of Reference would be considered again prior to the Board assuming its statutory functions in April 2013.

RESOLVED

1. That Cabinet and Council support the Shadow Health and Wellbeing Board's Terms of Reference.
2. That Cabinet and Council support the recommendation to further review the Board's Terms of Reference in advance of the Board assuming its statutory functions, taking account of Board priorities expressed within the Joint Health and Wellbeing Strategy which will be finalised in the autumn following a period of consultation.

14 KEY DECISION MIDDLEWICH EASTERN BYPASS AND MIDPOINT 18

Consideration was given to acting as the grant recipient and accountable body for the grant of £4m from the Governments Regional Growth Fund for the development of the Middlewich Eastern Bypass by Pochin Developments.

A report set out the context of the proposal and the benefits of supporting the delivery of the scheme; these included the creation of new business premises and approx 2,800 jobs, environmental improvements arising from traffic being diverted away from Middlewich, and the reduction of congestion on the A54 link to the M6.

RESOLVED

1. To agree that the Council shall act as the grant recipient for this project and to accept the terms of a conditional grant offer letter from the Secretary of State for Business, Innovation and Skills (BIS), subject to the satisfactory advice of the Borough Solicitor.
2. To delegate authority to the Strategic Director (Places & Organisational Capacity), in conjunction with the Portfolio Holder, to

accept the final grant offer letter, subject to the satisfactory advice of the Borough Solicitor and independent Due Diligence advice.

15 KEY DEC 12/13-6 SEMMMS A6 TO MANCHESTER AIRPORT RELIEF ROAD

Consideration was given to a report on the progress of this scheme work on which had been ongoing since 2009 to develop the details of its first phase. The various documents required by the DfT to support the submission of the business case were now complete and ready to be submitted by Stockport Metropolitan Borough Council as the schemes promoters on behalf of the Greater Manchester Combined Authority.

The Strategic Director for Places and Organisational Capacity provided an oral update on the position. Particular reference was made to redesigned but not yet finalised junction improvements north of Poynton as, ultimately, these would form the first phase of the Poynton Relief Road. In addition it was reported that a number of off line mitigation measures, on roads in the area where traffic was forecast to increase as a result of the scheme, were also still the subject of continuing discussions. Cabinet was advised that a meeting was due to be held with the Leader of Stockport Council to discuss these points further and that the funding allocations were due to be considered by Manchester City Council at the meeting of its Cabinet at the end of July.

Members were asked to amend a key date on page 96 of the agenda to show that the submission of the planning application and publication of the draft Orders would be in Spring 2013, not 2012 as stated.

In view of the ongoing discussions, and the planned meeting with Stockport Council, it was agreed that the report be deferred and brought back to be dealt with at the earliest opportunity and, if necessary, that an urgent or extraordinary cabinet meeting be convened.

RESOLVED

That the report be deferred and brought back to be dealt with at the earliest opportunity and, if necessary, that an urgent or extraordinary Cabinet meeting be convened.

16 MANAGEMENT AND GOVERNANCE ARRANGEMENTS FOR THE JOINT WASTE CONTRACTS

Cabinet considered a report of the Borough Solicitor advising them that, following the recent decision by both Cheshire East and Cheshire West and Chester Councils to discontinue the Waste PFI Project, the Joint Waste Board had now resolved that the Board be dissolved and that the governance of the remaining joint waste contracts be undertaken by the

Portfolio Holders with responsibility for waste in each Council. The advantage of the new arrangements was that they would significantly reduce the burden on Portfolio time, provide greater flexibility and streamline decision making, and also save on the resources required to run large meetings.

At the meeting it was agreed that the decision requested be expanded to include the Portfolio Holder for Finance as well as the Portfolio Holder for Environmental Services.

RESOLVED

That the decision made by the Joint Waste Management Board on 1 May 2012 be noted and that the Portfolio Holders for Environmental Services, Finance, and appropriate Officers, put in place the necessary arrangements to replace the Joint Waste Board.

17 DISCRETIONARY ENHANCEMENT TO THE ENGLISH NATIONAL CONCESSIONARY TRAVEL SCHEME

Councillors D Brown, H Gaddum, L Gilbert and R Menlove all declared a personal interest in this item by virtue of having either concessionary bus or rail passes. Councillor Rhoda Bailey declared the same interest at the time of the discussion.

Consideration was given to options for the use of concessionary bus passes on flexible and community transport; recent changes in the provision of such transport within the Borough had highlighted a need for clarity concerning the Council's adopted policy in the north and south of the Borough.

Local Authorities are free to enhance their discretionary travel schemes with locally adopted and funded policies and the report detailed the options available along with their respective financial implications.

Cabinet agreed that it would support option 2.1.2 of the report which would have the impact of allowing entitlement to free transport on any section 19 service. This would allow all such providers to receive reimbursement of revenues foregone and costs incurred in accepting passengers using concessionary passes, and users of flexible/demand responsive transport across the borough would be able to travel free at the point of use.

RESOLVED

That approval be given to option 2.1.2 of the report, to adopt a policy of admitting section 19 transport provision to the scheme.

18 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

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

19 MANAGING WORKFORCE CHANGE

Consideration was given to the report of the Head of Human Resources and Organisational Development.

RESOLVED

That Cabinet supports the decision of the Corporate Management Team to release the employees whose roles are listed as 1 to 28 in Appendix A of the report under the arrangements agreed in relation to voluntary severance provisions for employees in the Council.

The meeting commenced at 2.00 pm and concluded at 2.40 pm

M Jones (Chairman)

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CHESHIRE EAST COUNCIL

REPORT TO: Cabinet

Date of Meeting:	23 rd July 2012
Report of:	Strategic Director Places & Organisational Capacity
Subject/Title:	The Housing Challenge
Portfolio Holder:	Councillor J Macrae

1.0 Report Summary

- 1.1 This report outlines the current position regarding overall housing provision and delivery across Cheshire East. It provides an overview of the current interventions that Cheshire East Council is making to contribute to both affordable and market housing delivery to address the shortfall in housing supply.
- 1.2 The report considers further measures to stimulate delivery and requests specific approval for the mechanism to allocate £6m capital resources currently in the capital programme for 2012/13 – 2015/6.
- 1.3 A further report will be presented to Cabinet during Summer 2012/13 with Phase 2 of our Affordable Housing Delivery Programme which is referenced in this report as part of our overall Housing Challenge programme.

2.0 Decision Requested

- 2.1 To consider the current position regarding overall housing provision and delivery across Cheshire East and endorse our programme of intervention to stimulate delivery.
- 2.2 To approve the qualifying criteria and the process outlined within Appendix 1 to allocate the Housing Capital Programme for 2012-15.
- 2.3 To request that further sites for affordable housing are identified as Phase 2 Affordable Housing programme in order to develop a five year development programme.
- 2.4 To agree that further work should be undertaken to explore new partnership working initiatives including:
 - Providing financial mechanisms to housing partners in order to enable them to have the financial capacity to deliver the level of affordable homes required across the authority.

- Explore partnership approaches with Registered Providers in order to bring forward an additional supply of affordable housing or intermediate products.

3.0 Reasons for Recommendations

- 3.1 The background information contained within this report outlines the challenges we face in order to bring forward housing supply to meet the needs of the authority and achieve our ambition for growth.
- 3.2 Cheshire East, like many other areas across the Country is currently in a situation where delivery is at a very low level and some of the usual initiatives such as Section 106 agreements are not bringing forward the anticipated level of supply. In order to meet the housing challenge which we face, and achieve the targets which have been outlined as well as maintaining the current level of New Homes Bonus, we need to maximise the potential of the initiatives which we are either seeking to develop or have in place.

4.0 Wards Affected

- 4.1 All wards

5.0 Local Ward Members

- 5.1 All Local Ward Members

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 Housing is fundamental to the well being and prosperity of the Borough. There are direct connections between the quality of the housing stock and health, educational attainment, carbon reduction and care for older people. Providing sufficient housing is essential to maintain economic growth and vitality – and access to housing is a key issue in rural areas.

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

- 7.1 The financial implications for the initiatives are highlighted below:
 - The New Homes Bonus is intended to be a permanent feature of the Local Government funding package from Central Government and commenced in the 2011/2012 financial year. The Government provides additional funding for new homes by match funding the additional council tax raised for new homes and empty properties brought back into use, with an additional amount for affordable homes. Match funding, for new homes and homes brought back in to use, is based on the National average Council Tax and is payable for six years. This relatively

new scheme shifts the way local authorities are funded, towards funding that is based on rewards from housing growth.

- The importance of New Homes Bonus will grow over time as bonus payments increase and formula grant decreases. In 2012/2013 the bonus is equal to less than 4% of formula grant, but by 2016/2017 is expected to be equal to more than 10%. Cheshire East should also benefit from such a change as the Councils' formula funding is historically relatively low, but there is large potential for housing development in the area.
- Development Prospectus – a capital allocation of £1m has been approved for 2012/13 and further capital allocations of £2m for 2013/14 and £3m for 2014/15. The outcome of the first year programme will determine future year spend. If there is demand then the process will be repeated in years two and three, however if insufficient interest is generated then the process for forthcoming years will be reviewed.
- Although income from NHB is sufficient to cover the annual costs of borrowing during the six year period as it is payable for a given property, this does not achieve the actual repayment of capital, NHB doesn't recover the capital costs of the scheme.
- Loans to Registered Providers – If approval to explore this approach is given then work will begin to scope the full financial implications for the authority. There will be a requirement for prudential borrowing and any associated costs would be covered by the Registered Providers.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 Providing loans to Registered Providers in order to enable them to have the financial capacity to deliver the level of affordable homes required across the authority may constitute State Aid. If State aid is not granted legally, it may lead to investigation and condemnation by the European Commission. This in turn can lead to a project being terminated or the Council being required to recover any illegal aid from a beneficiary at a later stage, plus interest.
- 8.2 If, there is an element of State Aid, this must be managed. Either the project is restructured to avoid containing aid, or else the aid must be made legal. State aid may only become legal if authorised by the European Commission, for which there are two routes that can be followed. Either:

The aid package must be notified to the European Commission for individual prior approval; or

It may receive deemed approval without notification on the basis that it fits within an already notified and approved aid scheme in the Member

State concerned (approved as a framework scheme), or a so-called "block exemption" Regulation (in which the Commission has outlined the conditions under which a State aid can be granted lawfully). A State aid qualifying for approval via a block exemption or prior-approved national framework scheme may be implemented immediately. Any other aid must wait for individual approval before it may be legally implemented. Any implementation outside these boundaries results in the aid being illegal unless and until such time as individual European Commission approval is given.

8.3 An illegal aid is subject to interest recovery (for the period of illegality) even if subsequently approved by the European Commission.

8.4 Advice should be sought from legal services at the earliest opportunity to ensure that any aid can be granted legitimately and in time to meet our timescales.

9.0 Risk Management

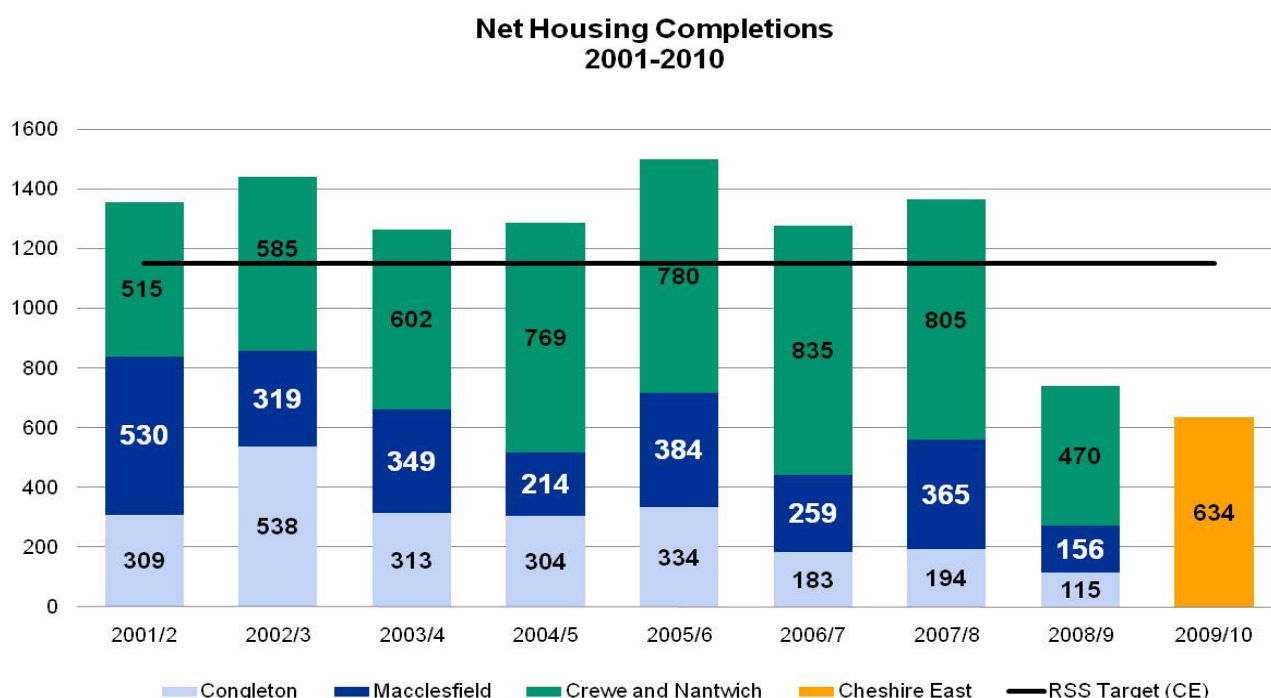
9.1 The current economic climate has impacted significantly on the housing market and the ability to bring forward the required level of housing development to meet our ambition for growth. The authority can chose not to intervene and leave it to market forces, however exploring new approaches and initiatives to bring forward new housing supply could stimulate the market. In stimulating the market it will help us to maximise the New Homes Bonus which will continue to be reduced if the level of supply continues to decline.

10.0 Background and Options

10.1 Within the current economic climate the ability to deliver both market and affordable housing presents a significant challenge for the authority. Developers who paid high land prices at the height of the market are now struggling to bring forward viable developments. We are seeing stalled sites and low house building rates, the ability to access finance and mortgages is a problem for both Developers and first time buyers as financial institutions tighten their criteria and require substantial deposits. As the Government states within its 2011 Housing Strategy *"The housing market is one of the biggest victims of the credit crunch: lenders won't lend, so builders can't build and buyers can't buy. The lack of confidence is visible in derelict building sites and endless For Sale signs. It is doing huge damage to our economy and our society"*. Central to the Governments plans for economic growth is the stimulation of the housing market, a priority which is shared by Cheshire East.

10.2 The low levels of housing development are impacting on our ability to achieve local housing targets. We currently have an overall housing target of 1150 which is no longer achievable with the significant decrease in the number of dwellings being built. Between 2001 and 2008 there were in excess of 1000 dwellings built each year with a

peak in 2005/6 of almost 1500. In 2009/10 this decreased significantly to a total of 634 dwellings built and by 2010/11 this had fallen to 466.



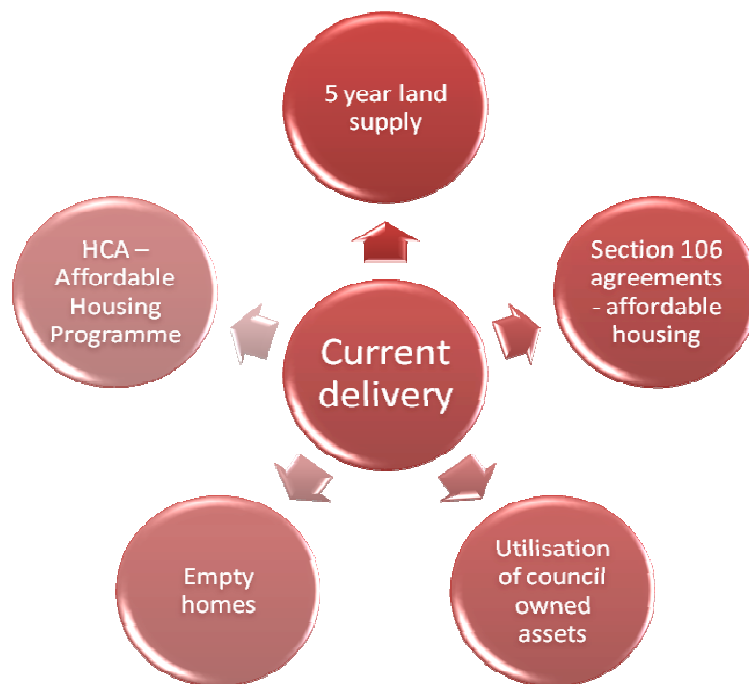
10.3 The National Planning Policy Framework places a requirement on Local Planning Authorities to identify and maintain a rolling 5-year supply of deliverable housing sites plus a buffer of either 5 or 20%. Following the intention to revoke the Regional Spatial Strategy (RSS), the Council has resolved to continue with the housing requirement of 1,150 dwellings per annum. The Strategic Planning Board agreed to apply a 5% buffer to the five year total of 5,750 units. Once past shortfalls in completions have also been accounted for, this equates to a 5 year supply figure of 6,379 homes.

The Strategic Housing Land Availability Assessment (SHLAA) which was approved in March 2012 identifies capacity for 4,783 dwellings on deliverable sites (within the 5-year supply). This equates to a housing supply of 3.75 years, or a deficit of 1,596 homes. To address potential shortfalls the Council produced the Interim Planning Policy on the Release of Housing Land (adopted 24 February 2011) in order to manage the release of housing land to maintain a five years supply, as an interim measure whilst new policies are being developed through the Local Plan process. It has been operating successfully since its adoption and is leading to an increase in the supply of housing land. Developers have submitted planning applications on a number of sites adjacent to the settlement boundary of Crewe. However in spite of these recent approvals Cheshire East does not have a five year housing land supply.

- 10.4 In relation to affordable housing, the 2010 Strategic Housing Market Assessment established that there is a requirement for 1243 units of affordable housing per annum to meet housing need and whilst not an achievable target the figure demonstrates the high level of need across the authority. The target set for affordable housing is currently 300 units per annum, which contributes towards the overall housing target of 1150. We had seen an increase in the levels of affordable housing being developed, with a peak in 2009/10 when 444 units of affordable housing were developed and contributed to the majority of the housing completions. This was however at a time when there were high levels of public subsidy available through the HCA's National Affordable Housing Programme. We are now seeing declining completion rates, with 290 units of affordable housing delivered in 2010/11 and 247 units in 2011/12.
- 10.5 The levels of public subsidy through the HCA have been reduced with a move to raising the required resources through borrowing and the introduction of the affordable rental model, which enables Registered Providers to charge higher rents (80% of open market rents) on new build and a percentage of void properties. Across Cheshire East there has been a cautious approach taken by the majority of Registered Providers when submitting bids for the HCA's Affordable Housing Programme 2011-2015.
- 10.6 The HCA's National Affordable Housing Programme 2008 – 2011 allocated approximately £22 million to Registered Providers, which enabled the development of 804 units of affordable homes across Cheshire East. The recent Affordable Housing Programme 2011 – 2015 resulted in the allocation of approximately £10,672,000 to deliver a firm allocation of 464 units across Cheshire East (This is subject to change as the RP's may move allocations around within their partnering arrangements). With the Government now placing more emphasis on housing providers using their own assets to secure borrowing and increasing the levels of rent to bring forward development, Registered Providers are now finding themselves operating in a more commercial environment.
- 10.7 The Local Investment Plan for Housing (LIP) was adopted by the Sub Regional Leadership Board and individual authorities in 2010. The LIP outlines the way in which we can seek to address the issue of housing supply both locally and at a sub regional level, reflecting the new financial arrangements which are now in place. A paper presented to the Sub Regional Leadership Board put forward a target to achieve the delivery of an additional 1,500 homes across Cheshire and Warrington within the period 2011-15 and to develop a framework to secure investment and delivery of 10,000 new homes over the period 2015-25. In order to deliver this level of development across the sub region, each local authority will need to commit to either a local or sub regional approach which will enable delivery.

11.0 Current interventions

11.1 Cheshire East currently uses the following mechanisms to bring forward housing supply:



11.2 **5 year land supply** - As mentioned previously the Council has already introduced the Interim Planning Policy on the Release of Housing Land in order to manage the release of housing land and to help maintain a five years supply. Although this has brought a number of sites forward in advance of the Local Plan, the document is being reviewed to encourage more appropriate and sustainable sites to come forward to help increase the housing land supply. Work on the Local Plan is also continuing with the document expected to be adopted in the next 3 years.

11.3 **HCA – Affordable Housing Programme** - This funding stream enables the delivery of a large proportion of our affordable homes. Cheshire East needs to support the Registered Providers to ensure that they are able to deliver the housing units identified within their development programmes and within the specified time frame of 2011-2015. We do not want to see schemes jeopardised or funding moved to other areas.

The programme will deliver 464 units of affordable housing (2011-2015)

11.4 Section 106 Agreements - Through the development of the Supplementary Planning Document for affordable housing, there is a requirement for the provision of 30 per cent affordable housing to be delivered on all allocated sites. The Council will also negotiate for the provision of 30 per cent affordable housing on all unidentified 'windfall' sites of 15 dwellings or more or more than 0.4 hectare in size. The threshold reduces on rural sites where the population is less than 3,000 to 0.2 hectares or 3 dwellings or more. The authority expects Developers to work with Registered Providers to bring forward the affordable housing requirement and it is an effective way of securing provision on site whilst enabling the development of mixed communities. There is however tension between overall delivery and the provision of affordable housing, with the Developers questioning viability. Council's are being encouraged to take account of viability and be flexible on Section 106 obligations which could result in a reduction in affordable housing.

- **Provision through Section 106 agreements in 2010/11 delivered 21 units**
- **Provision through Section 106 agreements in 2011/12 delivered 27 units**

11.5 Utilisation of council owned assets - In 2010 Cheshire East Cabinet gave permission for the disposal of 11 sites for the provision of affordable housing. The sites have been split into two phases with the aim of carrying out an evaluation on the first phase to ensure that the aims and objectives of the project had been achieved and to establish if there are any lessons to learn requiring a different approach with the second phase. The primary objective was to provide affordable housing in the form of rental or intermediate units and secondly we also wanted the opportunity to establish if the sites could provide a revenue stream through ground rents, which required the sites to be offered on a lease basis for a period of 126 years.

- **Phase One will deliver between 55 and 60 affordable homes**
- **Phase Two will deliver in the region of 100 affordable homes**

The process has demonstrated that we can utilise our land assets to bring forward social benefits in the form of affordable housing, whilst having the ability to generate an annual revenue income and this can be achieved without disposing of the asset.

11.6 Bringing empty homes back into use - Over the last two years we have been pro actively working to reduce the level of long term empty homes. Whilst this does not generate an additional supply, it increases the levels of accessible homes, some of which are affordable and reduces the negative impact associated with empty homes on communities. In September 2010 we had 3,287 recorded long term empty homes and

through our approach we have seen a 29% reduction to 2,340 in October 2011.

We have introduced a number of initiatives including the development of a Private Sector leasing scheme and the introduction of interest free loans for renovations (subject to eligibility). Recently we have supported Registered Providers to submit bids to the HCA to bring empty homes back into use.

The most significant impact came from the change to the Council tax discount for properties empty for longer than 6 months which was reduced from a 25% discount to 0% discount. This has encouraged owners to think about what to do with their empty home, and resulted in advice being given to around 300 people in the 8 weeks following the change in discount.

- **Through all initiatives including advice and support we anticipate 100 long term empty homes bringing brought back into use on an annual basis.**
- **Budget: £500k capital allocation for the Private Sector Leasing Scheme, match funding for RP's and interest free loans.**

12.0 Mechanisms to bring forward additional supply



12.1 Development of the Local Plan –The Cheshire East Local Plan is currently being prepared to provide a clear vision and strategy to guide the growth of Cheshire East over the next 20 years. One of the objectives of the Core Strategy is to deliver sufficient housing in terms of quantity, quality, tenure, affordability and location to meet the Borough's needs.

This level of growth is felt appropriate to provide the best opportunities to live and work within our communities, reduce out commuting and the possibility of dormitory communities, allow economic restructuring and increase productivity, as well as improvements to the level and range of facilities present in communities and their accessibility.

The Local Plan will provide sufficient housing land to meet the growth expected in the Borough.

Assumption: based on the previous forecasts: between 23,000 and 32,000 new homes over the next 20 years.

12.2 New Homes Bonus – A capital allocation of £6million has been approved for the financial period 2012 – 2015. Approval was granted to utilise the affordable homes premium to fund the prudential borrowing. The capital bid would secure funding of £1 million for 2012/13 which could be utilised to:

- Unlock stalled sites bringing forward either market or affordable housing provision.
- Fund affordable housing not covered by the Affordable Housing Programme.

The aim would be to consider proposals from both Registered Providers and Developers who can demonstrate that a small level of funding could bring forward an additional supply of housing. The Programme Prospectus is contained within Appendix One.

The success of the programme will determine forthcoming capital spend. If interest is not generated the scheme for 2013/14 and 2014/15 will be reviewed.

Target: 50 units (based on an average of £20,000 to £23,000 per unit for HCA bids)

12.3 Utilising further Land assets – There is the potential to develop a Development Programme for affordable housing through the Assets Disposal Team. Consideration could be given to the suitability of a site and the location. We could also consider development opportunities where sites are located adjacent to other and establish if they could be developed jointly through a partnering agreement. There are certain risks

associated with this as we would not be able to stipulate what we required on the land, however through planning conditions we could stipulate affordable housing.

Target: 50 units per annum

12.4 Sub Regional approach - Following the development and adoption of the Sub Regional Local Investment Plan for Housing (2011-2015), a working group has been exploring sub regional approaches to bring forward both market and affordable housing with the aim of delivering 1500 units of affordable housing by 2015 and the long term ambition of increasing housing supply by 10,000 units. At this stage the working group will look at the early actions to achieve the 1500 units, which will predominantly be delivered through local approaches and then explore new models to deliver the long term vision. We will look at best practice or new approaches across the sub region to establish if these could be replicated.

In March a meeting took place with the Registered Providers in order to establish how we can work together to develop local approaches to bring forward new supply. It was agreed that we would establish a working group to explore new approaches and initiatives, pooling our resources and expertise and could include:

- Incorporating housing supply into the Regeneration programmes which are currently in development for example Basford, Crewe and Macclesfield.
- Offering loan facilities to Registered Providers in order to increase their capacity to develop affordable housing. This approach has been taken forward in Warrington where the authority has borrowed funding which is then offered to developing Registered Providers. The Warrington model is as follows:
 - A loan is offered over a 25 years period
 - Fixed rate
 - Prudential borrowing from the Public Works Loan Board (PWLb) repaid by the RP. Alternatively the Council may optimise its treasury management to use surplus cash resources rather than investing them in the open market to maximise its return. Due consideration of the market conditions at the time the RP requires the funding will be taken into account.
 - Administration fee of £5,000 and margin of 1.25%
 - Two stage process to provide security on the loan. The first stage would involve placing a charge of 110% of the value of the loan on properties already owned by the RSL whilst the new properties are being built. Once the properties have been built then the charge of 110% of the value of the loan would be transferred. The reason for this approach is that whilst properties are being built they do not realise their true value

until completion. Alternatively for an existing property that is acquired a charge would be placed on this and other properties to achieve the 110% value.

- Interest cover of 105% would be required. This relates to the income from rents which would repay the loan and would need to be at 105% to take account of bad debt, voids etc to minimise the risk of non-repayment.
- RP pays legal costs

The Housing Sub Group of the LEP is also keen to promote a sub regional approach to securing additional delivery of housing across Cheshire & Warrington. They are particularly concerned with the economic impact of continued low build rates. Consequently it is likely that further research will be commissioned to understand and overcome problems in the sub region. The LEP are also considering a sub regional event for Councillors to highlight the issue.

12.5 Government Initiatives – The Government have announced a number of initiatives to try and stimulate the market including “Get Britain Building” which will provide support to building firms in need of development finance to unlock stalled sites which have planning permission for market housing. The Growing Places fund has been launched with the aim of supporting specific growth sites where infrastructure is a key barrier to new development. Both are loans which are repayable at certain points within the development programme. Freeing up public sector land and land auctions are approaches to utilise land in order to bring forward development. We need to take advantage of any initiatives which are proposed by the Government and therefore it is essential that we develop through the local Investment Agreement an established working relationship with the Homes and Communities Agency as well as with Developers who are struggling to deliver stalled sites. Experience also demonstrates that there has been some very tight timescales in relation to Government initiatives and the criteria can sometimes be onerous, therefore we need to work with Developers and assist them through the process.

There are currently 25 sites which have extant planning permissions and have not progressed due to a variety of reasons including the owner submitting new planning applications, change of use, wishing to sell the site or problems with the site.

14.0 Access to Information

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

Name: Karen Carsberg
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APPENDIX 1.

THE HOUSING CHALLENGE PROGRAMME PROSPECTUS

1. Introduction

Cheshire East launched its Housing Strategy “Moving Forward” in 2011 which outlined our strategic priorities and approaches, one of which is to increase the supply of both market and affordable housing.

The demand for housing is increasing, driven predominately by demographic changes and the decline in housing development. Within the current economic climate the ability to deliver both market and affordable housing presents a significant challenge for Cheshire East, therefore the authority has taken the strategic decision to invest financial resources into a programme with the aim of bringing forward an additional supply of both market and affordable homes.

2. Objectives

The objective is to unlock stalled development sites with planning permission or to bring forward additional affordable housing which do not have an allocation through the Homes and Communities affordable housing programme.

3. Type of funding available

Grants – up to £150,000 where the applicant can demonstrate that the scheme would not be delivered by December 2014 without a financial injection.

For the financial year 2012/13 Cheshire East have allocated £1 million for the initiative.

Please note: It is the responsibility of the applicant to demonstrate that their application is State Aid compliant.

4. Decision making process

Priority will be given to developments which will meet local housing needs and which can demonstrate value for money.

5. Eligibility Criteria

- Private Sector organisations or Social Registered Landlords

- The land must be either in the applicants ownership (freehold) or long lease (over 100 years)
- Planning permission has already been granted on the development. (Preference will be given to those sites that have full detailed planning consent).
- The development can commence within 6 months of receipt of grant/loan and complete by December 2014.
- On larger development programmes the scheme must include affordable housing at a level outlined within with the Cheshire East Interim Affordable Housing Programme.
- Preference will be given to those sites that will deliver early completions.

6. Demonstrating value for money

- Value for money will be demonstrated by assessing the number of units to be developed divided by the grant applied for. This will provide a unit cost that can be used to compare applications.

7. Financial Assessment

During the assessment process Cheshire East will want to assess the financial position of schemes to ensure that:

- We can understand and consider the financial risks associated with the project.
- Establish why the funding is required.

Cheshire East will therefore expect a financial plan which outlines all the funding and the financial standing of the bidding organisations.

8. Additional evidence

Cheshire East will expect the following documentation to be supplied with the application.

- Evidence of planning permission
- Layout plan
- Scheme drawings
- Project Plan outlining key tasks including start on site
- Certificate of title

9. Bidding Process

The Bidding process will be as follows:

- Cheshire East will advertise the funding programme between August and September 2012.
- Bids will be accepted by Cheshire East between October and November 2012.
- Evaluation of bids will take place in December 2012.
- Successful bids will be announced in January 2013.
- Contracts will be signed and funding will be allocated in January/February 2013.
- Start on site.

Completion December 2014.

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	23 rd July 2012
Report of:	Director of Finance & Business Services
Subject/Title:	Treasury Management Annual Report 2011/12
Portfolio Holder:	Councillor Peter Raynes

1.0 Report Summary

- 1.1 The Treasury Management Policy requires an annual report on the performance of the Council's treasury management operation. This report contains details of the activities in 2011/12 for Cheshire East Borough Council.

2.0 Decision Requested

- 2.1 To receive the Treasury Management Annual Report for 2011/12 as detailed in Appendix A.

3.0 Reasons for Recommendations

- 3.1 To meet the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities.

4.0 Wards Affected

- 4.1 Not applicable

5.0 Local Ward Members

- 5.1 Not applicable

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 None

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

- 7.1 Contained within the report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 As noted in paragraph C47 of the Finance and Contract Procedure Rules in the Council's Constitution, the Council has adopted CIPFA's *Code of Practice for Treasury Management in Local Authorities* as this is recognised as the accepted standard for this area. C47 to C52 provide further information relating to treasury management practice, and the Code itself will have been developed and based upon relevant legislation and best practice.

9.0 Risk Management

- 9.1 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management function will be measured.

10.0 Background and Options

- 10.1 This annual treasury report, detailed in Appendix A covers:

- the Council's treasury year end position;
- forecast prospects for interest rates for 2011/12;
- interest rate outturn for 2011/12;
- compliance with treasury limits;
- investment strategy for 2011/12;
- borrowing strategy for 2011/12;
- economic events of 2011/12;
- Prudential indicators 2011/12.

11.0 Access to Information

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

Name:	Lisa Quinn
Designation:	Director of Finance & Business Services
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Appendix A

Treasury Management Annual Report 2011/12

Introduction and Background

The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. The Cabinet receive an annual report and regular updates through the Quarterly Financial and Performance Reports. The scrutiny of treasury policy, strategy and activity is delegated to the Audit and Governance Committee.

Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives.

This report:

- a) is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code;
- b) presents details of capital financing, borrowing, debt rescheduling and investment transactions;
- c) reports on the risk implications of treasury decisions and transactions;
- d) gives details of the outturn position on treasury management transactions in 2011/12;
- e) confirms compliance with treasury limits and Prudential Indicators.

1. Treasury Year End Position

The amount of investments outstanding at 31st March 2012 was £50.1m as follows:

	31/03/11	31/03/12
	£m	£m
BANKS (Fixed Deposits)		
Lloyds TSB	8.0	3.1
Barclays Bank	15.0	-
Santander (UK)	5.0	-
BUILDING SOCIETIES		
Nationwide	10.0	-
MONEY MARKET FUNDS		
Prime Rate	8.0	5.0
Ignis	-	4.5
Deutsche	-	4.0
Scottish Widows	6.3	3.5
Standard Life	4.8	-
INSTANT ACCESS ACCOUNTS		
Royal Bank of Scotland	-	5.0
Santander (UK)	7.4	5.0
Co-op Reserve	1.8	-
MANAGED FUNDS		
Investec – Pooled Funds	-	20.0
TOTAL	66.3	50.1

Despite interest rates remaining at 0.5% during 2011/12, the total investment income was £816,000 which exceeded the budgeted target of £800,000. The overall average rate of interest on all investments in 2011/12 was 1.05% compared to the benchmark 7 day LIBID return of 0.52%. The investment income includes £63,000 relating to deposits made by the former Cheshire County Council with the Icelandic Heritable Bank which were received in 2011/12.

We will continue to monitor performance during 2012/13 through the benchmarking service provided by the Council's Treasury Management Advisors, Arlingclose. The current position for Cheshire East indicates that interest achieved on investments is slightly below average compared to other local authorities but has a lower exposure to credit risk.

2. Icelandic Bank Deposits

On the date Heritable Bank (Heritable) was placed into administration Cheshire County Council had £8.5 million deposited with the bank of which £4.6m is the Cheshire East share. These deposits were immediately frozen. This meant that such monies would not be returned to the Council until such time as the work of the administrator, to ascertain the assets and liabilities of Heritable and to make dividend payments to the bank's creditors (of which the Council is one), has been completed.

Repayment of monies due from Heritable Bank has been continuing and in August 2011 the administrators announced that we are likely to receive around 88% of the original claim, an increase from the original estimate of 85%.

From the total claim of £4.62m we have now received £3.14m (68%).

Further repayments are forecast as follows:

2012/2013	-	£1.15m (11% of the original claim)
2013/2014	-	£0.46m (9% of the original claim)

3. Interest Rates and Prospects for 2011/12

The Councils' treasury advisors, as part of their service assisted in formulating a view on interest rates. However, there has been no change to the bank base rate since March 2009.

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Base Rate	0.50%	0.50%	0.50%	0.50%	0.50%

4. Compliance with Treasury Limits

During the financial year the Councils' operated within the treasury limits and Prudential Indicators set out in the Councils' Treasury Policy Statement and annual Treasury Strategy Statement (see section 8).

5. Investment Strategy for 2011/12

The Council had regard to the DCLG Guidance on Local Government Investments ("the Guidance") issued in March 2004 (revised in 2010) and the revised CIPFA Treasury Management Code and the revised Prudential Code ("the CIPFA TM Code").

Investment instruments identified for use in the financial year are listed under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits were set through the Councils' Treasury Management Strategy Statement and Investment Strategy.

Investment Objectives

All investments were in sterling. The general policy objective of the Council was the prudent investment of its treasury balances. The Councils' investment priorities are the security of capital and liquidity of its investments.

The Council aimed to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. The DCLG maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Credit Risk

Counterparty credit quality was assessed and monitored with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price. The minimum long-term counterparty credit rating determined for the 2011/12 treasury strategy was A+/A1 across rating agencies Fitch, S&P and Moody's.

Downgrades in the autumn 2011 to the long-term ratings of several counterparties resulted in their ratings falling below the Authority's minimum threshold of A+/A3. The downgrades were driven principally by the agencies' view the extent of future government support (flowing from the recommendations to the government from the Independent Commission on Banking) rather than a deterioration in the institutions' creditworthiness. Further use of these counterparties was suspended until a revised criteria was approved for use from 1st April 2012.

Liquidity

In keeping with the CLG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds / overnight deposits/ the use of call accounts.

Yield

The Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Rate was maintained at 0.5% through the year.

The Council considered an appropriate risk management response to uncertain and deteriorating credit conditions in Europe was to shorten maturities for new investments. Short term money market rates also remained at very low levels which had a significant impact on investment income.

Use of External Fund Managers

In May 2011 the Council placed £20m with Investec in pooled funds, for which the aim is to generate higher returns in a low interest rate environment through investment in a diverse range of instruments. Since joining the fund market conditions have been challenging predominantly caused by problems in the Greek and Spanish economies which affects the whole Eurozone markets. The return on these funds in 2011/12, after allowing for fees, was 0.56%.

Whilst the performance of the fund since we joined is not as good as we originally hoped, these investments should be seen as a longer term investment so true performance can only be judged over a longer period of time.

6. Borrowing strategy

At the end of the year 2011/12 the Council had debt outstanding of £132.3m. Of this £17m represented loans raised from commercial banks whilst £115.3m represented loans from the PWLB. The only borrowing activity which took place in 2011/12 was to refinance £5m maturing PWLB debt with a new 10 year PWLB Equal Instalments of Principal (EIP) loan at a rate of 2.09%. Whilst there is a short term cost of carrying this loan (compared to investment rates) this does offset the interest risk inherent in waiting until liquidity issues force new borrowing.

The maturing debt arose out of a £50m debt restructuring exercise in July 2010 which assumed savings of £4.47m over 10 years based on refinancing the debt at 4.22%. As the refinancing in 2011/12 did not take place until March and was at the lower rate of 2.09% then savings are forecast to be higher. Budgeted savings from debt restructuring up to 31/03/12 were £1.4m, actual savings are £1.6m. .

The Council has been able to internally borrow to fund the capital programme in 2011/12. This has been due to delays in capital expenditure, the current availability of cash resources and the interest rate environment. This strategy has resulted in a saving of interest charges in 2011/12 (interest payable £5.3m compared to budget of £6.1m), but the longer term approach will be to take advantage of short and long term borrowing opportunities with advice from Arlingclose.

7. Economic events of 2011/12

At the time of determining the 2011/12 strategy in February 2011, there were tentative signs that the UK was emerging from recession with the worst of the financial crisis behind it. Recovery in growth was expected to be slow and uneven as the austerity measures announced in the 2010 Comprehensive Spending Review were implemented in order to bring down the budget deficit and government borrowing and rebalance the economy and public sector finances. Inflation measured by the Consumer Price Index (CPI) had remained stubbornly above 3%. Unemployment was at a 16-year high at 2.5 million and was expected to rise further as the public and private sector contracted. There was also a high degree of uncertainty surrounding Eurozone sovereign debt sustainability.

Inflation: During 2011-12 inflation remained high with CPI (the official measure) and RPI rising in September to 5.2% and 5.6% respectively primarily due to escalating utility prices and the January 2011 increase in VAT to 20%. Inflation eased slowly as reductions in transport costs, food prices, intensifying competition amongst retailers and supermarkets and the VAT effect falling out in 2012, pushed February 2012's CPI down to 3.4% and RPI to 3.7%. This, however, was not enough to offset low wage growth and, as a result, Britons suffered the biggest drop in disposable income in more than three decades.

Growth, Employment, House Prices: Growth, on the other hand, remained elusive. The Bank's Quarterly Inflation Reports painted a bleak picture as the outlook was downgraded to around 1% in 2011 and 2012 alongside. The unresolved problems in the Eurozone weighed negatively on global economic prospects. UK GDP was positive in only the first and third calendar quarters of 2011; annual GDP to December 2011 registered just 0.5%. Unemployment rose to 2.68 million and, worryingly, youth unemployment broke through the 1 million barrier. House prices struggled to show sustained growth and consumer confidence remained fragile.

Monetary Policy: It was not surprising that the Bank of England's Monetary Policy Committee maintained the status quo on the Bank Rate which has now been held at 0.5% since March 2009, but increased asset purchases by £75bn in October 2011 and another £50bn in February 2012 taking the Quantitative Easing (QE) total to £325bn.

The policy measures announced in the March 2012 Budget statement were judged to be neutral. The government stuck broadly to its austerity plans as the economy was rebalancing slowly. The opinion of independent Office for Budget Responsibility (OBR) was that the government was on track to meet its fiscal targets; the OBR identified oil price shocks and a further deterioration in Europe as the main risks to the outlook for growth and in meeting the fiscal target.

US

The US economy continued to show tentative, positive signs of growth alongside a gradual decline in the unemployment rate. The US Federal Reserve (the Fed) committed to keeping policy rates low until 2014, although a modest shift in the Fed's language in March, alongside an improvement in economic activity, cast doubts about the permanence of the Fed's policy commitment.

Europe

In Europe, sovereign debt problems for some peripheral countries became critical. Several policy initiatives were largely ineffectual; two bailout packages were required for Greece and one for Portugal, and the contagion spread to Spain and Italy whose sovereign bonds came under increased stress in November. Standard & Poor's downgraded nine European sovereigns and the EFSF bailout fund. The successful Greek sovereign bond swap in March 2012 shortly after its second bailout package allowed it to avoid bankruptcy later that

month, but it was not a long-term solution. The ECB's €1.3 trillion Long-Term refinancing Operations (LTROs) flooded the financial markets with ultra-cheap 3-year liquidity and relieved much of the immediate funding pressure facing European banks in 2012, but markets ultimately took the view the LTROs simply served to delay a resolution of, rather than addressed, the fundamental issues underpinning Euroland's problems.

Markets sentiment oscillated between 'risk on'/'risk off' modes, this swing becoming the norm for much of 2011/12 as investors shifted between riskier assets and the relative safety of higher quality government bonds. Gilts, however, were a principal beneficiary of the 'risk-off' theme which helped push yields lower. There was little market reaction to or impact on gilts by the decision by Fitch and Moody's to change the outlook on the UK's triple-A rating from stable to negative. Over the 12-month period from April 2011 to March 2012, 5-year gilt yields more than halved from 2.40% to 1.06%; 10-year gilt yields fell from 3.67% to 2.25%; 20-year yields fell from 4.30% to 3.20% and 50-year yields from 4.20% to 3.35%. PWLB borrowing rates fell commensurately, but the cost of carry associated with borrowing longer-term loans whilst investing the monies temporarily until required for capital financing remained high, in excess of 4.1 % for 20-year PWLB Maturity borrowing.

Credit

Europe's banking sector was inextricably linked with the sovereign sector. Sharp moves in sovereign CDS and bond yields were fairly correlated with the countries' banking sector performance. The deterioration in the prospects for real growth had implications for earnings and profit growth and banks' creditworthiness. The European Banking Authority's banking stress tests of 70 EU banks undertaken in October 2011 identified a collective €106 billion shortfall to banks' Core Tier 1 ratio of 9%. The slowdown in debt and equity capital market activity also had implications for banks' funding and liquidity. These principal factors, as well as a reassessment by the rating agencies of future sovereign support for banks, resulted in downgrades to the long-term ratings of several UK and non-UK financial institutions in autumn 2011.

8. Prudential Indicators 2011/12

The Council can confirm that it has complied with its Prudential Indicators for 2011/12, which were approved on 24th February 2011 as part of the Council's Treasury Management Strategy Statement. Details can be found in Annex 1.

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2011/12. None of the Prudential Indicators have been breached and a prudent approach has been taking in relation to investment activity with priority being given to security and liquidity over yield.

9. Other Items

Potential for reduced PWLB borrowing rates

A brief paragraph in the 2012 Budget Report (March 2012) contained HM Treasury's intention to offer a 20 basis points discount on loans from the PWLB "for those principal local authorities providing improved information and transparency on their locally-determined long-term borrowing and associated capital spending plans" and the potential of an independent body to facilitate the provision of "a further reduced rate for authorities demonstrating best quality and value for money". More detail is awaited and, given that discussion with relevant bodies will be required, it could be some months before either of these measures is implemented.

Annex 1**Capital Financing Requirement (CFR)**

Estimates of the Council's cumulative maximum external borrowing requirement for 2011/12 to 2013/14 are shown in the table below:

	31/3/2012 Estimate £m	31/3/2012 Actual £m	31/3/2013 Estimate £m	31/3/2014 Estimate £m
Gross CFR	211	209	234	253
Less: Other Long Term Liabilities	25	25	24	22
Borrowing CFR	186	184	210	231
Less: Existing Profile of borrowing	134	134	128	122
Cumulative Maximum External Borrowing Requirement	52	50	82	109

Usable Reserves

Estimates of the Council's level of Balances and Reserves for 2011/12 to 2013/14 are as follows:

	31/3/2012 Estimate £m	31/3/2012 Actual £m	31/3/2013 Estimate £m	31/3/2014 Estimate £m
Usable Reserves	59	61	58	55

Prudential Indicator Compliance**(a) Authorised Limit and Operational Boundary for External Debt**

- The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.
- The Council's Affordable Borrowing Limit was set at £235m for 2011/12.
- The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.
- The Operational Boundary for 2011/12 was set at £225m.
- The Director of Finance & Business Services confirms that there were no breaches to the Authorised Limit and the Operational Boundary during the year; borrowing at its peak was £134m.

(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Limits for 2011/12 %	Maximum during 2011/12 %
Upper Limit for Fixed Rate Exposure	100%	100%
Compliance with Limits:	Yes	Yes
Upper Limit for Variable Rate Exposure	100%	0%
Compliance with Limits:	Yes	Yes

(c) Maturity Structure of Fixed Rate Borrowing

- This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 31/03/2012 £m	% Fixed Rate Borrowing as at 31/03/2012	Compliance with Set Limits?
under 12 months	25%	0%	17.5	13%	Yes
12 months and within 24 months	25%	0%	10.5	8%	Yes
24 months and within 5 years	35%	0%	24.1	19%	Yes
5 years and within 10 years	50%	0%	20.0	15%	Yes
10 years and within 20 years	100%	0%	17.3	13%	Yes
20 years and within 30 years	100%	0%	16.2	12%	Yes
30 years and within 40 years	100%	0%	8.8	7%	Yes
40 years and within 50 years	100%	0%	17.8	13%	Yes
50 years and above	100%	0%	0	0%	Yes

(The 2011 revision to the CIPFA Treasury Management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date¹)

(d) Actual External Debt

- This indicator is obtained directly from the Authority's balance sheet. It is the closing balance for actual gross borrowing (short and long-term) plus other deferred liabilities.
- The indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2012	£m
Borrowing	134
Other Long-term Liabilities	25
Total	159

(e) Total principal sums invested for periods longer than 364 days

- This indicator allows the Council to manage the risk inherent in investments longer than 364 days.
- The limit for 2011/12 was set at 40% of total investments.
- One investment of £5m was made in 2011/12 for a period of 365 days which represented a maximum of 11.4% of investments at any one time.

(f) Capital Expenditure

- This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits, and, in particular, to consider the impact on Council tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2011/12 Estimate £m	2011/12 Actual £m	2012/13 Estimate £m	2013/14 Estimate £m
Total	77	50	102	53

- Capital expenditure has been and will be financed or funded as follows:

Capital Financing	2011/12 Estimate £m	2011/12 Actual £m	2012/13 Estimate £m	2013/14 Estimate £m
Capital receipts	16	11	18	7
Government Grants	35	26	46	14
External contributions	1	2	1	0
Revenue contributions	1	0	1	0
Supported borrowing	4	4	3	1
Unsupported borrowing	20	7	33	31
Total Financing and Funding	77	50	102	53

(g) **Ratio of Financing Costs to Net Revenue Stream**

- This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs.
- The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2011/12 Estimate %	2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %
Total	5.59	4.98	6.01	7.15

(h) **Incremental Impact of Capital Investment Decisions**

- This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2011/12 Approved £	2012/13 Estimate £	2013/14 Estimate £
Increase in Band D Council Tax	2.33	16.35	19.05

(i) **Adoption of the CIPFA Treasury Management Code**

- This indicator demonstrates that the Authority adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
--

The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 24 th February 2011
--

(j) **Gross and Net Debt**

- The purpose of this treasury indicator is to highlight a situation where the Authority is planning to borrow in advance of need.

Upper Limit on Net Debt compared to Gross Debt	2011/12 Actual £m	2012/13 Estimate £m	2013/14 Estimate £m
Outstanding Borrowing (at nominal value)	132	210	231
Other Long-term Liabilities (at nominal value)	25	24	22
Gross Debt	157	234	253
Less: Investments	(50)	(34)	(29)
Net Debt	107	200	224

N.B. CIPFA has acknowledged that the upper limit does not work as was intended and is working on a revised indicator. This indicator will be amended once revised guidance has been received from CIPFA.

(k) **Upper Limit for Total Principal Sums Invested Over 364 Days**

- The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
	40%	40%	40%	40%	40%

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	23 July 2012
Report of:	Director of Finance & Business Services / Strategic Director, Places & Organisational Capacity
Subject/Title:	2011/2012 Final Outturn Performance
Portfolio Holders:	Cllr. Peter Raynes / Cllr. Barry Moran

1.0 Report Summary

- 1.1 Cheshire East is committed to continuous improvement and excellence in all that it influences and delivers. This report gives summary and detailed information about its financial and non-financial performance at the final outturn stage of 2011/2012.
- 1.2 Annex 1 provides an update on the overall Financial Stability of the Council, including the positions on Grants, Council Tax and Business Rates, Treasury Management, Centrally held budgets, and the Management of the Council's Reserves.
- 1.3 Annex 2 provides details of service financial performance for the 2011-2012 financial year. It focuses on the key financial pressures which the Council's services have faced, and areas of high financial risk to the Council, and highlights significant changes to the forecasts reported at the Three Quarter Year review (TQR).
- 1.4 Annex 3 provides a summary of the key performance headlines for the year.
- 1.5 The key points to emerge at the final outturn stage, which are explained in the report, are:

Service Revenue Outturn

- 1.6 The overall service overspend is £10.5m which represents a £0.5m improvement from TQR. This overspend has been further reduced by £2.3m following the capitalisation of Voluntary Redundancy costs, giving a net overspend of £8.2m.
- 1.7 An underspend on capital financing, together with contributions from earmarked reserves and other unbudgeted income have mitigated this by £5.2m. However this has been partly offset by the charging of PFI costs to revenue, approved allocations from balances, and other corporate items of £3.2m.

Reserves

- 1.8 After allowing for the £5.1m budgeted contribution to balances, the final general reserve position is £11.4m. For the reasons set out in the report this position remains adequate in risk terms.

Capital Programme

- 1.9 Expenditure of £50.2m was incurred against a budget of £72.3m. A review of the shortfall of £22m is being undertaken to assess the extent of slippage required to be carried forward, and the reprofiling of future years' forecasts.

Debt

- 1.10 Outstanding debt over 6 months old at 31 March 2012 stood at £2.6m.

Performance

- 1.11 From the retained former statutory indicators (National Indicators and Best Value Performance Indicators) reported corporately during the year, 45% of measures either achieved or exceeded their target at 2011/12 Year End.

2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following financial issues:
- the overall financial stability of the Council, including Grants, in-year collection rates for Council Tax and Business Rates, Treasury Management, and centrally held budgets (Annex 1);
 - the impact on the Council's general reserves position as detailed in Annex 1;
 - the final service revenue and capital outturn positions (Annex 2);
 - the Council's invoiced debt position as shown in Annex 2;
 - the delivery of the 2011-2012 capital programme, detailed in Annex 2 and Appendix 1;
 - Reductions to approved capital budgets, as shown in Annex 2, Appendix 3.
- 2.2 Cabinet is requested to note and comment as appropriate on the following performance issues, contained in Annex 3:
- note the successes achieved during 2011/2012, and consider issues raised in relation to underperformance against targets and how these will be addressed.
- 2.3 Cabinet is requested to approve the following:
- Supplementary Capital Estimates and virement requests over £100,000 and up to and including £1,000,000 as shown in Annex 2, Appendix 2a.
- 2.4 Cabinet is requested to ask Council to approve the following:
- a Supplementary Capital Estimate / Virement requests over £1,000,000 as shown in Annex 2, Appendix 2b.

3.0 Reasons for Recommendations

- 3.1 The Council is committed to high standards of achievement and continuing improvement. Performance information plays a vital role in ensuring that the Council celebrates its achievements, understands its performance in key areas and addresses issues of under performance. The Council and partners have identified a series of improvement measures to support outcomes for local people as outlined in the priorities and objectives of the Sustainable Community Strategy.
- 3.2 In accordance with good practice, Members should receive a quarterly report on the financial performance of the Council. Finance Procedure Rules set out the requirements for financial approvals by Members, and relevant recommendations are contained in this report.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including – Carbon Reduction, Health

- 6.1 Performance management supports delivery of all key Council policies including carbon reduction and health. The final outturn position, ongoing impacts in future years, and the impact on general reserves will be fed into the assumptions underpinning the 2013/2014 Financial Scenario and Business Planning process.

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

- 7.1 The Council's financial resources are aligned to its priorities and used to deliver priority outcomes for local communities. Monitoring performance helps ensure that resources are used effectively and that business planning and financial decision making are made in the context of performance.

8.0 Legal Implications (Authorised by the Borough Solicitor)

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

9.0 Risk Management

- 9.1 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 2011/2012 budget and the level of general reserves were factored into the 2012/2013 Financial Scenario and Budget, and Reserves Strategy.

- 9.2 Performance and risk management are part of the key management processes of the Authority. Risks are captured both in terms of the risk of underperforming and the risk to the Council in not delivering its ambitions for the community of Cheshire East.

10.0 Background

- 10.1 Our vision, corporate plans, financial allocations, democratic and organisational structures are all designed to help us achieve the outcomes that matter to the people of Cheshire East. Performance reporting and a focus on improvement are fundamental to achieving our long term ambitions. The report reflects a developing framework to embed performance management culture throughout the organisation.

11.0 Access to Information

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

Name: Lisa Quinn / John Nicholson
Designation: Director of Finance & Business Services / Strategic Director,
Places & Organisational Capacity
Tel No: 01270 686628 / 01270 686611
Email: lisa.quinn@cheshireeast.gov.uk / john.nicholson@cheshireeast.gov.uk

FINANCIAL STABILITY

Government Grant Funding of Local Expenditure

1. Cheshire East receives two main types of Government grants, formula grant and specific grants. The overall total of Government grant estimated for 2011/2012 was £419.0m.
2. In 2011/2012 Cheshire East Council's formula grant was £70.3m and specific grants were budgeted to be £373.8m based on Government announcements to February 2011. Further announcements revised this figure to £348.6m. Specific grants are split between non-ringfenced (£128.7m) and ringfenced (£219.9m). Spending in relation to ringfenced grants must be in line with the purpose for which it is provided.
3. The table below is a summary of the budgeted and updated position for all grants in 2011/2012. A full list of grants is provided at Annex 1, Appendix 1.

Table 1 – Summary of Grants to date

	Original Budget 2011/12 £m	Revised Budget 2011/12 £m	Cash Received 2011/12 £m	Variance from revised budget to cash received 2011/12 £m
Formula Grant				
Revenue Support Grant	16.6	16.6	16.6	0.0
Business Rates	53.7	53.7	53.7	0.0
Specific				
Ringfenced Grants	248.1	219.9	219.9	0.0
Non Ringfenced Grants - held within service	95.5	95.5	101.1	5.5
Non Ringfenced Grants - held corporately	30.2	33.2	32.7	(0.5)
Total Government Grant Funding	444.1	419.0	424.0	5.0

Source: Cheshire East Finance

4. Various unconditional non-ringfenced grants have been received during the last quarter of 2011/2012. Accounting rules now require these corporately held grants to be credited to the revenue account, and therefore are effectively held in year-end general reserves. As some of these were received too late for services to seek approval to spend against in 2011/2012, services will be requesting Supplementary Estimates for £75k in 2012/2013 to enable them to utilise these funds.
5. Overall since TQR there has been a decrease in ringfenced grants of £542k. At TQR it had been assumed that £0.8m additional grant (after approved allocations to services) would be added to balances. However, at outturn this figure has reduced to £0.2m mainly as a result of four small Children and Families grants that are now not expected to be received, and retrospectively claimed grants which have been reflected in service outturn positions.

Collecting Local Taxes for Local Expenditure

6. Cheshire East Council collects Council Tax and National Non Domestic Rates (NNDR) for use locally and nationally.

Council Tax

7. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2011/2012 at £1,216.34 for a Band D property. This is applied to the tax base.
8. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non collection). The taxbase for 2011/2012 was agreed at 146,899.21 which, when multiplied by the Band D charge, means that the expected income for the year is £178.7m.
9. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police Authority, the Cheshire Fire Authority and Parish Councils. Table 2 (below) shows these amounts separately, giving a total collectable amount of £213.1m.

Table 2 – The majority of Council Tax is retained by Cheshire East

	£m
Cheshire East Council	178.7
Cheshire Police Authority	21.2
Cheshire Fire Authority	9.8
Town & Parish Councils	3.4
	<hr/> 213.1

Source: Cheshire East Finance, Sept 2011

10. This figure may vary slightly during the year if more discounts and exemptions are granted or more properties are built.
11. The Council expects to collect at least 99% of the amount billed, but will always pursue 100% collection. However, to allow for any delay in collection the amount billed should therefore be slightly more than the actual budget. The amount billed to date is £213.7m.
12. Table 3 (below) shows collection rates for the last three years, and demonstrates that 99% collection is being achieved within three years.

Table 3 – 99% of Council Tax is collected within 3 Years

	% Collected to date
2009/2010	99.2%
2010/2011	98.8%
2011/2012	97.9%

Source: Cheshire East Finance, May 2012

National Non Domestic Rates (NNDR)

13. NNDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes in line with inflation and takes account of the costs of small business rate relief. The inflation factor used is 4.6% which reflects the Retail Price Index as at September 2010. NNDR is set nationally and paid over into the NNDR pool to be re-allocated across the country according to need.
14. The small business multiplier applied to businesses who qualify for the small business relief has been set at 42.6p in 2011/2012. The non-domestic multiplier has been set at 43.3p in the pound for 2011/2012.
15. The amount collected does not relate to the amount that is redistributed to the Council but it must be noted that the total collected includes amounts that will be distributed to police and fire authorities as well as local government.
16. Table 4 (below) demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

Table 4 – Over 99% of Rates are collected within 3 years

	% Collected to date
2009/2010	99.7%
2010/2011	99.1%
2011/2012	98.1%

Source: Cheshire East Finance, May 2012

Central Adjustments

Capital Financing Costs

17. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These budgeted costs are partly offset by the interest the Council anticipates earning from temporary investment of its cash balances during the year.
18. At TQR, the overall saving on the capital financing budget was forecast to be £0.7m. At outturn this has risen to £1.7m, as a result of a £1m underspend on debt repayments due to slippage in the capital programme, and £0.7m savings in external interest costs.

Treasury Management

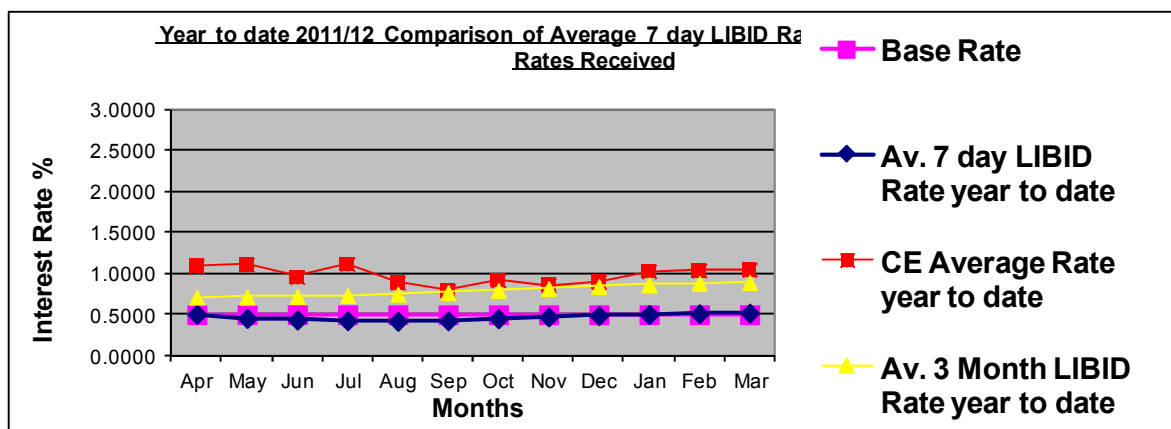
19. Investment income received in 2011/2012 was £816,000, slightly higher than the budget of £800,000:

Source of Income	£
In House Managed Investments	603,000
Fund Manager Interest	139,000
Heritable Bank in Administration	63,000
Other	11,000
TOTAL	816,000

- The average lend position (the 'cash balance') including fund manager in the year was £70.5m.
- The average interest rate received on in house investments in the year was 1.12%
- The average interest rate received on the externally managed pooled funds in the year was 0.83% (0.56% after fees).

20. The Council's total average interest rate in the year was 1.05%. This is favourable when compared to the London Inter-bank Bid Rate for 7 days at 0.52%. The base rate has remained at 0.50% for the quarter.

Comparator	Average Rate Q4
Cheshire East	1.05%
LIBID 7 Day Rate	0.52%
LIBID 3 Month Rate	0.89%
Base Rate	0.50%



Counterparty Limits and Investment Strategy

21. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. For named UK banks, UK building societies and foreign banks this has been set as 15% of our total investments, subject to a maximum value of £15m. These limits apply to the banking group that each bank

belongs to. The Council did not invest directly with any foreign banks during 2011/2012.

22. The maximum amount that can be invested with any Money Market Fund has been set at 25% of our total investments subject to a maximum value of £20m. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments.
23. During 2011/2012 all UK banks have had their credit ratings reviewed mainly as a response to the ongoing debt crisis in the Eurozone. A number of banks which the Council had been using for investment purposes were downgraded and now fall below our minimum investment criteria. Cheshire East has only invested with UK institutions and money market funds. The table below shows the limits relating to each organisation and the investments as at 31st March 2012. Where counterparties have been removed from our list then no new investments are being placed and funds already with those institutions are being recalled in line with the terms of the investments.

Counterparties	Limits		Investments as at 31/03/12	
UK BANKS				
Barclays Bank	15%	£15m	-	-
Co-operative Bank:	15%	£15m	-	-
HSBC Bank	15%	£15m	-	-
Lloyds TSB	15%	£15m	6%	£3m
Royal Bank of Scotland	15%	£15m	10%	£5m
Santander (UK) plc	15%	£15m	10%	£5m
Standard Chartered Bank	15%	£15m	-	-
Monet Market Funds	50%		34%	
Deutsche	25%	£20m	8%	£4m
Ignis	25%	£20m	9%	£4.5m
Prime Rate	25%	£20m	10%	£5m
Scottish Widows	25%	£20m	7%	£3.6m
Pooled Funds - External Fund Manager	50%		40%	£20m
				£50.1m

24. With the ongoing crisis in the financial system, particularly within the Eurozone, all financial institutions and Money Market Funds are subject to ongoing monitoring by the Council's Treasury advisors, Arlingclose. The Council can react to concerns over any institutions that are on the approved list to ensure that any risk to the Council is minimized. The Council is currently limiting the duration of any new investments to allow for quicker reaction to market changes. The effect of removing counterparties from the lending list and limiting the duration of new investments will reduce the amount of interest received from future investments

Performance of Fund Manager

25. The table below shows the performance of the funds (net of fees) since the initial investment of £20m (£10m in each model) on 27th May 2011.

	STANDARD MODEL	DYNAMIC MODEL
June 2011	-0.04%	-0.13%
July 2011	0.21%	0.23%
August 2011	-0.17%	-0.47%
September 2011	-0.09%	-0.24%
October 2011	0.16%	0.28%
November 2011	-0.07%	-0.19%
December 2011	0.09%	0.12%
January 2012	0.39%	0.46%
February 2012	0.05%	0.10%
March 2012	0.10%	0.15%
Cumulative since start	0.64%	0.31%
Value of Investment at 31/03/12	£10,085,046	£10,053,946
Fees	£21,220	£22,840
Annual Equivalent Rate as at 31/03/12	0.75%	0.37%

26. Since the last quarter the funds have shown a marked improvement although weakening financial markets caused by worries on the Greek and Spanish economies has reversed some of these gains at the start of 2012/2013.
27. Market sentiment whether based on fact or rumour, will continue to affect performance which could easily see large swings both upwards and downwards. Most of the increased value to the funds has been attributable to emerging markets debt where economies are not currently affected by the recessionary worries of Europe and the USA. It was poor data coming from the USA economy and the escalation of the Greek debt crisis that led to poor fund performance in August and September.
28. Whilst the performance of the fund since the Council joined is not as good as originally hoped, these investments should be seen as a longer term investment so true performance can only be judged over a longer period of time.

Borrowings

29. The Council currently has debt outstanding of £132.3m of which £115.3m is from the PWLB and £17m is in the form of market LOBO loans. The only borrowing activity which took place in 2011/2012 was to refinance £5m maturing PWLB debt with a new 10 year PWLB Equal Instalments of Principal (EIP) loan at a rate of 2.09%. Whilst there is a short term cost of carrying this loan (compared to investment rates)

this does offset the interest risk inherent in waiting until liquidity issues force new borrowing.

30. The maturing debt arose out of a £50m debt restructuring exercise in July 2010 which assumed savings of £4.47m over 10 years based on refinancing the debt at 4.22%. As the refinancing in 2011/2012 did not take place until March and was at the lower rate of 2.09% then savings are forecast to be higher. Budgeted savings from debt restructuring up to 31/03/12 were £1.4m, although actual savings are £1.6m.

Treasury Management Advisors

31. The contract for provision of Treasury Management advice expired on 31st December 2011. Following a tendering process, Arlingclose Ltd were re-appointed to provide treasury advice for another 3 years.

Central Contingencies

Pay, Prices and Pensions Inflation

32. The 2011/2012 budget contained £2.1m contingency provision to meet the potential impact of general inflation on service budgets, and to meet estimated costs of increases in Employer National Insurance and Pensions contributions. This was fully allocated to services, and is therefore reflected in service outturn positions.

Severance and relocation costs

33. A provision of £4.167m was included in the 2011/2012 budget to meet ongoing actuarial charges relating to Voluntary Redundancies (VR), and relocation costs arising from Local Government Reorganisation. Actuarial costs of £3.917m, and relocation costs of £0.545m were incurred in 2011/2012, which in total exceeded the provision by £0.3m. Overall though, relocation costs are lower than originally forecast, and consequently provision has been made in the 2012/2013 budget to return surplus funding of £0.5m transferred to the Council on reorganisation.

Supplementary Revenue Approvals

34. The VR scheme has continued in 2011/2012 but costs are now funded by individual services rather than from a corporate reserve, and costs have been reflected in services' forecast outturn positions. However, as advised at TQR, the Council received approval to capitalise the statutory element of VR payments in 2011/2012, which has been prudently funded from the Capital Reserve rather than borrowing, with a resultant reduction in the impact on revenue budgets. Consequently service costs have been reduced by the capitalisation of VR costs of £2.3m.
35. At TQR, Council approved a Supplementary Revenue Estimate (SRE) of £0.6m (after capitalisation) to be funded from general reserves for one-off VR costs relating to ICT Shared Service and Adults Transport staff. However actual net costs of the VR payments in 2011/2012 were only £130k, as a result of the phasing of some leavers into 2012/2013, thereby reducing the impact on balances by £470k. VR costs in 2012/2013 will be met from the pump priming budget provision, and

therefore there is no need to earmark the remainder of the SRE approval as a call on reserves.

36. At Mid Year Review (MYR), Members also approved an SRE of £860k for Pay Harmonisation costs. Due to timing, only £261k was incurred and allocated to services in year, and therefore it is proposed that the balance of £599k be transferred to an earmarked reserve for drawdown in 2012/2013.

PFI costs

37. Following the Government's abandonment of the PFI schemes relating to Waste and Round 5 Extra Care Housing, it is necessary to write off costs of £1.7m previously treated as capital expenditure on these schemes to the revenue account. The Council did apply for a "capitalisation direction" – i.e. permission to continue to treat those costs as capital expenditure. However in a letter from the Communities & Local Government (CLG) Department dated 23 May 2012, the application was refused, on the grounds that (a) the expenditure was not unavoidable, and (b) there would not be unacceptable adverse impact on those who use or pay for services if the expenditure is met from revenue resources; i.e. the Department was not satisfied that meeting the PFI costs from revenue resources would cause exceptional financial difficulties for Cheshire East.
38. Whilst we are able to make another capitalisation bid in 2012/2013, in the light of the timing of our decision not to proceed with the project (April 2012) and also CLG's response in May, it is considered prudent to reflect the write off (£1.6m expenditure relating to the Waste PFI scheme, and £0.1m relating to the Extra Care Housing scheme) in the 2011/2012 accounts.

Other

39. Other miscellaneous items of income and expenditure including corporate write offs have contributed to a charge against balances of £0.2m.

Outturn Impact

40. The impact of the service outturn position (after capitalisation of VR costs of £2.3m) is to reduce balances by £8.2m. This is reported on fully in Annex 2.
41. Taken into account with the service related items detailed above, the impact of these service outturn issues is to reduce balances by £9.5m, summarised as follows:

	£m
Service Outturn	- 8.2
Capital financing	1.7
Grants	0.2
Relocation	- 0.3
SREs	- 1.0
PFI costs	- 1.7
Other	<u>- 0.2</u>
Total	<u>- 9.5</u>

Management of Council Reserves

42. As previously reported, the opening balance at 1 April 2011 on the Council's General Reserves increased from a projected £6.7m to an actual position of £12.5m, due to the improved outturn position for 2010/2011.
43. The Council's Reserves Strategy 2011/2014 stated that the Council would maintain reserves to protect against risk and support investment. The Strategy forecast an increase in the level of reserves to £15m by 31st March 2012 with a risk assessed minimum level of £14.7m.
44. Planned returns to reserves of £8.3m at MYR comprised a projected contribution from revenue funding of £5.1m, approved transfers of revenue earmarked reserves of £1.9m, VAT repayments of £1.1m (increased from the original estimate of £0.7m), and Business Financing scheme repayments of £0.2m, which increased to £0.3m at outturn resulting in a return to balances of £8.4m. At TQR a further £0.5m had been potentially identified for return to balances from the capital reserve, however after further investigation it has not been possible to release these monies.
45. Taken together with service outturn impacts above, the overall impact is a net reduction in general reserves of £1.1m to £11.4m as shown in Table 5 below.

Table 5 – Change in Reserves Position

	£m	£m
Opening Balance at 1 April 2011		12.5
Planned Contribution to reserves	5.1	
Fleming VAT claims	1.1	
Contribution from earmarked reserves	1.9	
Business Financing scheme	0.3	8.4
Service Outturn Impacts		-9.5
Closing Balance at 31 March		11.4

46. The balance of £11.4m is below the Reserves Strategy risk assessed minimal level of reserves of £14.7m, although it is in line with the £13.2m forecast at TQR. Further calls on the general reserve have been made which had been previously covered by the risk level of reserve. These comprised the Supplementary Revenue Estimates for pay harmonisation issues (£0.86m) and ICT Shared Service redundancies (£0.6m), and the charging of abortive PFI costs of £1.7m which have been prudently recognised against the 2011/2012 outturn position. The final general reserve position of £11.4m therefore remains adequate in risk terms.

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		Original Budget	Revised Budget as	Cash Received	Variance from
		2011/12	at TQR	2011/12	revised budget
		£000	£000	£000	to cash
	Note				received
					2011/12
					£000
Formula Grant					
Revenue Support Grant		16,607	16,607	16,607	0
National Non Domestic Rates		53,728	53,728	53,728	0
Total Formula Grant		70,335	70,335	70,335	0
Specific Grants					
Ringfenced Grants					
Dedicated Schools Grant	1	229,619	205,103	205,291	188
Pupil Premium Grant	2	0	2,575	2,384	-191
Sixth Forms Grant (YPLA)	1	18,432	12,218	12,252	34
Total Ringfenced Grants		248,051	219,896	219,927	31
Non Ringfenced Grants - held within service					
Council Tax Benefit Subsidy	4	20,408	20,408	20,690	282
Housing Benefit Subsidy	4	75,128	75,128	80,366	5,238
Total Benefit Subsidies		95,536	95,536	101,056	5,520
Non Ringfenced Grants - held corporately					
Early Intervention Grant		11,784	11,836	11,830	-6
Learning Disabilities & Health Reform		4,021	4,021	4,021	0
New Homes Bonus		0	870	870	0
Council Tax Freeze Grant		4,427	4,467	4,467	0
Housing Benefit and Council Tax Admin.		2,210	2,210	2,210	-0
NNDR Administration Grant		562	562	562	0
NHS Funding	3	3,906	3,906	3,906	0
Local Service Support Grant -					
- Preventing Homelessness Grant		253	253		
- Lead Local Flood Authorities		125	125		
- Community Safety Fund		340	292		
- Extended Rights to Free Transport		166	310		
LSS total		884	980	980	-0
Music Grant		378	406	406	0
YOT grant		383	443	443	0
Children's Workforce in Schools Modernisation Grant		85	85	0	-85
Learner Support Funds		40	40	0	-40
16+ Transport Partnership grant		73	73	0	-73
Further Education Funding (16-18 Funding)		10	10	0	-10
Adult and Community Learning		728	723	710	-13
Train to Gain Grant		233	250	250	0
CWIEC		30	30	20	-10
Community Transport Grant		0	139	139	0
Neighbourhood Planning Front Runners		0	80	80	0
Revocation of Property Search Fee		0	34	34	0
Planning - Habitats Regulations and Climate Change		0	17	17	
New Burdens					0
Winter Impact Grant		0	1,573	1,573	0
Warm Homes Healthy People		0	69	69	0
North West Childrens Improvement Programme		0	0	3	3
Food Hygiene Rating System Grant		0	0	6	6
Benefits subsidy and performance officer HB transitional funding		0	0	44	44
Atlas CR 2012		0	0	1	1
Air Quality DEFRA Grant		0	0	30	30
DWP - LHA implementation		0	0	8	8
DWP - Benefits claim		0	0	14	14
Unidentified income		0	0	2	2
Grants claimed retrospectively		412	412	0	-412
Total Non Ringfenced Grants		30,166	33,236	32,695	-542
Total Specific Grants		373,753	348,668	353,678	5,010
Total Government Grant Funding		444,089	419,004	424,014	5,010

Notes

- 1 The DSG/YPLA reductions are due to funding being transferred to Academies
- 2 The Pupil Premium grant was increase in year by the DfE; impact is net nil as passed on in full to schools
- 3 Spending against NHS Funding grant is to be negotiated with NHS
- 4 The budgets for Council Tax Benefit and Housing Benefit Subsidy grants are held within the service.

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SERVICE FINANCIAL SUMMARY

INTRODUCTION

1. This section provides a summary of SERVICE final outturn positions on revenue and capital budgets, and a summary of the debt position at 31 March 2012. It highlights the key budget pressures faced by the Council, and remedial actions taken, and summarises achievement against savings policy proposals contained in the 2011/2012 budget. Significant variances from the Three Quarter Year Review (TQR) position are highlighted.

OVERALL REVENUE SUMMARY

2. Table 1 overleaf shows the final outturn positions at a service level before and after the deduction of capitalised VR costs. The 'Change from TQR' column relates to the position before these deductions were made.
3. The overall service overspend is £10.5m which represents a £0.5m improvement from the TQR. This overspend has been further reduced by £2.3m following the capitalisation of Voluntary Redundancy costs as proposed at TQR, giving a total overspend of £8.2m.
4. The Places and Organisational Capacity outturn position reflects underspends of £226k against Supplementary Estimates approved in year relating to the allocation of additional specific grant funding in 2011/2012. These underspends are effectively contained within the year end balances position, and therefore services will requesting Council on 19th July to approve the re-allocation of the funding in 2012/2013.
5. Significant elements of overspend arise across all areas of the Council, including unallocated cross-cutting savings. Details of service positions are contained in the following sections.

Table 1: Service Outturn Positions 2011/2012

	Net Budget £000	Variance from Budget £000	Less Capitalised VR costs £000	Net Variance from Budget £000	Change from TQR (excl VR costs) £000
<u>Children & Families</u>					
Directorate	783	73		73	581
Safeguarding & Specialist Support	27,226	2,521	-149	2,372	1,550
Early Intervention & Prevention	11,025	-842		-842	126
Strategy & Planning	18,969	-1,879	-13	-1,892	-705
Other Schools Related	0	2,083		2,083	-666
sub total	58,003	1,956	-162	1,794	886
<u>Adults</u>					0
Care4CE	0	66	-10	56	-838
Local Independent Living	55,363	3,591		3,591	329
Strategic Commissioning	39,651	450	-1,199	-749	441
sub total	95,014	4,107	-1,209	2,898	-68
CHILDREN, FAMILIES & ADULTS	153,017	6,063	-1,371	4,692	818
Waste, Recycling & Streetscape	29,718	1,650	-142	1,508	1,067
Highways & Transport	20,270	-1,140	-40	-1,180	-244
Community	5,384	778	-53	725	123
Development	15,838	432	-189	243	-638
Performance, Customer Services & Capacity	10,791	-485	-83	-568	-279
PLACES & ORGANISATIONAL CAPACITY	82,001	1,235	-507	728	29
Finance & Business Services	18,366	-36	-366	-402	-1,590
HR & OD	3,148	151	-63	88	74
Borough Solicitor	5,819	224	-6	218	96
CORPORATE SERVICES	27,333	339	-435	-96	-1,420
CROSS CUTTING SAVINGS	-2,914	2,914	0	2,914	102
TOTAL SERVICE OUTTURN	259,437	10,551	-2,313	8,238	-471

KEY SERVICE REVENUE ISSUES

6. Key issues impacting on final service outturn positions are summarised below.

CHILDREN & FAMILIES - £1.794m overspend

7. The final outturn for Children and Families is an overspend position of £1.794m. At the Three Quarter Review the reported position was a net overspend of £1.1m, after allowing for remedial action. However this position was worsened at year end following the identification of additional care costs for Looked After Children, and increased agency staffing costs which had previously been assumed to end.

Safeguarding and Specialist Support - £2.372m overspend

8. The total number of Looked After Children has not moved significantly over the year, with 439 children in care at March 2011 and 438 children in care on 30 March 2012. However there have been movements in year, with 129 children admitted into care in 2011/2012 compared with 188 in 2010/2011. Of these 438 children currently looked after, 55 have had a placement order granted and will be placed for adoption in the new year.
9. Placement costs have overspent by £2.6m in 2011/2012, and in part this is due to the number of 16+ placements. There are 87 young people in care over the age of 16, and previously these could have been expected to end. However with the Southwark judgement the authority is obliged to maintain their placements. Investment of £1m has been earmarked in the 2012/2013 budget to address this particular area, through a Targetted Youth service.
10. Staffing budgets for the Social Care Teams and Child Protection service have overspent by £838k in total in 2011/2012. There are high levels of sickness and vacancies which due to the difficulty in recruitment have been filled using agency staff. In particular Social Work agency staff are much more costly than in house Social Workers. During the year it had been assumed that most agency staff would finish by December, and permanent staff recruited, however this has not happened, and agency staff have been retained.
11. Managers are currently looking to advertise for staff, but it is likely that agency staff will be retained for at least the first half of 2012/2013, putting continued pressure on the staffing budgets.

Early Intervention and Prevention - £0.842m underspend

12. Following the creation of Cheshire East Council a review of the approach to safeguarding across the Borough resulted in increasing numbers of children requiring care. In recognition of the increasing costs of these Looked After Children, the department created the Early Intervention and Prevention service in April 2011, which incorporated the Family Service, Children's Centres and the First Contact service, which aims to keep more children in their own homes. Over the longer term through increasing early intervention and support, it is anticipated that the numbers of children needing to be looked after will gradually reduce.
13. Delays in recruitment have meant that the service have been unable to fill vacant posts creating a significant underspend in staffing budgets. However the impact of the delay in setting up the Early Intervention service fully is that the numbers of Looked After Children are not yet reducing.
14. The contract with Connexions was terminated at 31 March 2012 and staff have TUPEd into Cheshire East. The winding up costs have been absorbed within 2011/2012, which has reduced the underspend from that reported at Three Quarter Year review.
15. There is an uncertainty over the levels of Early Intervention Grant (EIG) the Council will receive in future years, which has delayed a further review of the service. In all likelihood funding will reduce, and already the Government has declared that funding for the educational entitlement of 2 year olds will be

provided through Dedicated Schools Grant (DSG) next year rather than EIG. A detailed review will be undertaken towards the end of 2012, when the levels of funding have been announced.

Strategy, Policy and Performance - £1.892m underspend

16. Overall, Strategy, Policy and Performance overspent by £0.743m, however the DSG overspends on Private, Voluntary and Independent Sector (PVIS) and SEN Placements have been stripped out and are reported in the DSG section below, leaving an underspend against non DSG budgets of £1.892m.
17. £1.1m of this is due to the carry forward of funding for Workforce Development of previously unspent grants into 2011/2012, which has again not been spent in 2011/2012 but which cannot be carried forward again. Some of this has been due to the delays in recruitment which has resulted in a lack of permanent staff available to train.
18. The Home to School transport budget has come in £400k underspent this year, due in part to the budgets being realigned correctly at the beginning of the year, and a one off adjustment in the recharge from Places and Organisational Capacity. However this is an area of considerable pressure for the future as the 2012/2013 budget includes a savings policy proposal of £1m. There are proposals in place to achieve these savings, and this will be closely monitored during the year.
19. Business Support also delivered an underspend of £0.6m, which was due in part to the Think Twice campaign and the resulting reduction in spend on supplies and services, and also due to the inability to recruit staff, thereby holding vacancies throughout the year. The Business Support budget has been reduced by £0.2m already in 2012/2013, but it is expected that vacancies will be filled and this level of underspend will not be repeated.
20. No provision had been made in the 2011/2012 budget for the Speech and Language Therapy contract resulting in an overspend on the Commissioning budget of £0.3m. This has been resolved in 2012/2013.

Other School Related - £2.083m overspend

21. This overspend relates to the early retirement, pension and redundancy costs relating to schools, particularly pension enhancements paid to teachers. This is a pressure on the base budget, which has been factored into the budget setting process for 2012/2013.

Dedicated Schools Grant (DSG)

22. Pressures on budgets funded by central DSG have led to an overspend on the DSG grant of £1.487m at the end of 2011/2012. This overspend is permitted to be carried forward, and recovered in future years. Robust recovery plans are being formulated to clear this overspend, and were subject to a report to the Schools Forum on 26th June.
23. The overspend is due to increased uptake within the Private, Voluntary and Independent Sector in relation to 3 and 4 year old education. This pressure was identified in January 2012, resulting in an overspend of £1.1m. The

review highlighted that the budget for 3 and 4 year old PVIs had been set too low for 2011/2012. In consultation with Schools Forum, the appropriate level of budget has been set for 2012/2013.

24. At year end, the review of Social Care placements identified several placements which should have been jointly funded with Education, and these costs were transferred to DSG, resulting in an overspend of £1.5m. This area is now the subject of an SEN Review which should prevent this happening again, as the SEN Principal Manager now sits on the Placements Panel and is aware of all jointly funded placements as they are made.
25. Tight control of other central DSG budgets for contingency, rates, rehabilitation, and the use of the DSG underspend carried forward from 2010/2011, mitigated the overspend of £2.635m outlined above by £1.148m. This gives a final overspend position on central DSG at the end of 2011/2012 of £1.487m, to be managed in 2012/2013.
26. Schools Balances at the end of 2011/2012 were £14.962m. A report was taken to Schools Forum on 26th June around these balances, with recommendations for review.

Conclusion

27. During the latter part of 2011/2012, Children and Families repeated the previous year's budget review, building up a Needs Led budget based on services and requirements. The budget policy proposals allocated growth of £4.4m to the service, to target the shortfall in budget provision for Teachers Pensions, a shortfall in grants and to provide investment in the 13+ Early Intervention service. However the service has also been tasked with delivering £3.1m savings, through the transport savings proposals, efficiencies in commissioning, and reductions in placement costs delivered through the establishment of three new residential homes.
28. The First Quarter Review for 2012/2013 will provide a first in depth analysis of all of the factors including any inherent problems carried forward from 2011/2012 and any new emerging pressures. It will report on the three service arms within Children and Families, alongside Schools, and will tie together the ongoing Benefits Realisation work with all other financial issues.

ADULTS - £2.898m overspend

29. The final outturn position for Adults was a £2.898m overspend. The capitalisation of voluntary redundancy costs of £1.2m is the main reason why the outturn position reduced from the TQR forecast of £4.175m.
30. The Adults department continues to experience considerable cost pressures in relation to care cost spend despite the overall client figures remaining static year on year.

Care4CE - £56k overspend

31. Care4CE have delivered an almost balanced budget, through vacancy management and by stopping all non essential spend. Care4CE have worked exceptionally hard to deliver this outturn which, in the context of building based review savings of £1m not being achieved due to buildings remaining

operational, is a reflection of the remedial action that the service has taken and delivered.

32. In addition, £0.198m of the 2011/2012 winter pressure funding was allocated to Care4CE for the delivery of the mobile nights service and this had not been factored in at TQR.
33. The variance from TQR is so dramatic because this data was based on November information and it was difficult to determine whether vacancy management and other remedial action would be sustainable for the remaining parts of the year.

Individual Commissioning - £3.591m overspend

34. The main pressure within the individual commissioning budget is care costs (net £3.6m); however other underlying factors included the contribution to bad debt provision for debts over 6 months old of £0.36m; legal costs of £0.5m and deferred debt losses linked to properties not meeting outstanding debts when sold of £0.1m. These overspends have been supported by underspends in staffing of £0.4m, and transport costs being lower than forecast by £0.3m.
35. Investigating and understanding the pressures on the care cost budget continues to be a high priority. The gross care cost budget was overspent by £5.5m, but has been reduced to £3.6m through the following income streams and adjustments: £0.5m Empower Recovery; £0.86m Learning Disability Pooled Budget additional contribution from the PCT and £0.52m from the s256 reablement agreement.
36. An increase in legal costs of £0.2m and contribution to the bad debt provision for debt over 6 months of £0.15m are the main reasons for the variance from TQR.

Strategic Commissioning - £0.75m underspend

37. The final outturn position for strategic commissioning has reduced from the TQR forecast to an underspend position following the capitalisation of voluntary redundancy costs of £1.2m.
38. The service has funded all VR costs of £1.6m during 2011/2012 (of which £1.2m have been capitalised); contributed £0.673m towards bad debt provision and funded a £0.8m transfer to Individual Commissioning for the transport saving realisation shortfall.
39. The underlying service outturn increased due to spend against the Learning Disability Pooled budget in relation to health contracts. The health contracts had been renegotiated in year and this led to increased costs of £150k that had not been factored into the TQR and additional client cost of £36k increased the position.
40. Savings anticipated in relation to social care redesign did not materialise and most costs increased to slightly higher than the reported forecast.

Conclusion

41. Adults services continue to face major financial challenges given the demographics of the Borough and increasingly, the complex conditions that service users are presenting with. This is especially relevant with regard to the Learning Disability Pooled Budget which cuts across all three services in Adults. The increase in care costs through the Pooled Budget reflects the complexity of service users at both ends of the age spectrum, firstly, those coming through transition at the end of their teenage years with extensive needs and also, those older learning disability service users worsening or developing additional conditions (an example being those with Down's Syndrome having a higher than average risk of presenting with early onset dementia). These financial pressures are only likely to grow in the short term and extensive remedial measures will be necessary to reverse the current year on year trend of increased costs.

PLACES & ORGANISATIONAL CAPACITY - £728k overspend

42. The Places & Organisational Capacity Directorate gross budget for 2011/2012 was £139m, with a net budget of £82m. The final outturn variance from budget was £728k (0.52% of gross budget). At TQR the projected variance from budget totalled £1.2m (incl. £509k VR costs), which reflected various cost pressures but also incorporated estimated pay cost savings, and planned remedial actions on control of non-pay spending.
43. In overall terms the final outturn is only £29k adverse against estimates made at TQR but there have been movements within the Services as set out below.

Waste, Recycling & Streetscape - £1.508m overspend

44. The final out-turn position for Waste, Recycling and Streetscape has increased from the TQR forecast overspend, despite the capitalisation of voluntary redundancy costs.
45. The underlying outturn position in waste operations reflects the additional and mainly one-off costs associated with the split implementation of the new harmonised waste collection service between May and October 2011. Additional pay/agency costs and hired vehicle/fuel costs associated with the roll-out were over and above that envisaged in the roll-out plan. The overspend in Waste has been reduced through lower contract costs of £470k, vacancy management of £154k and reduced supplies and services spend of £195k.
46. The Streetscape Service has a net overspend of £464k due mainly to: not fully realising planned savings for the Streetscape Review or Market rent increases; facing pay pressures in Markets and under-achievement of income in bereavement services as a consequence of reduced capacity at Macclesfield following longer than anticipated implementation of replacement cremators. Again, the service mitigated these costs in part through vacancy management in grounds maintenance, reduced verge maintenance and stopping non essential spending in supplies and services.
47. Further Waste Fleet costs and specifically hired fleet costs being higher than forecast, along with associated fuel usage, totalling £620k were the main

reasons for the adverse variance from the TQR position. Some pay/fleet pressures will remain into 2012/2013, although due to the one-off nature of the costs in 2011/2012, the same level of spend is not envisaged. The service is currently refining its ongoing fleet requirements following implementation of the new harmonised collection rounds.

48. Other adverse movements since TQR occurring mainly in Streetscape included lower than predicted Grounds Maintenance S106 income of £70k, and higher than forecast costs relating to Street Cleansing & Public Convenience transport costs of £92k, utility /service charge costs in Bereavement & Markets of £106k and an increase in Market bad debt provision of £23k.

Highways & Transport – £1.18m underspend

49. The final out-turn position for Highways & Transport has improved from the TQR forecast by a further £244k.
50. The new highways service contract commenced on 5th October 2011 against which the service has delivered its planned £0.5m savings target. Over the whole year the Highways service has spent less against the revenue budget through maintenance savings and cost capitalisation. Further underspends across Transport, PROW & Countryside and Fleet totalling £191k were also achieved.
51. The £244k net improvement from TQR derives mainly from the additional cost capitalisation in Highways and an overall net improvement across PROW/Countryside, offset by an increase in concessionary fares bus operator reimbursement and cost of new and replacement card passes in Transport.

Community - £725k overspend

52. Community Services is reporting a £725k overspend at outturn, which is an increase of £123k since the TQR forecast.
53. The Car Parking service has an adverse income variance of £751k due to continuing economic recessionary pressures and reduction in customer demand. This pressure may carry forward into 2012-13. In addition, car parking premises cost pressures of £206k were incurred due to an unforeseen increase from business rates revaluations and further premises costs relating to general car park maintenance and utilities.
54. In Leisure & Culture, increased utility costs due to the uplift in rates of new contracts incurred additional spend of £258k. Regulatory Services & Neighbourhood Enforcement income streams have been impacted by seasonal fluctuations and a reduction in taxi licensing income giving rise to an under-achievement of income totalling £203k.
55. These pressures of £1.4m have been offset in part through reduced spending in neighbourhood enforcement and regulatory services (£312k) due to vacancy management and non pay savings to reduce service operational costs.

56. Places Directorate Training cost savings of (£116k) were also made as part of the planned remedial actions.
57. The £123k adverse movement from TQR was mainly due to lower than predicted pay & display and fine income collected in last quarter of 2011/2012 and lower than predicted regulatory and enforcement income, and part year savings not being realised.

Development – £243k overspend

58. The main pressure within Development in the year relates to the £0.8m shortfall against the delivery of the Asset Challenge savings target of £2m. In addition, the impact of severance costs and VR cross cutting savings of £250k, together with the impact of energy price increases £450k have resulted in a gross pressure of £1.5m. This has been reduced to a net overspend of £0.87m in Assets, through capitalisation of both staff time, and the costs of disposal (£480k) and reductions in spending on Building Maintenance.
59. Furthermore, vacancy management and austerity measures across Spatial Planning & Housing and Economic Development have helped to reduce the overall Development Service overspend to £243k.
60. Development Management have delivered a balanced out-turn position. However this was only achieved through vacancy management / austerity measures and income overachievement in Land Charges offsetting the under achievement against planning fee income. It is unlikely that all these measures will be achievable in 2012-13 due to new policy savings to be realised.
61. The improvement from TQR forecast is mainly attributable to a higher level of capitalisation of staff time in Assets plus the capitalisation of costs of sale. An improvement in Development Management planning application income plus SRE/Grant funded underspends in Strategic Planning & Housing also contributed to the improvement.

Performance, Customer Services & Partnerships – £568k underspend

62. The outturn position after capitalisation of VR costs reflects a £578k underspend relating to vacancy management across Performance & Partnerships, Communications and Corporate Improvement. In addition, services minimised non-pay spend throughout the year. 2012/2013 budgets have been reduced across these services as part of the business planning process.
63. The 2011/2012 interim budget for Public Health was not utilised as planned, resulting in an underspend during year. This together with small savings elsewhere led to an underspend of £197k. As Public Health transition was only an interim 2011/2012 budget there will be no ongoing benefit into 2012/2013 as the item was removed through budget setting.
64. An overspend in Libraries, mainly against staffing, reduced the overall service underspend by £207k. A new Libraries structure implemented in April 2012 will alleviate this pressure.
65. The improvement from TQR relates mainly to additional staffing and non pay savings, greater than that forecast at TQR plus an improvement in the

Libraries Shared Services outturn from a repayment of 2010-11 shared balances not being forecast at TQR.

Conclusion:

66. Looking ahead to 2012/2013, in addition to new budget savings required, continuing pressures from 2011/2012 across the Directorate include:
- Streets & Open Spaces - Pay, transport and contract pressures in Waste.
 - Development – continued income pressures in Development Management, and the outturn position in Assets confirms the view reported at TQR that there is an underlying £800k pressure in the achievement of the original Asset Challenge target.

CORPORATE SERVICES - £96k underspend

(excluding retained cross-cutting savings – see below)

67. The Corporate Services net budget for 2011/2012 was £27.3m. The final outturn variance from budget was £96k favourable. At TQR the projected variance totalled £1.759m (or £1.324m after adjusting for VR capitalisation).
68. £1.278m of the variance at TQR related to an estimated overspend in ICT Shared Services, partly due to decrease in hours chargeable to capital development schemes. By year-end, the number of chargeable development hours had improved, as had the Shared Services' income position, from full-cost charging for telephony and additional income from schools buying ICT packages.
69. The outturn for ICT Shared Services was £1.126m, net of redundancy costs funded through approved capitalisation and planned use of reserves. The service is actively reducing its baseline costs, with a view to managing within budget for 2012/2013. ICT Strategy budgets showed an underspend of £41k at year end, following capitalisation of staffing (and redundancy) costs, where appropriate.
70. Across other Corporate Services, budget pressures reported through the year included Finance & HR Shared Services (spending / rationalisation of structures) and Procurement (pay and non-pay spend), mitigated by economies in insurance costs, and also pressures in HR & OD (pay harmonisation project costs) and Borough Solicitor (elections costs and Coroner Service contribution).
71. In overall terms for Corporate Services, the outturn improved by £1.42m compared to estimates made at TQR. In addition to the changes described above in ICT, the main movements within the Services related to the following:
- £1.5m improvement in Finance, principally relating to the Benefits subsidy position, including favourable prior year adjustments; and also £103k reduced variance in Revenues in respect of lower supplies spend and higher court costs income
 - £170k variance across HR & OD and Borough Solicitor, mainly in respect of VR and agency / temporary staffing costs

**CENTRALLY RETAINED CROSS CUTTING SAVINGS - £2.914m
overspend**

72. The outturn position on centrally-retained cross-cutting savings targets was £2.9m, compared to £2.8m at TQR. This included £700k procurement savings, £310k in salary sacrifice / agency contract savings and £300k of Shared Services improvements, which have not proved possible to realise; corresponding growth items have been approved in the 2012/13 budget. Conversely, additional VR savings allocated to Services of £300k have assisted the overall position.
73. Whilst £500k of the £2.4m pay harmonisation savings were achieved, £1.9m remained unallocated at year end, reflecting the terms of the agreement reached between the Council and the unions (including one-year increment freeze) and also adjustments at year end totalling £102k in respect of car allowances and Shared Services budgets.

CAPITAL PROGRAMME

74. At Final Outturn for 2011/2012 Cheshire East achieved expenditure of £50.222m compared to a forecast budget of £72.333m. A justification exercise to review the existing capital programme has been undertaken to establish the level of slippage that is required to be carried forward into 2012/2013 and the re-profiling of future year forecasts.
75. A number of schemes have been identified where the budget will be carried forward into 2012/2013 and services will be required to submit new business cases to use available funding, ensuring they fulfil the Council's priorities for service delivery. Any further unspent balances have been vired to fund overspends elsewhere in the programme or removed enabling resources to be freed up for future allocations.

Table 2 – Capital Final Outturn

	Total Approved Budget	Prior Year Spend	Forecast Budget 2011/12	Actual Spend 2011/12	Variance
Department	£000	£000	£000	£000	£000
Adults, New Starts	746	0	44	179	(135)
Committed schemes	4,668	2,365	1,936	1,091	845
	5,414	2,365	1,980	1,270	710
Children & Families New Starts	16,967	0	6,025	3,735	2,290
Committed schemes	83,299	64,302	11,680	7,642	4,038
	100,266	64,302	17,705	11,377	6,328
Places & Organisational Capacity New Starts	37,741	0	25,794	18,393	7,401
Committed schemes	140,816	100,126	24,211	16,255	7,956
	178,557	100,126	50,005	34,648	15,357
Finance, Legal & Business Services New Starts	1,077	0	227	134	93
Committed schemes	12,259	5,674	2,416	2,793	(377)
	13,336	5,674	2,643	2,927	(284)
Total New Starts	56,531	0	32,090	22,441	9,649
Total Committed schemes	241,042	172,467	40,243	27,781	12,462
Total Capital Expenditure	297,573	172,467	72,333	50,222	22,111

76. The 2011/2012 programme consisted of on-going schemes of £40.243m and new starts of £32.090m.
77. The programme is funded from both direct income (grants, external contributions, linked capital receipts), and indirect income (borrowing approvals, revenue contributions, capital reserve, non-applied receipts). A funding summary is given below in Table 3.

Table 3 – Funding Sources

Funding Source	Forecast Funding 2011/12 £000	Actual Funding 2011/12 £000	Variance
Grants	36,976	26,333	10,643
External Contributions	3,144	1,842	1,302
Linked/Earmarked Capital Receipts	47	0	47
Supported Borrowing	5,493	3,644	1,849
Non-supported Borrowing	9,740	7,420	2,320
Revenue Contributions	928	303	625
Capital Reserve	16,005	10,680	5,325
Total	72,333	50,222	22,111

78. Outturn spend in 2011/2012 at £50.222m was considerably lower than the forecast budget reported at Third Quarter Review of £72.333m by £22.111m. This in the main relates to planned expenditure that has been committed in 2011/2012 but the expenditure will now occur in future years.
79. However a number of capital schemes have been completed in 2011/2012 as follows:
- Children, Families and Adults - 36
 - Places and Organisational Capacity – 73
 - Finance, Legal and Business Services – 7
80. Annex 2, Appendix 1, details the in-year variances between forecast budget for 2011/2012 and actual expenditure incurred in year (Table 5). The appendix also details the forecast expenditure from 2012/2013 onwards, showing any variances to Total Approved budgets including those requiring either a Supplementary Capital Estimate or a budget virement, which correspond to the supplementary appendices detailed below.
81. Annex 2, Appendix 2a, list proposals for Supplementary Capital Estimates (SCE) /Virements up to and including £1,000,000
82. Annex 2, Appendix 2b lists proposals for Supplementary Capital Estimates (SCE) /Virements exceeding £1,000,000
83. Annex 2, Appendix 3 provides a list of reductions in capital budgets to be noted.

Key Issues and Variances

84. A number of schemes within the Children and Family capital programme have an under spend of over £250,000 against their in-year budget, this includes Tytherington and Poynton High Schools and Cledford Infants School. The projects experienced a delayed start however expenditure forecast in 2011/2012 has now been spent in the early part of 2012/2013.
85. Alderley Edge By-pass

At this stage and through 2012/2013 the project will remain within existing budget provision. However, in future years there is a significant risk of further financial pressures developing. Early indications suggest that the level of claims associated with land compensation claims and Part 1 claims will exceed the budget provision.

Currently the extent to which it will materialise is less clear as it is subject to the level of claims received, combined with our efforts to mitigate these claims and off-set them against income realised from the release of surplus land associated with the Alderley Edge By-pass project. If the scope of the risk remains at current levels additional funding support in the form of a Supplementary Capital Estimate would be required during 2013/2014. We will monitor the situation closely and report progress to the Capital Asset Group throughout 2012/2013.

86. Waste PFI Initiative

After the PFI funding was withdrawn by the Government for the Waste Treatment Facility, the Council was left in the position where its share of the capitalised expenditure, amounting to £1.6m was required to be written off to revenue. The Council decided to apply to the Department of Communities and Local Government (DCLG) for a capitalisation direction in March 2012 which would have allowed the Council to treat the revenue costs as capital. Unfortunately DCLG did not deem the circumstances to be exceptional enough to treat the abortive PFI Waste costs as capital and the direction was not granted.

As the final decision to abort the scheme was approved by Council on 19 April 2012 the Council is able to make another capitalisation bid in 2012/2013, however given the high risk of refusal it is considered prudent to reflect the write off in 2011/2012 and therefore the capital expenditure relating to the PFI Waste Project has been removed and funded from revenue reserves.

87. Poynton Revitalisation

Completion of the scheme was significantly delayed by the discovery of damage to existing drainage systems caused by the installation of a gas main prior to commencement of our contract. The damage necessitated a redesign of the drainage system to provide a new outflow route and its construction on site resulted in the forecast expenditure not being achieved in 2011/2012. As a result a virement of £0.714m has been requested in Annex 2, Appendix 2a to bring the Total Approved Budget in line with expected future expenditure.

88. Queens Park Restoration

The in-year variance of £0.273m was wholly attributable to the work on the park paths and was undertaken to get the park in a suitable condition for the royal visit in July 2011. Further risk and safety assessments have been carried out on the site to establish the work that needs to be undertaken to eliminate “unguarded drops” at some locations adjacent to the pavilion and bridges. This work is estimated to cost around a further £0.200m making the total virement request £0.473m as shown in Annex 2, Appendix 2a.

DEBT MANAGEMENT

89. Total Invoiced Debt at the end of March 2012 was £8.8m. After allowing for £2.6m of debt still within the payment terms, outstanding debt stood at £6.2m. The total amount of service debt over 6 months old is £2.6m which is £0.5m higher than the level of older debt reported at TQR. Services have created debt provisions of £2.4m to cover this debt in the event that it needs to be written off.
90. An analysis of the invoiced debt provision by directorate is provided in Table 4. Since TQR, a system issue which had previously caused the understatement of some debtor balances has been corrected. This has particularly impacted the figures for Adults where the level of bad debt provision has been adjusted accordingly.

Table 4 - Invoiced Debt

Directorate/Service	Total Outstanding Debt as at 31 st March £000	Total Debt Over 6 months old £000	Bad Debt Provision £000
Children & Families	496	337	225
Adults	4,158	1,503	1,503
Total Children, Families & Adults	4,654	1,840	1,728
Waste, Recycling & Streetscape	271	199	129
Highways & Transport	383	233	189
Community	152	92	92
Development	741	239	220
Performance, Customer Services & Capacity	8	3	3
Total Places & Organisational Capacity	1,555	766	633
Finance & Business Services	18	15	4
HR&OD	12	2	0
Borough Solicitor	3	1	0
Total Corporate Services	33	18	4
Total	6,242	2,624	2,365

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as at 31st March 2012 (Final Outturn)

Department/Scheme	2011/12 In-Year Budget						Forecast 2012/13 Onwards				
	Total	Prior	In Year	Forecast	Actuals	Variance	Forecast	Forecast	Forecast	Total Forecast	Variance From
	Approved Budget	Year Spend	Budget	Expenditure as at TQR	as at 31st March 2012 (Final Outturn)	Between Forecast & Actual Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Total Approved budget
	£000's	£000's	2011-12	2011-12	2011-12	2011-12	2012-13	2013-14	2014-15	£000's	£000's
Adults											
Ongoing Schemes											
2008-09 Building Review Block	192	111	81	81	1	80	0	0	0	112	-80
Mental Health Capital	104	87	17	17	1	16	0	0	0	88	-16
Mayfield Centre	10	4	6	6	0	6	0	0	0	4	-6
Adults Social Care 2010-11	180	5	175	175	-11	186	0	0	0	-6	-186
Adults Protect into Paris	50	0	50	5	0	5	0	0	0	0	-50
CAF Phs 2 Demonstrator	2,585	1,158	1,427	1,177	980	197	0	0	0	2,138	-447
Social Care IT Infrastructure	198	19	179	179	120	59	0	0	0	139	-59
Modernising ICT Delivery	638	545	93	93	0	93	0	0	0	545	-93
Enabling Model of Social Care	61	61	0	0	0	0	0	0	0	61	0
Community Services Flexible and Mobile working	650	375	275	203	0	203	0	0	0	375	-275
Total Ongoing Schemes	4,668	2,365	2,303	1,936	1,091	845	0	0	0	3,456	-1,212
New Schemes											
2011-12 Building Review Block	180	0	180	44	38	6	0	0	0	38	-142
Adults Personal Social Care Capital	566	0	566	0	141	-141	0	0	0	141	-425
Building Base Review							423	0	0	423	423
Total New Schemes	746	0	746	44	179	-135	423	0	0	602	-144
Total Adults Schemes	5,414	2,365	3,049	1,980	1,270	710	423	0	0	4,058	-1,356
Children & Families											
Ongoing Schemes											
East Cheshire Minor Works Ph3	512	507	5	5	6	-1	0	0	0	512	0
Underwood West PH3 Expansion	282	272	10	10	10	0	0	0	0	282	0
ICT Childrens Centres Ph3 East	52	3	49	49	0	49	0	0	0	3	-49
Sandbach Childrens Centres Ph3	783	736	48	48	19	29	5	0	0	759	-24
Signage (£5k*20 centres, estimate)	13	0	13	13	9	4	4	0	0	13	0
Adults workforce Census East	15	0	15	0	0	0	15	0	0	15	0
Children's Workforce Dev Sys East	70	0	70	5	0	5	70	0	0	70	0
Harnessing Technology	245	129	115	115	115	0	0	0	0	244	-1
Contact Point / Further Dev of Children's Hub/ e-CAF	382	95	286	133	87	46	200	0	0	382	0
Childrens Social Care	35	0	35	17	0	17	0	0	0	0	-35
ESCR	350	0	350	120	0	120	0	0	0	0	-350
Integrated Children's Systems (ICS) 08-09 East	922	460	462	128	56	72	0	0	0	516	-406
P.A.R.I.S - PCT access	25	0	25	25	0	25	0	0	0	0	-25
SCP Childrens Services	47	11	36	23	0	23	0	0	0	11	-36
Feasibility 10-11	82	14	68	68	-7	75	0	0	0	7	-75
Land Block 10-11	67	0	67	67	1	66	66	0	0	67	1
Land Drainage 10-11	63	17	46	46	21	25	25	0	0	63	0
Schools - Access Initiative	606	38	568	0	10	-10	0	0	0	48	-558
Schools - Basic Need	433	223	210	210	201	9	0	0	0	424	-9
Schools Modernisation Programme	123	0	123	122	0	122	0	0	0	0	-123
Targetted Capital Funding (TCF) 14 - 19 Diploma	523	0	523	0	0	0	0	0	0	0	-523
VA Contributions 10-11	13	2	11	11	0	11	11	0	0	13	0

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Department/Scheme	2011/12 In-Year Budget						Forecast 2012/13 Onwards				
	Total	Prior	In Year	Forecast	Actuals	Variance	Forecast	Forecast	Forecast	Total Forecast	Variance From
	Approved Budget	Year Spend	Budget	Expenditure as at TQR	as at 31st March 2012 (Final Outturn)	Between Forecast & Actual Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Total Approved budget
	£000's	£000's	2011-12	2011-12	2011-12	2011-12	2012-13	2013-14	2014-15	£000's	£000's
Cheshire East Surestart Aim High for Disabled Children	391	380	11	11	0	11	0	0	0	380	-11
Devolved Formula Capital 07-08 East	5,045	4,796	250	250	70	180	180	0	0	5,046	1
Devolved Formula Cap 08-09 East	4,925	4,442	529	529	262	267	267	0	0	4,971	45
Devolved Formula Capital	5,146	3,480	1,027	1,027	724	303	1,196	0	0	5,400	254
Devolved Formula Capital - In Advance	1,955	1,946	9	9	118	-109	-109	0	0	1,956	0
Devolved Formula Capital 10-11	2,846	0	1,778	863	780	83	1,675	0	0	2,455	-391
Capital for Kitchen & Dining Facilities	465	218	246	246	77	169	164	0	0	459	-5
Primary Capital Programme (PCP)	22	0	22	22	0	22	22	0	0	22	0
Primary School & YOT Extension repairs	85	83	2	3	1	2	0	0	0	84	-1
Repairs to Mobile Classroom Ext Schs East	30	29	1	0	0	0	0	0	0	29	-1
Adelaide School - New Workshop	200	35	165	165	140	25	25	0	0	200	0
Alsager H S Perf Arts Cent	1,096	373	723	682	706	-24	21	0	0	1,100	4
Brine Leas Sixth Form	7,311	7,214	98	98	3	95	100	0	0	7,316	5
Christ the King Catholic & C of E PS	3,340	3,013	327	327	177	150	147	0	0	3,337	-3
Cledford TLC Scheme	3,360	3,344	16	16	2	14	14	0	0	3,360	0
Gorseley Bank Floor Repair	1,768	1,633	135	135	9	126	0	0	0	1,642	-126
Kings Grove Mobile Replacement	790	428	362	362	179	183	185	0	0	792	2
Malbank School & Sixth Form College	1,349	304	1,045	1,045	912	133	132	0	0	1,349	0
Offley Primary School	1,025	954	71	70	57	13	6	0	0	1,017	-8
Poynton HS	3,150	0	2,130	1,702	1,363	339	1,794	0	0	3,157	7
St Johns Wood CS - Sports Barn	268	264	4	4	0	4	4	0	0	268	0
Stapely Broad Lane PS - Replacement of temp accomodation	942	518	424	422	384	38	6	0	0	908	-34
Styal PS Early Years Classroom	135	12	123	123	10	113	113	0	0	135	0
TLC Dean Oak's PS	3,187	3,164	23	23	1	22	22	0	0	3,187	0
TLC Sir William Stanier Comm S	21,448	21,297	151	151	117	34	34	0	0	21,448	0
TLC Vernons PS Amalgamation	3,753	3,728	25	25	0	25	25	0	0	3,753	0
Tytherington HS	3,130	0	2,153	1,800	968	832	2,162	0	0	3,130	0
Specialist Schools	300	0	300	300	0	300	0	0	0	0	-300
Springfield Spec School	120	116	4	4	4	0	0	0	0	120	0
Mallbank Redesignation of Specialist School	50	0	50	50	50	0	0	0	0	50	0
Tytherington High School Redesignation of Specialist School	25	24	1	1	0	1	0	0	0	24	-1
Total Ongoing Schemes	83,299	64,302	15,340	11,680	7,642	4,038	8,580	0	0	80,523	-2,775
New Schemes											
Oakenclough CC - Co-location (<£100k)	75	0	75	75	4	71	71	0	0	75	0
Short Breaks for Disabled Children	203	0	203	203	113	90	90	0	0	203	0
Short Break Re Provision 11-12	300	0	300	50	51	-1	249	0	0	300	0
Pupil Referral Unit 11-12	1,500	0	1,500	500	38	462	1,463	0	0	1,501	1
Residential Dev Programme 11-12	1,500	0	1,500	918	887	31	613	0	0	1,500	0
Specialist Special Needs Provision 11-12	2,000	0	100	0	0	0	950	0	0	950	-1,050
Cledford Infants School	653	0	653	400	140	260	539	0	0	679	26
Church Lawton - Specialist Provision	1,617	0	5	5	6	-1	1,936	2,052	0	3,994	2,377
Devolved Formula Capital 11-12	898	0	981	100	185	-85	360	431	0	977	79
Capital Maintenance Allocation 11-12	415	0	415	415	119	296	252	0	0	371	-44
Mobile Replacements (<£100k)	99	0	99	99	101	-2	0	0	0	101	2
Minor Works / Accessibility (<£100k)	382	0	382	382	223	159	159	0	0	382	0
Suitability Bids (<£100k)	702	0	702	702	444	258	298	0	0	742	40
Alsager Highfields Primary School	127	0	17	17	6	11	121	0	0	127	0

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	£000's	£000's	2011-12	2011-12	2011-12	2011-12	2012-13	2013-14	2014-15	£000's	£000's
Alsager Secondary School	319	0	15	15	14	1	264	0	0	278	-41
Beechwood Primary School - Basic Needs 11-12	521	0	71	71	7	64	514	0	0	521	0
Bexton Primary School	535	0	46	46	36	10	499	0	0	535	0
Goostrey Primary School	162	0	48	48	13	35	149	0	0	162	0
Gorseley Bank Primary School	227	0	105	105	9	96	218	0	0	227	0
Havannah Primary School	155	0	40	30	0	30	155	0	0	155	0
Lacey Green Primary School - Basic Needs 11-12	140	0	140	140	126	14	0	0	0	126	-14
Leighton Primary School	392	0	44	44	18	26	364	0	0	382	-11
Lindow Primary School - Basic Needs 11-12	350	0	280	350	350	0	0	0	0	350	0
Lostock Hall Primary School	252	0	15	15	24	-9	228	0	0	252	0
Lower Park Primary School	103	0	80	79	62	17	41	0	0	103	0
Middlewich High Secondary School	225	0	163	225	104	121	121	0	0	225	0
Monks Coppenhall Primary School	120	0	55	120	118	2	2	0	0	120	0
Mossley Primary School	149	0	149	149	146	3	3	0	0	149	-1
Oakefield Primary School - Basic Needs 11-12	742	0	90	90	8	82	734	0	0	742	0
Park Lane Special School	140	0	70	70	10	60	228	0	0	238	98
Parkroyal Primary School	169	0	169	169	142	27	27	0	0	168	-1
Pear Tree Primary School	95	0	95	95	97	-2	0	0	0	97	2
Rode Heath Primary School	114	0	20	20	0	20	114	0	0	114	0
Ruskin Secondary School	100	0	100	100	54	46	46	0	0	100	0
Sound & District Primary School	252	0	15	15	6	9	326	0	0	332	80
Styal Primary School	125	0	63	30	10	20	115	0	0	125	0
The Dingle Primary School	112	0	21	21	0	21	112	0	0	112	0
The Quinta Primary School	755	0	44	25	26	-1	730	0	0	756	1
Wilmslow High Secondary School	120	0	40	0	0	0	120	0	0	120	0
Adelaide Special School	122	0	87	87	42	45	80	0	0	122	0
C&F ICT Project 1							852	0	0	852	852
C&F ICT Project 2							981	0	0	981	981
Total New Schemes	16,967	0	8,997	6,025	3,735	2,290	14,125	2,483	0	20,346	3,379
Total Children & Families Schemes	100,266	64,302	24,337	17,705	11,377	6,328	22,705	2,483	0	100,870	604
Places & Organisational Capacity											
Ongoing Schemes - Community											
Car Park Charges Congleton	131	131	0	0	-4	4	0	0	0	127	-4
Thomas Street Car Park - West	77	77	0	-3	-3	0	0	0	0	74	-3
CDRP - Building Safer Communities Fund	80	80	0	0	0	0	0	0	0	80	0
Imps to Chapel Street Car Park - Closed	234	219	0	15	17	-2	0	0	0	236	2
Residents Parking Schemes	282	90	32	32	49	-17	143	0	0	282	0
Car Park Improvements	172	3	169	120	112	8	47	0	0	162	-10
CCTV /UTC Rationalisation	1,248	133	1,115	1,115	989	126	5	0	0	1,127	-121
Improving Leisure Facilities	55	-15	70	70	65	5	0	0	0	50	-5
Nantwich Pool Enhancements (part-funding)	1,129	0	724	0	12	-12	1,117	0	0	1,129	0
Sandbach United Football complex	2,230	705	1,516	1,480	1,504	-24	32	0	0	2,240	10
Swim for Free Capital	128	42	86	86	81	5	4	0	0	128	0
Leisure Centre General Equipment	59	53	5	6	17	-11	0	0	0	70	11

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	Approved	Year	Budget	Expenditure	as at 31st March	Between Forecast &	Expenditure	Expenditure	Expenditure	Expenditure	Total Approved
	Budget	Spend	2011-12	as at TQR	2012 (Final Outturn)	Actual Expenditure	2012-13	2013-14	2014-15	2012-13	2012-13
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Ongoing Schemes	5,825	1,518	3,717	2,921	2,839	82	1,348	0	0	5,704	-121
New Schemes - Community											
Car Park Improvements 11/12	300	0	0	0	18	-18	132	150	0	300	0
Community Safety Schemes 11/12	30	0	30	30	19	11	11	0	0	30	0
Harmonisation of Business Supp	0	0	0	0	93	-93	0	0	0	93	93
Leisure Cent ICT Member Sys	200	0	200	6	3	3	197	0	0	200	0
Athletics Track at Macc L C	60	0	60	60	52	8	3	0	0	55	-5
H & S Works at Macc L C	25	0	25	25	0	25	25	0	0	25	0
Lifestyle Centre Refurbishment at MLC	115	0	115	115	0	115	115	0	0	115	0
Lifestyle Centre Refurbishment at WLC	75	0	75	75	0	75	75	0	0	75	0
Lyceum Microphone	0	0	0	0	10	-10	0	0	0	10	10
Total New Schemes	805	0	505	311	195	116	558	150	0	903	98
TOTAL COMMUNITY SERVICES	6,630	1,518	4,222	3,232	3,034	198	1,905	150	0	6,607	-23
Ongoing Schemes - Development											
Tatton Park - Conservatory/Orangery	575	35	540	540	586	-46	5	0	0	626	51
Crewe Town Squares - Lyceum Square	1,859	1,789	70	37	21	16	49	0	0	1,859	0
Crewe Town Squares/ Shopping Facilities Refurbishment & Toilets	2,909	1,874	100	100	1	99	1,034	0	0	2,909	0
Choice Based Lettings	222	182	40	8	0	8	20	20	0	222	0
Affordable Housing Initiatives	870	559	311	0	0	0	155	155	0	870	0
Housing Grants - S106 Funded (Ex MBC)	1,045	780	265	265	27	238	160	78	0	1,044	-1
Social Housing Grants/ Enabling Affordable Housing	861	401	318	318	134	184	65	0	0	600	-261
Market Square, Crewe - Interim Improvements	251	233	18	18	17	1	0	0	0	250	-1
Parkgate	1,282	236	145	80	53	27	313	660	20	1,282	0
Astbury Marsh Caravan Site	42	0	42	42	39	3	3	0	0	42	0
Disabled Facilities Grant	1,145	836	308	308	308	0	0	0	0	1,144	0
Empty Homes Initiatives	500	0	100	50	1	49	100	399	0	500	0
Town Centres Spatial Regeneration	845	0	300	0	0	0	400	445	0	845	0
Tatton - Visioning feasibility	50	4	46	46	18	28	28	0	0	50	0
Tatton - Development	240	32	208	208	151	57	57	0	0	240	0
Tatton Park - Office Accommodation Phase 2	54	0	54	54	51	3	5	0	0	56	2
Poynton Revitalisation Scheme	3,838	1,642	2,195	2,195	1,936	259	973	0	0	4,551	714
Poynton High, Links to School	130	0	130	130	129	1	0	0	0	129	-1
Safe Links to Sch Middlewich	147	147	0	0	0	0	0	0	0	147	0
Disability Discrimination Act Improvements/ Adaptations	246	124	122	122	53	69	69	0	0	246	0
Church Walls	60	16	44	44	5	39	0	0	0	21	-39
County Farms 2008-09	129	128	1	1	1	0	0	0	0	129	-1
Municipal buildings - Reg accommodation (name Change)	200	0	200	200	3	197	0	0	0	3	-197
Farms Estates Reorganisation & Reinvestment	1,410	71	1,339	13	94	-81	1,245	0	0	1,410	0
Fixed Electrical Installation	76	75	1	1	3	-2	0	0	0	78	2
Office Accommodation Strategy	9,830	5,034	4,796	4,796	1,343	3,453	3,454	0	0	9,830	0

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	Approved Budget	Year Spend	Budget	Expenditure as at TQR	as at 31st March 2012 (Final Outturn)	Between Forecast & Actual Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Total Approved budget
	£000's	£000's	2011-12	2011-12	2011-12	2011-12	2012-13	2013-14	2014-15	£000's	£000's
Building Maintenance	2,581	2,565	16	16	56	-40	0	0	0	2,620	39
MINOR WORKS 10/11	42	37	5	5	9	-4	0	0	0	46	4
WILD BOAR CLOUGH FLOOD PROT	109	6	103	102	107	-5	0	0	0	113	4
Total Ongoing Schemes	31,546	16,803	11,818	9,699	5,146	4,553	8,136	1,757	20	31,861	315
New Schemes - Development											
Disabled Facilities for Cheshire East Residents	1,320	0	1,320	1,120	895	225	425	0	0	1,320	0
Private Sector Assistance	2,185	0	300	376	376	0	333	475	415	1,599	-586
Highway Improvements – Sherborne Estate, Crewe	53	0	53	0	0	0	53	0	0	53	0
Assisted Purchase Scheme	811	0	563	249	242	7	450	119	0	811	0
Regeneration Business Support	700	0	300	300	300	0	200	200	0	700	0
Stableyard Retail Improvement	95	0	95	95	0	95	95	0	0	95	0
Farm Dev'mnt Phase 1 Tatton	80	0	80	80	47	33	33	0	0	80	0
Tatton Park Investment 11/12	6,260	0	6,039	0	0	0	6,260	0	0	6,260	0
COMPLIANCE 2011/12	500	0	500	500	545	-45	4	0	0	549	49
Feasibility Studies 11/12	300	0	100	100	60	40	240	0	0	300	0
Wilmslow Feasibility 11/12	100	0	100	100	95	5	5	0	0	100	0
MINOR WORKS 11 12	500	0	500	500	220	280	227	0	0	447	-53
AMS BLOCK	4,678	0	4,896	4,523	3,527	996	1,036	0	0	4,563	-115
Total New Schemes	17,582	0	14,846	7,943	6,307	1,636	9,359	794	415	16,875	-707
TOTAL DEVELOPMENT	49,128	16,803	26,664	17,642	11,453	6,189	17,495	2,551	435	48,737	-391
Ongoing Schemes - Highways & Transport											
LTP - Local Area Programmes - South	360	245	116	114	0	114	0	0	0	245	-114
LTP - Bridge Maintenance	1,223	1,223	0	0	0	0	0	0	0	1,223	0
LTP - Road Safety Schemes	765	429	336	336	264	72	72	0	0	765	0
Section 278's - 09-10 Starts	65	28	7	14	10	4	3	3	0	44	-21
Capital Programme Management Support	35	43	-7	-7	0	-7	0	0	0	43	8
SEMMMS - Cat & Fiddle	867	808	59	59	59	0	0	0	0	867	0
LTP - SEMMMS - Major Projects	2,895	2,895	0	0	9	-9	0	0	0	2,904	9
LTP - SEMMMS - Transport element - BQP/PTI	2,618	2,618	0	0	0	0	0	0	0	2,618	0
LTP - Crewe Green Link Road	8,832	8,353	479	479	492	-13	0	0	0	8,845	13
Section 278 Agreements (2004-05)	234	169	0	0	0	0	0	0	0	169	-65
Alderley Edge By-Pass Scheme Implementation	54,687	42,974	3,364	3,364	1,748	1,616	6,519	3,446	0	54,687	0
Section 278 Agreements (2006/07)	488	236	286	36	19	17	5	2	0	262	-226
Section 278 Agreements (2007/08)	26	16	8	8	2	6	8	0	0	26	0
West Street Environmental Improvements	604	638	-33	-33	-33	0	0	0	0	605	1
Connect2 - Crewe & Nantwich Greenway	473	473	0	0	2	-2	0	0	0	475	2
Section 278 Agreements (2008/09)	260	41	83	12	3	9	40	82	0	166	-94
Integrated Area Programme - Minor Works	793	793	0	0	38	-38	0	0	0	831	38
LTP - Principal Roads Maintenance - Minor Works	1,589	1,588	0	0	-7	7	0	0	0	1,581	-8
LTP -Non Principal Roads Maintenance - Minor Works	3,336	3,280	53	53	-37	90	0	0	0	3,243	-92

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	£000's	£000's	2011-12	2011-12	2011-12	2011-12	2012-13	2013-14	2014-15	£000's	£000's
LTP - Bridge Maintenance - Minor Works	590	524	96	96	105	-9	0	0	0	629	39
Gurnett Bridge, Hall Lane, Sutton	1,020	630	390	372	338	34	52	0	0	1,020	0
Alderley Edge Village enhancements	100	6	94	94	28	66	75	0	0	109	9
Local Measures - Ward Minor schemes	486	486	0	0	0	0	0	0	0	486	0
Local Measures - Ward Local schemes	274	274	0	1	1	0	0	0	0	275	1
LTP - Detrunked Road - A523 Bosley	870	69	789	791	778	13	12	0	0	859	-11
De-Trunked Rds - A51 Landslip, Wardle	88	88	1	2	2	0	0	0	0	90	2
Part 1 Claims	107	106	0	0	0	0	0	0	0	106	0
Connect 2 - Phase 2	865	289	576	456	241	215	335	0	0	865	0
Monks Heath, Alderley Edge	350	299	51	51	51	0	0	0	0	350	0
LTP - Principal Roads Maintenance - Asset Management	85	85	0		-32	32	0	0	0	53	-32
LTP - Non Principal Roads Maintenance - Asset Management	141	141	0		-22	22	0	0	0	119	-22
LTP - East Cheshire Transport Study	125	125	0		-7	7	0	0	0	118	-7
LTP - Road Safety Schemes - Minor works	431	186	245	245	109	136	11	0	0	306	-125
Non LTP s278s	130	29	77	88	44	44	59	6		138	8
Bridges and other structures on Middlewood Way	828	820	8	8	10	-2	0	0	0	830	2
Middlewood Way Viaduct Repairs	546	449	97	30	8	22	87	0	0	544	-2
Badger Relocation	115	51	64	64	0	64	64	0	0	115	0
Lower Heath Play Space Renewal 2	120	131	0	-9	-9	0	0	0	0	122	2
Public Rights of Way 10-11	26	24	2	2	2	0	0	0	0	26	0
Total Ongoing Schemes	87,447	71,664	7,242	6,725	4,214	2,511	7,342	3,539	0	86,760	-687
New Schemes - Highways & Transport											
Vaudreys Wharf Canal (Non LTP)	600	0	50	50	23	27	577	0	0	600	0
Bridge Maintenance Minor Works - PROW	145	0	105	105	3	102	91	20	0	114	-31
Bridge Maintenance Minor Works	1,893	0	1,893	1,552	864	688	274	0	0	1,138	-755
Part 1 Claims	59	0	59	59	16	43	8	0	0	24	-35
Local Area Programme - A34 By Pass	99	0	99	0	0	0	99	0	0	99	0
Local Area Programme - Part Night Trial	99	0	99	0	0	0	99	0	0	99	0
Local Area Programme - Dimming Trial	15	0	15	0	0	0	15	0	0	15	0
Local Measures - Ward Local Works	380	0	380	380	420	-40	32	0	0	452	72
Eaton Village Flood Alleviation	0	0	0	0	0	0	50	0	0	50	50
Non Principal Roads Maintenance - Minor Works	3,946	0	3,946	3,946	4,277	-331	0	0	0	4,277	331
Principal Roads Maintenance - Minor Works	1,926	0	1,926	1,552	2,287	-735	0	0	0	2,287	361
Accessibility - Bus Network Investment	50	0	50	50	20	30	25	0	0	45	-5
Accessibility - Cycling	125	0	125	125	142	-17	15	0	0	157	32
Cycle parking, Wilmslow	41	0	41	41	33	8	8	0	0	41	0
Tipkinder Park Cyclepath	100	0	100	100	102	-2	0	0	0	102	2
Taylor Drive, Nantwich	120	0	120	84	79	5	41	0	0	120	0
Accessibility - Rail Station Improvements	50	0	50	30	5	25	30	0	0	35	-15
Sustainable Transport Fund	25	0	25	25	22	3	0	0	0	22	-3
LDF - Transport Infrastructure	39	0	39	39	40	-1	0	0	0	40	1
Capacity enhanc. A534 Nant Rd	85	0	85	85	68	17	17	0	0	85	0
Capital Co-ordination	40	0	40	40	43	-3	0	0	0	43	3

as at 31st March 2012 (Final Outturn)

Department/Scheme	2011/12 In-Year Budget						Forecast 2012/13 Onwards				
	Total	Prior	In Year	Forecast	Actuals	Variance	Forecast	Forecast	Forecast	Total Forecast	Variance From
	Approved Budget	Year Spend	Budget	Expenditure as at TQR	as at 31st March 2012 (Final Outturn)	Between Forecast & Actual Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Total Approved budget
	£000's	£000's	2011-12	2011-12	2011-12	2011-12	2012-13	2013-14	2014-15	£000's	£000's
Non Principal Roads Maint - Asset Management	104	0	104	104	55	49	0	0	0	55	-49
Principal Roads Maint - Asset Management	70	0	70	70	51	19	0	0	0	51	-19
Crewe Rail Exchange	6,177	0	6,177	6,177	131	6,046	1,500	2,000	2,546	6,177	0
Road Safety Schemes - Minor Works	377	0	377	377	99	278	100	0	0	199	-178
Non LTP s278s	160	0	30	36	37	-1	113	8	0	158	-2
Improvements to Middlewood Way	13	0	13	13	13	0	0	0	0	13	0
Public Rights of Way 11-12	42	0	42	34	31	3	10	0	0	41	-1
Drain imps at Joey the Swan	35	0	35	0	0	0	35	0	0	35	0
SEMMS - South Manchester Relief Road	0	0	0	0	796	-796	0	0	0	0	0
Total New Schemes	16,817	0	16,097	15,074	9,657	5,417	3,139	2,028	2,546	16,574	-242
TOTAL HIGHWAYS & TRANSPORT	104,264	71,664	23,339	21,799	13,871	7,928	10,481	5,567	2,546	103,335	-929
Ongoing Schemes - Performance, Customer Services & Capacity											
Customer Access	419	234	185	60	31	29	154	0	0	419	0
Capital Investment Scheme Grants	377	350	27	27	27	0	0	0	0	377	0
Customer Relationship Management & Telephone System	1,455	544	911	771	549	222	362	0	0	1,455	0
Libraries Facilities	500	500	0	0	0	0	0	0	0	500	0
Radio Frequency ID (RFID)	1,200	503	720	697	463	234	234	0	0	1,200	0
Total Ongoing Schemes	3,951	2,131	1,843	1,555	1,070	485	750	0	0	3,950	-1
New Schemes - Performance, Customer Services & Capacity											
Relocation of Library Services	285	0	285	171	74	97	211	0	0	285	0
Performance Management 11/12	35	0	35	35	35	0	0	0	0	35	0
Total New Schemes	320	0	320	206	109	97	211	0	0	320	0
TOTAL PERFORMANCE, CUSTOMER SERVICES & CAPACITY	4,271	2,131	2,163	1,761	1,179	582	961	0	0	4,270	-1
Ongoing Schemes - Streets & Open Spaces											
Development of land at Alderley Edge Cemetery	89	8	0	0	-1	1	81	0	0	88	-1
Adaptations to Pym's Lane Garage	6	1	5	5	5	0	0	0	0	6	0
Waste Infrastructure Capital Grant	1,341	561	780	780	780	0	0	0	0	1,341	0
Queens Park Restoration	6,757	5,617	1,140	1,140	1,413	-273	200	0	0	7,230	473
Crewe and Macc HWRCs	151	158	0	-7	-7	0	0	0	0	151	0
Alsager Closed Landfill Site	60	0	60	0	0	0	60	0	0	60	0
Leighton Brook Park	379	377	2	0	0	0	0	0	0	377	-2
Crematoria - Replacement cremators	450	0	450	0	0	0	450	0	0	450	0
New Cremators - Macclesfield	800	48	752	752	535	217	217	0	0	800	0
Replacement Bin Stock	36	26	10	10	10	0	0	0	0	36	0
Cemetery road and path improvements	100	32	68	10	11	-1	57	0	0	100	0
Springfield Road Allotments	36	27	9	9	5	4	4	0	0	36	0
Improvements to Congleton Park	29	12	17	16	10	6	7	0	0	29	0

CHESHIRE EAST - CAPITAL PROGRAMME 2011-12

as at 31st March 2012 (Final Outturn)

Annex 2 Appendix 1

Department/Scheme	2011/12 In-Year Budget						Forecast 2012/13 Onwards				
	Total	Prior	In Year	Forecast	Actuals	Variance	Forecast	Forecast	Forecast	Total Forecast	Variance From
	Approved Budget	Year Spend	Budget	Expenditure as at TQR	as at 31st March 2012 (Final Outturn)	Between Forecast & Actual Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Total Approved budget
	£000's	£000's	2011-12	2011-12	2011-12	2011-12	2012-13	2013-14	2014-15	£000's	£000's
Alsager Skate Park/Milton Park	37	29	8	8	-1	9	5	0	0	32	-4
Allotment Improvements	15	12	3	3	0	3	3	0	0	15	0
Sandbach Park Building Refurbish	29	10	19	19	7	12	12	0	0	29	0
Playgrounds	64	43	21	21	21	0	0	0	0	64	0
Play Capital	807	759	48	48	31	17	17	0	0	807	0
Sandbach Park	101	0	101	70	62	8	39	0	0	101	0
Congleton Park Improvements - Town Wood	72	0	72	72	2	70	35	35	0	72	0
Keepers Close / Mill Close	18	18	0	0	0	0	0	0	0	18	0
Shell House, Station Road, Wilmslow	129	25	104	104	2	102	102	0	0	129	0
Ilford Imaging Site, Mobberley, Knutsford	47	0	47	47	5	42	42	0	0	47	0
Land South West of Moss Lane	228	187	41	42	0	42	42	0	0	228	0
Earl's Court, Earlsay, Macclesfield	146	60	86	86	66	20	20	0	0	145	0
Ground Work Cheshire - Bird Sanctuary	20	2	18	18	0	18	18	0	0	20	0
Pub Open Spaces-King St	30	0	30	30	0	30	30	0	0	30	0
The Blue Lamp Carrs Park	40	2	39	39	1	38	37	0	0	40	0
Alderley Park	29	0	29	29	29	0	0	0	0	29	0
Meriton Rd Pk Fitness inc	0				0	0				0	
Piggenshaw Brook INC	0				0	0				0	
Total Ongoing Schemes	12,047	8,011	3,961	3,351	2,987	364	1,478	35	0	12,510	463
New Schemes - Streets & Open Spaces											
Materials Transfer Fac. 11/12	650	0	650	650	696	-46	30	0	0	726	76
Wheeled Bins 11/12	1,315	0	1,315	1,318	1,345	-27	0	0	0	1,345	30
Rode Heath Community Facility	24	0	24	24	24	0	0	0	0	24	0
Y.P.U., Victoria Rd., Macclesfield	35	0	35	35	1	34	34	0	0	35	0
Reades Lane, Congleton	14	0	14	14	0	14	14	0	0	14	0
Lower Heath Community Project	10	0	10	10	8	2	2	0	0	10	0
Oakbank Mill Bollington	18	0	18	18	0	18	18	0	0	18	0
King George V Playing Fields	50	0	50	50	0	50	50	0	0	50	0
Malkins Bank Play Area	41	0	41	41	0	41	41	0	0	41	0
Bromley Farm Adventure & Assault Course	50	0	50	50	49	1	1	0	0	50	0
Bromley Farm Junior Play Area	10	0	10	10	0	10	0	0	0	0	-10
Total New Schemes	2,217	0	2,217	2,220	2,123	97	190	0	0	2,313	96
TOTAL STREETS & OPEN SPACES	14,265	8,011	6,178	5,571	5,110	461	1,668	35	0	14,824	559
Total Places & Organisational Capacity Schemes	178,557	100,126	62,565	50,005	34,648	15,357	32,510	8,303	2,981	177,773	-784
Corporate Services											
Ongoing Schemes											
NHS LINK / Connected Cheshire	80	77	2	2	0	2	0	0	0	77	-2

CHESHIRE EAST - CAPITAL PROGRAMME 2011-12

as at 31st March 2012 (Final Outturn)

Annex 2 Appendix 1

Department/Scheme	2011/12 In-Year Budget						Forecast 2012/13 Onwards				
	Total	Prior	In Year	Forecast	Actuals	Variance	Forecast	Forecast	Forecast	Total Forecast	Variance From
	Approved Budget	Year Spend	Budget	Expenditure as at TQR	as at 31st March 2012 (Final Outturn)	Between Forecast & Actual Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Total Approved budget
	£000's	£000's	2011-12	2011-12	2011-12	2011-12	2012-13	2013-14	2014-15	£000's	£000's
ICT Small Projects Block New scheme	153	112	41	41	43	-2	0	0	0	155	2
Information Management	1,409	706	704	255	268	-13	436	0	0	1,410	0
Development Management System	437	423	14	14	116	-102	0	0	0	539	102
Click into Cheshire	39	32	7	7	0	7	0	0	0	32	-7
Government Connect	290	58	232	182	168	14	64	0	0	290	0
ICT Security & Research	209	138	71	71	106	-35	0	0	0	244	35
Flexible & Mobile Working	1,171	360	270	150	141	9	400	270	0	1,171	0
Data Centre Macclesfield	495	28	467	167	423	-256	44	0	0	495	0
Single Revenue & Benefits Systems	503	447	56	56	55	1	0	0	0	502	-1
Integrated Legal ICT System	60	1	59	41	40	1	13	5	0	60	0
Accident Reporting system New scheme	18	10	8	8	5	3	3	0	0	18	0
Essential Replacement 10-11	2,384	1,286	1,098	500	865	-365	191	0	0	2,342	-42
ICT Security	185	104	81	30	84	-54	0	0	0	188	3
Internet Service Provision	142	0	142	142	0	142	0	0	0	0	-142
IPT Harmonisation	725	313	412	100	0	100	412	0	0	725	0
Oracle Optimisation	3,960	1,579	732	650	480	170	1,077	824	0	3,960	0
Total Ongoing Schemes	12,259	5,674	4,396	2,416	2,793	-377	2,640	1,099	0	12,208	-51
New Schemes											
WAN Hardware	275	0	182	0	1	-1	274	0	0	275	0
ICT Rural Broadband Project	530	0	530	130	112	18	418	0	0	530	0
ICT Security 11/12	195	0	195	20	22	-2	135	0	0	157	-38
Customer Access in Libraries	77	0	77	77	0	77	77	0	0	77	0
Total New Schemes	1,077	0	984	227	135	92	904	0	0	1,039	-38
Total Corporate Services Schemes	13,336	5,674	5,380	2,643	2,927	-284	3,545	1,099	0	13,247	-89
Total Cheshire East Council - Capital Programme	297,573	172,467	95,331	72,333	50,222	22,111	59,182	11,886	2,981	295,948	-1,625

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Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements
Final Outturn 2011-12

ANNEX 2
APPENDIX 2A

					Virement FROM ...	
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement/ Reduction	Funding of SCE/Virement	Starts Year	Amount Requested £
SCE and Virements up to and including £1,000,000						
Children, Families & Adults						
Capital Maintenance Allocation 11-12	2011-12	122,000	Virement	Suitability Bids (<£100k) - Lostock???	2011-12	8,000
			Virement	Bexton Primary School	2011-12	25,000
			Virement	Lostock Hall Primary School	2011-12	2,000
			Virement	The Quinta Primary School	2011-12	47,000
			Virement	Alsager Highfields Primary School	2011-12	10,000
			Virement	Sound & District Primary School	2011-12	30,000
Suitability Bids (<£100k) - Lostock???	2011-12	8,000	SCE	School Contribution		8,000
Bexton Primary School	2011-12	25,000	SCE	School Contribution		25,000
Lostock Hall Primary School	2011-12	2,000	SCE	School Contribution		2,000
The Quinta Primary School	2011-12	47,000	SCE	School Contribution		47,000
Alsager Highfields Primary School	2011-12	10,000	SCE	School Contribution		10,000
Sound & District Primary School	2011-12	30,000	SCE	School Contribution		30,000
Church Lawton - Specialist Provision	2011-12	1,000	Virement	Capital Maintenance Allocation 11-12	2011-12	1,000
Sound & District Primary School	2011-12	79,559	Virement	Capital Maintenance Allocation 11-12	2011-12	126,292
Park Lane Special School	2011-12	98,000	Virement	Alsager Secondary School	2011-12	40,825
			Virement	Leighton Primary School	2011-12	10,442
Suitability Bids (<£100k) - Wistaston Church Lane	2011-12	40,000	Virement	Capital Maintenance Allocation 11-12	2011-12	63,000
Cledford Infants School	2011-12	23,000	Virement			
Alsager H S Perf Arts Cent	2011-12	4,000	SCE	Alsager Trust & Donations		4,000
Kings Grove Mobile Replacement	2009-10	2,000	SCE	External Contribution		2,000
Pupil Referral Unit 11-12	2011-12	757	Virement	Gorsey Bank Floor Repair	2008-09	126,000
Cledford Infants School	2011-12	2,907	Virement	Lacey Green Primary School - Basic Needs 11-12	2011-12	14,000
Mobile Replacements (<£100k)	2011-12	1,604	Virement	Christ the King Catholic & C of E PS	2009-10	2,608
Offley Primary School	2009-10	1,394	Virement			
Pear Tree Primary School	2011-12	3,485	Virement			
Poynton HS	2010-11	6,970	Virement			
Stapely Broad Lane PS - Replacement of temp accomodatio	2009-10	6,970	Virement			
Capital Maintenance Allocation 11-12	2011-12	118,521	Virement			
Brine Leas Sixth Form	2008/09	94,708	Virement	Capital Maintenance Allocation 11-12	2011-12	94,708
Building Base Review Block Project		423,000	Virement	2008-09 Building Review Block	2008/09	80,000
			Virement	Mental Health Capital	2009/10	15,000

Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements
Final Outturn 2011-12

ANNEX 2
APPENDIX 2A

Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement/ Reduction	Funding of SCE/Virement	Virement FROM ...	
					Starts Year	Amount Requested £
ICT Block Project		852,000	Virement	Adults Social Care 2010-11	2010-11	186,000
			Virement	2011-12 Building Review Block	2011/12	142,000
			Virement	Childrens Social Care	2010-11	35,000
			Virement	ESCR	2010-11	350,000
			Virement	Integrated Children's Systems (ICS) 08-09 East	2008/09	406,000
			Virement	P.A.R.I.S - PCT access	2010-11	25,000
ICT Block Project		981,000	Virement	SCP Childrens Services	2008/09	36,000
			Virement	CAF Phs 2 Demonstrator	2009/10	447,000
			Virement	Social Care IT Infrastructure	2009/10	59,000
			Virement	Adults Protect into Paris	2010-11	50,000
			Virement	Adults Personal Social Care Capital	2011/12	425,000
TOTAL CHILDRENS, FAMILIES & ADULTS		2,984,875				2,984,875
Places & Organisational Capacity						
Community Services						
Improvements to Chapel St Car Park	2008-09	1,572	Virement	Virement from Assets Planned Maintenance Budget	2011-12	1,572
Harmonisation of Business Support Service	2011-12	93,000	Virement	CCTV Rationalisation	2010-11	93,000
Lyceum Microphone	2011-12	10,000	Virement	Capital Reserve	2010-11	10,000
Leisure Centre General Equipment	2009-10	5,297	Virement	Capital Reserve	2008-09	5,297
Leisure Centre General Equipment	2009-10	5,010	Virement	Funded from Prudential Borrowing	2011-12	5,010
Leisure Centre General Equipment	2009-10	243	Virement	Capital Reserve	2011-12	243
Leisure Centre General Equipment	2009-10	230	Virement	Swim for Free Grant	2011-12	230
Sandbach United Football complex	2009-10	10,378	Virement	Capital Reserve	2011-12	10,378
Total Community		125,730				125,730
Development						
Private Sector Assistance	2011-12	14,100	SCE	Additional external income	2010-11	14,100
Tatton Park - Office Accomodation	2010-11	2,036	SCE	Fully funded by Revenue Budget contribution	n/a	2,036
Tatton Park - Conservatory/Orangery	2009-10	51,090	Virement	Virement from Assets Planned Maintenance Budget	2011-12	51,090
Fixed Electrical Installation	2009-10	1,516	Virement	Capital Reserve	2011-12	1,516
Building Maintenance	2010-11	39,075	Virement	Capital Reserve	2011-12	39,075
MINOR WORKS 10/11	2010-11	4,578	Virement	Capital Reserve	2011-12	4,578
WILD BOAR CLOUGH FLOOD PROT	2010-11	4,434	Virement	Capital Reserve	2011-12	4,434
COMPLIANCE 2011/12	2011-12	48,891	Virement	Capital Reserve	2011-12	48,891
Poynton Revitalisation	2010-11	713,604	Virement	External income/contribution from Transco	2010-11	300,000
				Part 1 Claims	2011-12	20,852
				Non Principal Roads Maint - Minor Works	2010-11	20,050
				Bridge Maintenance Minor Works	2011-12	140,000
				Road Safety Schemes - Minor Works	2011-12	140,000
				Road Safety Schemes - Minor Works	2010-11	92,702
Total Development		879,324				879,324
Highways & Transport						

Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements
Final Outturn 2011-12

ANNEX 2
APPENDIX 2A

					Virement FROM ...	
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement/ Reduction	Funding of SCE/Virement	Starts Year	Amount Requested £
Eaton Village Flood Alleviation	2011-12	50,000	SCE	Fully funded by Environment Agency Grant	2011-12	50,000
Part 1 Claims (Antler Homes)	2011-12	25,000	SCE	Fully funded by external income	2011-12	25,000
Local Measures - Minor Works	2011-12	76,880	Virement	Local Area Programme - South	2009-10	76,880
Capital Co-ordination	2011-12	2,683	Virement	Part 1 Claims	2011-12	2,683
Tipkinder Park Cyclepath	2011-12	1,843	Virement	Part 1 Claims	2011-12	1,843
Bridge Maintenance Minor Works	2010-11	39,237	SCE	Expected to be funded by insurance claim re Coppock Fm Br	2010-11	39,237
West Street Environmental Improvements	2008-09	699	Virement	Alderley Edge Village Enhancements	2010-11	699
Capital Programme Management Support	2008-09	7,030	Virement	CEC Transport Study	2010-11	7,030
Integrated Area Programme - Welsh Row	2007-08	37,555	Virement	Local Area Programme - South	2009-10	37,555
SEMMMS - Major Projects	2002-03	9,490	Virement	De-Trunked Roads - A523 Bosley	2010-11	9,490
S278 Portland Drive, Gladedale	2011-12	1,000	SCE	Fully funded by Developer Contributions	2011-12	1,000
S278 Junction Fallibroome - Meg Lane	2010-11	1,500	SCE	Fully funded by Developer Contributions	2010-11	1,500
S278 Tesco Broken Cross	2010-11	1,500	SCE	Fully funded by Developer Contributions	2010-11	1,500
S278 Chapel St Sandbach Seddon	2010-11	2,000	SCE	Fully funded by Developer Contributions	2010-11	2,000
S278 Moss Lane Bridge	2010-11	5,078	SCE	Fully funded by Developer Contributions	2010-11	5,078
S278 Maplewood Macclesfield	2009-10	500	SCE	Fully funded by Developer Contributions	2009-10	500
S278 Park House Fm	2007-08	500	SCE	Fully funded by Developer Contributions	2007-08	500
De-Trunked Rds - A51 Landslip, Wardle	2010-11	1,520	Virement	De-Trunked Roads - A523 Bosley	2010-11	1,520
Road Safety Schemes - Minor Works	2011-12	25,000	Virement	Part 1 Claims	2011-12	25,000
Crewe Green Link Road	2004-05	23,186	Virement	Accessibility - Rail Station Improvements	2011-12	15,135
				Part 1 Claims	2011-12	4,708
				Sustainable Transport Fund	2011-12	3,081
				CEC Transport Study 2010-11	2010-11	262
Accessibility - Cycling	2011-12	31,948	SCE	Fully funded by contribution from Haslam Homes	2011-12	7,529
			SCE	Fully funded by additional Sustrans Grant	2011-12	5,000
				Accessibility - Bus Network Investment	2011-12	4,708
				Funded by contribution from 12-13 LTP	2012-13	10,000
				Part 1 Claims	2011-12	4,711
Local Measures - Ward Local - Minor Works	2010-11	672	Virement	Local Measures - Ward Minor Schemes	2010-11	427
			Virement	Part 1 Claims	2011-12	245
Bridges and other structures on Middlewood Way	2008-09	1,465	Virement	Capital Reserve	2011-12	1,465
Non Principal Roads Maintenance - Minor Works	2011-12	330,394	Virement	Bridge Maintenance Minor Works (addntl LTP funding)	2011-12	109,120
			Virement	Non Principal Roads Maint - Minor Works (Asset Man)	2011-12	49,018
			Virement	Road Safety Schemes - Minor Works	2011-12	37,747
			Virement	Bridge Maintenance Minor Works	2011-12	50,000
			Virement	Road Safety Schemes - Minor Works	2010-11	7,253
			Virement	Local Measures - Ward Local Minor Works	2011-12	5,000
			Virement	Non Principal Roads Maint - Minor Works	2010-11	72,256
Principal Roads Maintenance - Minor Works	2011-12	361,077	Virement	Bridge Maintenance Minor Works (addntl LTP funding)	2011-12	231,880
			Virement	Bridge Maintenance Minor Works	2011-12	24,000
			Virement	Road Safety Schemes - Minor Works	2010-11	25,000

Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements
Final Outturn 2011-12

ANNEX 2
APPENDIX 2A

Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement/ Reduction	Funding of SCE/Virement	Virement FROM ...	
					Starts Year	Amount Requested £
			Virement Virement Virement Virement	Principal Roads Maint - Minor Works (Asset Man) Principal Roads Maint - Minor Works Principal Roads Maint - Minor Works (Asset Man) Non Principal Roads Maint - Minor Works (Asset Man)	2011-12 2010-11 2010-11 2010-11	18,536 7,689 32,389 21,583
Total Highways & Transport		1,037,757				1,037,757
Recycling, Waste & Streetscape						
Wheeled Bins	2011-12	30,293	SCE	Stapeley Broad Lane PS - Repl of Temp Accommodation	2009-10	30,293
Materials Transfer Facility	2011-12	76,078	SCE	Stapeley Broad Lane PS - Repl of Temp Accommodation Sandbach Childrens Centre Ph3 Schools Basic Need Primary School & YOT Extension repairs Offley Primary School Tytherington High School Redesignation of Specialist School 08-09 Social Housing Grants/Enabling Affordable Housing	2009-10 2008-09 2010-11 2009-10 2009-10 2010-11 2008-09	10,707 24,500 9,000 1,000 9,000 1,000 20,871
Queens Park Restoration	2004-05	472,713	Virement SCE Virement	Virement from Assets Planned Maintenance Budget Additional Wren Grant income Bridge Maintenance Minor Works Bridge Maintenance - PROW Municipal Buildings - Reg accommodation Alsager Skate Park/Milton Park	2011-12 2004-05 2011-12 2011-12 2008-09 2008-09	1,350 40,000 200,000 31,000 196,897 3,466
Total Recycling, Waste & Streetscape		579,084				579,084
TOTAL PLACES & ORGANISATIONAL CAPACITY		2,621,895				2,621,895
Corporate Services						
ICT						
Development Management System	2009-10	61,334	Virement	Revenue contribution from Places		61,334
Development Management System	2009-10	40,493	Virement	Capital Reserve	2010-11	40,493
ICT Security & Research	2009-10	35,769	Virement	Funded from Prudential Borrowing	2011-12	35,769
ICT Small Projects Block New scheme	2009-10	2,111	Virement	Capital Reserve	2010-11	2,111
ICT Security	2010-11	2,505	Virement	Funded from Prudential Borrowing	2011-12	2,505
Total Corporate Services		142,212				142,212
Total SCE's, Virements and Budget Reductions		5,748,982				5,748,982

Matters for Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements
Final Outturn 2011-12

Annex 2
Appendix 2b

Capital Scheme	Starts Year	Amount Requested £'000	SCE/ Virement/ Reduction	Funding of SCE/Virement	Virement FROM ...	
					Starts Year	Amount Requested £'000
SCE and Virements over £1,000,000 to Council						
Children, Families & Adults						
Church Lawton - Specialist Provision	2011-12	2,377,805	Virement Virement Virement Virement Virement	ICT Childrens Centres Ph3 East Feasibility 10-11 Schools - Access Initiative Schools Modernisation Programme Targetted Capital Funding (TCF) 14 - 19 Diploma Specialist Special Needs Provision 11-12	2008-09 2010-11 2010-11 2010-11 2010-11 2011-12	49,000 75,270 557,989 122,546 523,000 1,050,000
Total SCE's, Virements and Budget Reductions		2,377,805				2,377,805

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Scheme	Approved Budget £'000	Revised Approval £'000	Reduction £'000	Reason
<u>PLACES & ORGANISATIONAL CAPACITY</u>				
<u>Development</u>				
08-09 Social Housing Grants/Enabling Affordable Housing	861	622	239	£239k remaining (£260k less contribution to Materials Transfer Facility) - to apply for the redevelopment of the homelessness hostel - new business case required
11-12 Private Sector Assistance	2,185	1,585	600	Adjustment to remove effect of rolling programme - included as part of 12-13 New Starts Programme
AMS BLOCK	4,678	4,633	45	£45k reduction Capital Maintenance Allocation Grant transferred from C & F, Asset Management Condition Priority proportion of budget.
County Farms 2008-09	129	128	1	Residual roundings amount additional to what was already taken off at TQR 2011
<u>Recycling, Waste & Streetscape</u>				
Bromley Farm Junior Play Area	10	0	10	
Alsager Skate Park/Milton Park	37	36	1	
Leighton Brook Park	379	377	2	
<u>Highways & Transport</u>				
Public Rights of Way 11-12	42	40	1	
<u>Community</u>				
CCTV /UTC Rationalisation	1,248	1,220	28	
	9,569	8,641	927	
<u>CHILDREN, FAMILIES & ADULTS</u>				
Cheshire East Surestart Aim High for Disabled Children	391	379	12	Claw Back by Sure Start in 2011-12
Brine Leas Sixth Form	7,311	7,221	90	No funding for the £90k
Capital for Kitchen & Dining Facilities	465	460	5	Styal project already has Kitchen funding
Specialist Schools	300	0	300	No funding for the project
Mayfield Centre	6	0	6	Funded by borrowing so projects have been closed
Modernising ICT Delivery	93	0	93	Funded by borrowing so projects have been closed
Community Services Flexible and Mobile working	275	0	275	Funded by borrowing so projects have been closed
	8,841	8,060	781	
<u>CORPORATE SERVICES</u>				
<u>ICT</u>				
Internet Service Provision	142	0	142	Revenue contribution no longer available.
Capital Investment Scheme Grants	377	376	1	
NHS LINK / Connected Cheshire	80	77	2	
Click into Cheshire	39	32	7	
<u>Finance</u>				
Single Revenue & Benefits Systems	503	502	1	
	1,141	987	153	
Totals	19,550	17,688	1,861	

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2011/12 Year End Performance Report – 23rd July 2012**Strategic Director Places & Organisational Capacity****1.0 2011/12 YEAR END PERFORMANCE UPDATE**

- 1.0.1 This section provides a high level summary of the key performance headlines for the twelve months of 2011/12.
- 1.0.2 During 2011/12, the Performance & Partnerships Team centrally monitored a range of measures underpinning service objectives across the organisation. Many of these were newly developed local performance measures, which were developed and managed internally throughout 2011/12 in order to establish baseline data to inform future target-setting.
- 1.0.3 For external reporting purposes, the Council reported on a basket of measures retained within service plans from the former National Indicator Set, and former Best Value performance measures – 40 measures in total. Of these 40 measures, 28 were reported on a quarterly basis.

1.1 Performance Measure Tolerances (Red/Amber/Green ratings)

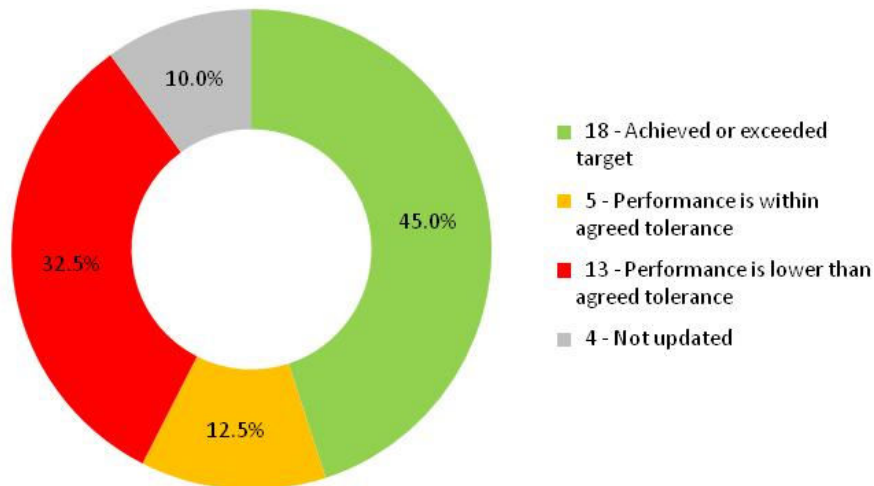
The Council's electronic Monitoring and Performance System (CorVu) was pre-populated with a five percent tolerance against the targets set by service areas, meaning that the system assigned a 'red' assessment to performance data 5% (or more) short of the target, an 'amber' assessment to data within 5% of the target, and a 'green' assessment to data performing on or above target. Where strong cases were made for the revision of tolerances in 2011/12 (e.g. where a 5% tolerance is not appropriate due to a measure's data return format), the Team revised tolerances to support individual targets. In all other circumstances, the 5% tolerance remained in place for performance measure reporting in 2011/12.

Although no performance target was set for NI 112 (under 18 conception rate) in 2011/12, performance has been assessed to be 'green' based on a reduction since 2010/11 and based on favourable comparisons when benchmarked both regionally and nationally.

2011/12 PERFORMANCE AGAINST TARGET

Performance assessments (red; amber; green) were made based on performance against target.

11/12 Actual vs Target



45% of measures either achieved or exceeded their target at 2011/12 Year End.

However **32.5%** did not achieve their quarterly target, they included:

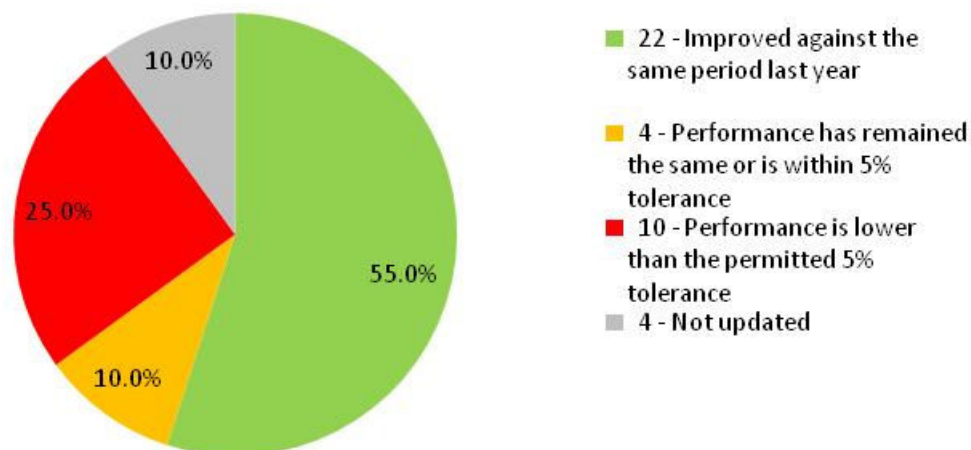
Directorate	Reference	Definition
Adults	NI 130	Social care clients receiving Self Directed Support
Children's and Families	NI 59	Initial assessments for children's social care carried out within 7 working days of referral
	NI 60	Core assessments for children's social care that were carried out within 35 working days of their commencement
	NI 63	Stability of placements of looked after children: length of placement
	NI 68	Referrals to children's social care going on to initial assessment
Places & Organisational Capacity	NI 154	Net additional homes provided
	NI 155	Number of affordable homes delivered
	NI 157a	Processing of planning applications (major)
	NI 157b	Processing of planning applications (minor)
	NI 157c	Processing of planning applications (other)
	NI 168	Principal roads where maintenance should be considered
	NI 182	Satisfaction of businesses with local authority regulation services
	NI 188	Adapting to climate change

(See Annex 3 Appendix 1 for further detail)

YEAR ON YEAR DIRECTION OF TRAVEL

Performance assessments (red; amber; green) have been made based on current performance compared to 2010/11 Year End.

Mar 11 vs Mar 12



The **25%** of measures which failed to achieve the same level of performance when compared to the same period last year were:

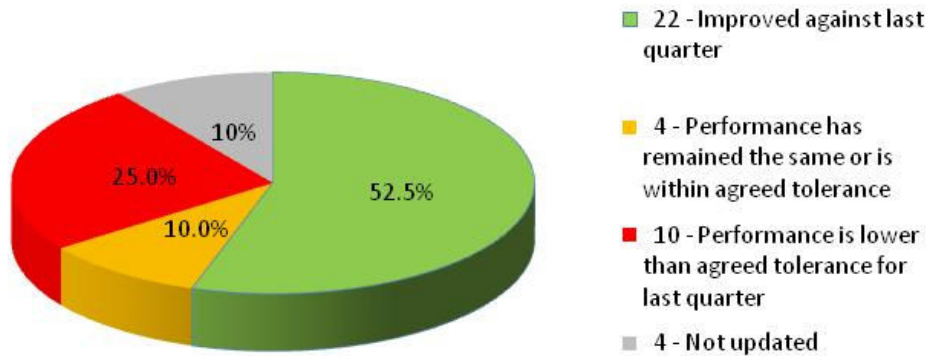
Directorate	Reference	Definition
Children's and Families	NI 59	Initial assessments for children's social care carried out within 7 working days of referral
	NI 60	Core assessments for children's social care that were carried out within 35 working days of their commencement
	NI 63	Stability of placements of looked after children: length of placement
	NI 64	Child Protection Plans lasting 2 years or more
Places & Organisational Capacity	NI 155	Number of affordable homes delivered
	NI 157a	Processing of planning applications (major)
	NI 157b	Processing of planning applications (minor)
	NI 157c	Processing of planning applications (other)
Human Resources	NI 168	Principal roads where maintenance should be considered
	BV 12	Working days lost due to sickness absence

(See Annex 3 Appendix 1 for further detail)

QUARTER ON QUARTER PERFORMANCE

Performance assessments (red; amber; green) have been made based on current performance compared to the previous quarter's data.

Dec 11 vs Mar 12



The **25%** which did not meet the same level of performance as last quarter comprises:

Directorate	Reference	Definition
Adults	NI 141	Percentage of vulnerable people achieving independent living
	NI 142	Percentage of vulnerable people who are supported to maintain independent living
Children's and Families	NI 19	Rate of proven re-offending by young offenders
	NI 59	Initial assessments for children's social care carried out within 7 working days of referral
	NI 60	Core assessments for children's social care that were carried out within 35 working days of their commencement
	NI 65	Children becoming the subject of a Child Protection Plan for a second or subsequent time
Places & Organisational Capacity	NI 157a	Processing of planning applications (major)
	NI 157b	Processing of planning applications (minor)
	NI 168	Principal roads where maintenance should be considered
Human Resources	BV 12	Working days lost due to sickness absence

(See Annex 3 Appendix 1 for further detail)

The data comparisons above show that there are six measures in particular that are failing to achieve their in-year targets, failing to achieve the same level of performance when compared to the same period last year and performance has deteriorated when compared to the last quarter. Details of these two measures are listed below.

Measure	Polarity	Current Performance (Mar 2012)	Target (Mar 2012)	Result (Mar 2011)	Result (Dec 2011)
NI 59 - Initial assessments for children's social care carried out within 7 working days of referral	High	46.8%	75.0%	56.0%	55.23%
NI 60 - Core assessments for children's social care that were carried out within 35 working days of their commencement	High	58.0%	70.0%	63.0%	60.0%
NI 157a - Processing of planning applications (major)	High	31.3%	67.0%	60.71%	37.5%
NI 157b - Processing of planning applications (minor)	High	51.7%	83.0%	68.8%	53.39%
NI 168 - Principal roads where maintenance should be considered	Low	6.0%	5.0%	5.0%	5.0%
BV 12 - Working days lost due to sickness absence	Low	9.16 days	9.0 days	8.19 days	6.33 days

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Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
Adults	NI 125	Achieving independence for older people through rehabilitation/ intermediate care	Monthly	High	76.80%	78.30%	78.30%	74.40%	Performance dropped below target in March. The measure involves relatively small numbers, therefore, it is susceptible to fluctuations. In March, there were 5 patients who had subsequently died and 3 patients that were unable to be traced – these 8 clients equate to 10% of the March cohort for this measure. In April 2012, performance did go back up to 82.9%
	NI 130	Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	Monthly	High	40.70%	60.00%	60.00%	45.50%	Whilst there has been some improvement on this measure through the year, it has fallen short of the target figure. A‘Personal Budget Eligible’ marker has now been set up on the database system and a revised support plan has been devised that will help to better identify personal budgets eligible service users.
	NI 131	Delayed transfers of care from hospitals	Monthly	Low	10.00 number	10.00 number	10.00 number	8.70 number	This is an improvement on last year's performance of 10.0. The rate attributable to adult social care is only 0.3.
	NI 132	Timeliness of social care assessment	Monthly	High	80.00%	88.00%	88.00%	92.80%	Increased by 0.1 percentage points. This measure has exceeded target. This is a significant improvement in performance from the previous year, outturn for 10/11 was 79.5%

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 133	Timeliness of social care packages	Monthly	High	90.40%	93.00%	93.00%	93.80%	Increased by 0.3 percentage points. Indicator has exceeded target. This is an improvement on 2010/11 performance of 90.4%
	NI 135	Carers receiving needs assessment or review and a specific carers service, or advice and information	Monthly	High	10.20%	28.00%	28.00%	35.45%	Due to a major push on carers assessments being completed figures made a significant rise in the second half of 10/11. This continued into 2011/12 and as a result we have exceeded ambitious target set for this measure compared to 10/11 outturn. Occupational Therapists at frontline have also being loading carers assessments which further boosted the numbers.
	NI 141	Percentage of vulnerable people achieving independent living	Quarterly	High	72.51%	65.00%	65.00%	73.45%	There have been a large number of evictions this quarter, a reflection of the volatile nature of some service users using our accommodation services. Nevertheless a high number of people continue to be supported to make the move into their own independent accommodation.
	NI 142	Percentage of vulnerable people who are supported to maintain independent living	Quarterly	High	99.13%	98.70%	98.70%	98.43%	This figure has risen slightly since the last quarter indicating that long term and floating support services continue to be very successful at helping vulnerable people to live independently.

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 145	Adults with learning disabilities in settled accommodation	Monthly	High	35.33%	45.00%	45.00%	52.90%	Learning Disability reviews were highlighted as a priority which led to this indicator exceeding its target ahead of the end of the reporting year. A data housekeeping project undertaken by the Team Support Service also had a big impact on the indicator.
	NI 146	Adults with learning disabilities in employment	Monthly	High	6.28%	6.90%	6.90%	7.00%	The upturn in performance seen towards the end of the previous quarter continued to see this measure exceed its target.
Children & Families	NI 19	Rate of proven re-offending by young offenders	Quarterly	Low	Not Recorded	1.06 number	1.06 number	0.85 number	a) the cohort of young people used is all young people who received an outcome during January – March 2011 and tracking them quarterly for one year. The frequency rates are calculated using all young people in the cohort and based on the rate of reoffending at 3mths, 6mths, 9mths and 12mths. Based on a cohort of 107 individuals
	NI 59	Initial assessments for childrens social care carried out within 7 working days of referral	Quarterly	High	56.00%	75.00%	75.00%	52.20%	This relates to the percentage of IA signed off by manager within 7 working days for the 12 month period from 1/4/2011 - 31/12/2012 The percentage signed off within 10 working days is 61.2%

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 60	Core assessments for childrens social care that were carried out within 35 working days of their commencement	Quarterly	High	63.00%	70.00%	70.00%	60.60%	This relates to the percentage of CA signed off by managers within 35 working days for the period 1/4/2012-31/3/2012
	NI 63	Stability of placements of looked after children: length of placement	Quarterly	High	70.00%	85.00%	85.00%	62.10%	Outturn as per the statutory SSDA903 return
	NI 64	Child protection plans lasting 2 years or more	Quarterly	Low	2.00%	5.00%	5.00%	2.63%	This is an accumulated figure for 1/4/2011 - 31/03/2012, of 190 plans that ceased within the year 5 were over 2 years. You do not want too many children on child protection plans for long periods as it suggests drift, the data reported illustrates no drift in cases.
	NI 65	Children becoming the subject of a Child Protection Plan for a second or subsequent time	Quarterly	Low	13.00%	15.00%	15.00%	11.11%	This relates to the % of children that became subject to a plan for a second or subsequent time between 1/1/2012 and 31/03/2012. This figure suggests that plans are effective in the longer term in keeping children safe in Cheshire East after the risks have been reduced.
	NI 67	Child protection cases which were reviewed within required timescales	Monthly	High	100.00%	100.00%	100.00%	100.00%	

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Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 68	Referrals to childrens social care going on to initial assessment	Quarterly	High	79.00%	100.00%	100.00%	76.70%	Relates to the period 1/4/2011 - 31/03/2012. The final figure for the CIN return may change slightly
	NI 71	Children who have run away from home/care overnight		Low	671 number	671 number	671 number	342 number	This is an adaptation of the scored definition of NI 71 and relates to the numbers of individuals that have been reported in the year. 2010/11 figures related to the number of incidents, which were substantially higher as there are a number of individuals with multiple incidents. Not all of these individuals are Cheshire East residents. There is a separate work group looking at missing children and an extensive report is produced which is fed into the Local Safeguarding Children Board.
	NI 72	Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy		High	68.00%	71.90%	71.90%	Not Updated	Early data available in July

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 73	Achievement at level 4 or above in both English and Maths at Key Stage 2 (Threshold)		High	81.00%	85.00%	85.00%	Not Updated	Data currently being collated and should be available by end July
	NI 75	Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Threshold)		High	59.70%	67.80%	67.80%	64.70%	Relates to 2010-11 results. Results for this years cohort will be available in August
	NI 79	Achievement of a Level 2 qualification by the age of 19		High	80.30%	86.00%	86.00%	Not Updated	Data not due until August
	NI 80	Achievement of a Level 3 qualification by the age of 19		High	57.60%	63.00%	63.00%	Not Updated	data not due until August
	NI 111	First time entrants to the Youth Justice System aged 10 to 17	Quarterly	Low	204 number	198 number	198 number	188 number	relates to the period 1/4/2011 - 31/1/2012
	NI 112	Under 18 conception rate		None	29.40%	Not Set	Not Set	28.40%	This is the latest DfE figure provided in May and relates to 2010 and Q1 2011 data. These figures compare to 34.1% nationally and 38.8% across the NW authorities
	NI 117	16 to 18 year olds who are not in education, training or employment (NEET)	Quarterly	Low	5.80%	4.90%	4.90%	5.00%	Figure relates to Feb 2012 - March are not yet available.

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
HR & OD	BV012	Working days lost due to sickness absence (cumulative)	Monthly	Low	8.19 days	9.00 days	9.00 days	9.16 days	Managing attendance is being treated as a priority by the Council. Although the sickness level of 9.16 days is only slightly higher than the regional figure for comparable Councils (9.15) and is lower than that reported by the Chartered Institute of Personnel & Development for public service employers of 5000 people or more (9.6) it is felt to be unacceptably high. Reports giving a thorough review of sickness over the last 12 months have been received by Cabinet/CMT and Corporate Scrutiny Committee. An updated action plan for improvement is being developed and will be kept under review.
Places & Organisational Capacity	NI 154	Net additional homes provided		High	466 number	700 number	700 number	577 number	For the period 01/04/11 to 31/03/12 there had been 762 completions, 74 of these were extra care. During the same period there have been 111 losses, through conversion, change of use or demolition. Giving a total of 577 net dwellings (not incl. the extra care dwellings).

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 155	Number of affordable homes delivered (gross)	Quarterly	High	290 number	300 number	300 number	247 number	247 new affordable homes delivered in 2011/12 against a target of 300. Three Homes and Communities Agency funded schemes did not complete in 2011/12 as originally anticipated. These would have delivered a further 61 units. We anticipate these 61 units will complete in 2012/13 and will count towards the total compeltions for that year.
	NI 157a	Processing of planning applications as measured against targets for major application types	Quarterly	High	60.71%	67.00%	67.00%	31.30%	Performance remains steady across all four quarters (between 31 and 40%), bu has not improved as much as expected. Lack of legal resources somewhat inhibits improving performance in this area (as a rule, 'major' applications tend to have legal agreements attached to them. As such, the speed these types of application are dealt with is dependent on quick legal input). Nevertheless, performance must improve in this area to a level where we reach the National Target figure (60%) and steps are in place to ensure a significant improvement in Quarter 1.

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Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 157b	Processing of planning applications as measured against targets for minor application types	Quarterly	High	68.80%	83.00%	83.00%	51.70%	The Council's performance in this area continues to improve quarter by quarter (from 19.33% in Quarter 1 to 51.7% in Quarter 4) as expected and predicted previously. This is despite the fact that Quarter 4 saw officers clearing out their old cases in preparation to ensure they return to 'normal' performance (80%) in Q1 of 2012-13.
	NI 157c	Processing of planning applications as measured against targets for other application types	Quarterly	High	80.88%	89.00%	89.00%	69.60%	The Council's performance in this area continues to improve quarter by quarter (from 23.6% in Quarter 1 to 69.6% in Quarter 4) as expected and predicted previously. This is despite the fact that Quarter 4 saw officers clearing out their old cases in preparation to ensure they return to 'normal' performance (80%) in Q1 of 2012-13.
	NI 168	Principal roads where maintenance should be considered		Low	5.00%	5.00%	5.00%	6.00%	The network has suffered over the previous two winters from significant levels of deterioration, this has materialised in a percentage increase in the length of road requiring immediate maintenance from a steady state for the previous 4 years.

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 169	Non-principal roads where maintenance should be considered		Low	11.00%	11.00%	11.00%	11.00%	This represents the B and C road network and shows no movement in the performance for this year however the overall trend is the network is in a managed decline. Again the network is suffering the after effects of the previous two winters. The halt in the downward trend can be attributed to the additional highway investment funding provided last year to combat the more seriously damaged areas of the network.
	NI 182	Satisfaction of businesses with local authority regulation services		High	85.00%	90.00%	90.00%	83.00%	End of year performance is down on target. Mainly due to a number of factors including a lower sample survey than required 152/195. Overall face value returns indicate that the service is rated highly for fairness and helpfulness
	NI 188	Adapting to climate change		High	0.00%	2.00%	2.00%	0.00%	Adaptation Strategy not yet developed. Reduction in resources has affected ability to progress NI 188.

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 191	Residual household waste per head	Quarterly	Low	566 kgs	543 kgs	543 kgs	505 kgs	The residual waste per household figure is considerably better than the target for this year. The figure represents a total tonnage of 84,000 tonnes of household waste (kerbside and Household Waste Recycling Centres) sent to landfill which is a significant improvement of 9643 tonnes less sent to landfill than the previous year. NB this is a draft figure, final figures will be published by DEFRA in November based on this submitted data.
	NI 192	Household waste recycled and composted	Quarterly	High	49.00%	52.00%	52.00%	52.90%	The recycling figure exceeds the target for this year and is an improvement of 3.9 percent on the previous year. This passes the 50% recycling level for the first time for Cheshire East which represents the national recycling target for local authorities for the year 2020. The increase is largely due to the roll out of the silver bin recycling scheme which was fully operational by last October. We would therefore expect to see further improvements in the recycling rate in 2012-13 with a full year of operation of the silver bin recycling service. NB this is a draft figure, final figures will be published by DEFRA in November based on this submitted data.

Corporate Scorecard Report for 11/12 Quarterly Cabinet

(Organisation Summary)

Mar-2012

Objective	Measure		Frequency	Polarity	Result 2010/11	Year End Target 2011/12	Latest Data		Operational Comments
	Ref	Description					Target	Result	
Cabinet Measures									
	NI 193	Municipal waste land filled	Quarterly	Low	47.80%	44.00%	44.00%	43.50%	The municipal waste landfilled is better than the target for this year and an improvement of 4.3% on last year. NB this is a draft figure, final figures will be published by DEFRA in November based on this submitted data.

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	23 rd July 2012
Report of:	Director of Finance and Business Services
Subject/Title:	Business Planning Process 2013/2016
Portfolio Holder:	Councillor Raynes

1.0 Report Summary

- 1.1 This report seeks approval of the Council's Business Planning Process for 2013/2016 onwards.
- 1.2 In February 2012 the Council approved its Business Plan for 2012/2015. That document will be subject to annual update as further information over funding levels becomes available and the Council develops more detailed plans for later years.
- 1.3 The outcome of the update process will be the production of a revised Business Plan in February 2013 to set the Council's ambitions, Budget and Council Tax.
- 1.4 A comprehensive process is required to achieve that outcome and this report sets the framework for Members and officers to follow.

2.0 Decision Requested

- 2.1 To agree the Business Planning Process to develop a Business Plan for 2013/2016.

3.0 Reasons for Recommendations

- 3.1 The Council requires an agreed process to set a budget for 2013/2014. However, the Council needs to consider the approach to delivering the Sustainable Community Strategy and link that with resource allocation in a managed way.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

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

- 6.1 The report outlines the need to generate policy proposals which will impact on service delivery.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 The report includes details of policy proposals which will affect service budgets from 2013/2014 onwards.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Council should have robust processes so that it can meet statutory requirements and fulfil its fiduciary duty.

9.0 Risk Management

- 9.1 The steps outlined in this report will significantly mitigate the four main legal and financial risks to the Council's financial management:
- The Council must set a balanced Budget.
 - The Council must set a legal Council Tax for 2013/2014.
 - The Council should provide high quality evidence to support submissions for external assessment.
 - Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.
- 9.2 A risk and equality assessment will be carried out by the proposing directorate for all key proposals as part of their development. This will be in line with the approach to Corporate Risk Management.

10.0 Background and Options

- 10.1 The 2012/2013 Business Plan was approved in February 2012.
- 10.2 The Business Plan merged the Financial and Corporate planning processes into one to allow a clear link to be made between the Council's ambitions and resource allocation. The Business Plan will be subject to an annual update. This will take account of various factors which are covered in the attached appendixes:
- Appendix 1 – Overview.
 - Appendix 2 – The Business Planning Process.
 - Appendix 3 – The Council's Priorities.
 - Appendix 4 – Financial Stability.
 - Appendix 5 – Communicating the Process.
- 10.3 Feedback on the current Business Plan has been collated and reflected in a report to Corporate Scrutiny Committee in June. The issues identified will be addressed within the process for 2013/2016.

- 10.4 The intention is to produce a Draft Business Plan later in the year for engagement followed by a final Business Plan for Cabinet and Council in February 2013.

11.0 Access to Information

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

Name:	Lisa Quinn
Designation:	Director of Finance and Business Services
Tel No:	01270 686628
Email:	lisa.quinn@cheshireeast.gov.uk

Appendix 1 – Overview

Introduction

Appendix 1 provides an overview of the following appendices, how they link together and their relevance in developing the Business Plan.

The Council continues to face significant challenges in terms of delivering its priorities, managing within its limited resources and dealing with increasing demand for services.

At the same time Government policy, in relation to funding, is shifting the emphasis towards local decisions having a greater impact on funding levels than they did before.

Achieving an acceptable balance must be undertaken through a managed process that considers each area. The Council uses the Business Planning Process to achieve this aim. Further details are set out below.

Appendix 2 – The Business Planning Process

Cabinet are asked to approve the Business Planning Process. **Appendix 2** considers the key stages and actions that will take place plus reviews the lessons from last time. The process enables the development and challenge of options by the appropriate groups at the correct level of detail and to the required timescale. It includes the key actions required to set a Budget and Council Tax.

Initially the process will enable collation of the issues in each directorate and the potential options to resolve those issues.

Supporting strategies relating to Value for Money and Charging and Trading will be refreshed to assist with developing options in addition to the latest data being made available re population forecasts, employment etc.

Appendix 3 - The Council's Priorities

Appendix 3 sets out the Council's priorities in terms of the Sustainable Community Strategy and how this is being taken forward. This acknowledges that not all areas can be addressed at one time due to limited capacity. The Leader of the Council has written to all staff and Members to advise them of the key areas to focus on and these are set out in more detail.

Appendix 4 – Financial Stability

Appendix 4 sets out the financial position facing the Council as indicated in the February 2012 Business Plan and the key assumptions used. It updates on the key statistics and key changes to local government funding from April 2013.

Appendix 5 – Communicating the Process

Appendix 5 sets out the key dates and communications that will take place. It will show the stages of the process where various groups can provide their input.

Summary

Consideration of the priorities alongside the issues and potential options as well as taking into account the financial envelope (plus capacity levels) will determine which options can be developed further through the Business Planning Process.

Appendix 2 – The Business Planning Process

Introduction

This Appendix sets out the revised process to deliver a Business Plan for 2013/2016 to February Council in 2013.

The aim is to continue to operate the integrated approach to link the Council's priorities and what it wants to achieve with resource allocation to provide a higher level of transparency.

However, it is recognised that the first Business Plan was a step change for the Council and improvements are needed to address some of the issues raised. These are set out later in this Appendix.

The Revised Process

Two of the key issues from the process the Council went through last time were the consideration of too many proposals and the need for wider Member input at an earlier stage. These will be addressed through the revised process. The key stages are set out here:

- | | |
|------------------------------|---|
| May / June | <ul style="list-style-type: none">- Management Team:<ul style="list-style-type: none">▪ Identify service delivery issues▪ Illustrate available options |
| July | <ul style="list-style-type: none">- Cabinet / Management Team:<ul style="list-style-type: none">▪ Analyse issues & options▪ Consider medium / long term priorities▪ Consider the financial envelope and capacity▪ Determine which options are developed further |
| August | <ul style="list-style-type: none">- Wider Member and officer input – format to be determined. The intention is to use existing officer and Member groups (such as Budget Task Group) |
| September to December | <ul style="list-style-type: none">- Internal & external analysis and development- Challenge- Draft Equality Impact Assessments- Wider stakeholder engagement in group work- Complete 'financial balancing' process- Confirm approach to delivery of Sustainable Community Strategy- Publish Draft Business Plan |
| January to February | <ul style="list-style-type: none">- Engage with wider Members on current issues- Wider stakeholder engagement & response- Complete Equality Impact Assessments- Members Approve Business Plan & Set Council Tax |

Supporting the Process

The Council will assist the process in a number of ways. These include:

- Consideration of the Council's priorities **(see Appendix 3)**
- Consideration of the Council's financial stability **(see Appendix 4)**
- Additional guidance notes and the website
- Supporting strategies to assist development of proposals
- Learning from last time

Additional Guidance Notes and the Website

Additional guidance notes and the business planning website will both be developed to assist those involved with the process.

Supporting Strategies to Assist Development of Proposals

Several key supporting strategies will be refreshed, including:

- Value for Money
- Charging and Trading.

Data packages will also be prepared in relation to key statistics such as population forecasts, employment etc.

Learning from Last Time

The issues raised by the Corporate Scrutiny Committee / Budget Task Group / other Members and the measures to address them are set out below:

Member Feedback	Solution
Provide opportunities for all Overview and Scrutiny Committees to have an input to the Business Planning Process.	The Budget Task Group will include representation from other Overview and Scrutiny Committees to observe, contribute and report back to their Committees.
Confusion over which version of the Business Plan was the latest.	Agenda papers will provide clarity as to which versions of published, or non-published, material will be the subject of discussion for each meeting.
Provision of suitable hardware to enable meetings to access financial information electronically.	<p>The recommended solution is for Members to use their Council laptops during the Budget Task Group meetings.</p> <p>All Members of the Council have already been offered a laptop to help perform their duties. The laptops include the standard package of Microsoft Office software, access to e-mail and the internet. These machines could be used to view documents etc.</p> <p>Alternatives, such as tablets are being trialled but a business case has not yet been taken forward.</p> <p>All material will be made available electronically before, during and after the meetings (where possible).</p>
Changes made to policy proposals during the process should be tracked and easily identifiable.	Comprehensive records are maintained within Finance. The approach to version control between documents will be enhanced to allow Members to track changes made during the process. These will be shared with the group as required.

Member Feedback	Solution
Improve the narrative relating to the proposals and provide more detailed figures within the Business Plan.	<p>To be addressed within the next Business Plan to ensure:</p> <ul style="list-style-type: none"> - The format is explained in advance. - Appropriate narrative is provided to enhance understanding of the proposals. - The impact of proposals on the priorities for the Council are made clear. - Proposals are shown at the relevant level of detail. <p>It should be noted that the Business Plan deliberately grouped smaller efficiency or housekeeping items that did not warrant Member debate into one line. These were explained within footnotes to the relevant pages. This approach will continue in order to focus on the main options.</p>
Overview and Scrutiny should be given an opportunity to comment on the emerging priorities influencing the Business Plan by September of each year at the latest.	To be addressed as part of the revised process.
The Business Plan is too long and a more succinct version should be produced.	<p>The Business Plan (including the Budget) is necessarily a long and complex document as it deals with the whole Council's service and financial plans in a single place.</p> <p>Further consideration will be given to a summary version, however, such a document requires resources to produce and publish and is ultimately of limited use in terms of restating the main document.</p>
The link between the summary tables and detailed tables needs to be clearer.	<p>To be addressed through text references and links on the electronic version.</p> <p>This will be assisted by release of the Budget Book and a "Frequently Asked Questions" document.</p>
Regarding the 2012/2013 Business Plan, the links between Annex 3 (Process, Financial Position and Key Changes) and Annex 7 (Three Year Budget Tables) should be clearer.	<p>To be addressed as part of the next process.</p> <p>Budget Task Group will be involved in debate over the new document format where possible.</p>

Appendix 3 – The Council’s Priorities

Introduction

This appendix will consider:

- A new approach.
- The Council’s priorities.
- The Sustainable Community Strategy (SCS).
- Service and Financial Drivers.

A New Approach

Planning for Cheshire East Council in the medium term must change to reflect a shifting emphasis driven by Government policy. Policies such as Localism, the Community Infrastructure Levy, New Homes Bonus and Business Rate Retention mean that local decisions, particularly related to economic development, will have more of an impact on service provision in the local area than they did before.

The aim of the Business Planning Process is to create a flow of ideas and analysis that identifies with the links between Financial Drivers, Medium Term Priorities and the SCS. The ambition is to support prioritisation and decision making.

Underpinning this aim is the requirement to join up all key plans within the area (such as the Local Plan, Local Transport Plan and the Asset Management Plan). The focus required to join up local plans will support medium to long term policies and financing plans. This will then avoid short term spending that could actually jeopardise essential investment.

The diagram shows how these links need to operate to achieve success. If one element does not work the whole process stops.



Further details are set out overleaf.

Service and Financial Drivers

The table below sets out some of the areas continuing to influence expenditure levels.

People
- No. of Children requiring care
- No. of Adults requiring care
- Complexity of care needs
- Quality of 'local' service provided
- School Transport requirements
- Inflation in contractors costs
Places
- Number of Properties requiring Waste Disposal services
- Area of land for greenspace maintenance
- Road lengths requiring maintenance
- Level of development activity
- Attainment of 'local' performance measures
- Size of Council Estate
- Demand for discretionary services in transport, culture and leisure
- Inflation (fuel, utilities, contractor costs)
Corporate
- Demand for technology projects
- Interest rates on borrowing or investments
- Efficiency of spending on administration and democracy
- Risk from litigation
- No. of claims for Council Tax / Business Rate reductions
- Quality of financial control and budget management

Medium Term Priorities

In February 2012 the Council confirmed its priorities as delivering the SCS and the Business Plan 2012/2015 was set in that context.

The Council has further developed the link in this area and addressed the need for a clear link between the long term SCS and the medium term considered in the Business Plan. This has been achieved through identifying which key ambitions that will be taken forward.

The new Leader of the Council set out the areas in his [letter](#) of 17th May 2012. These include:

Council Priority	Link to Sustainable Community Strategy Priority
Customer Led	Nurture Strong Communities
Linked to Communities	Nurture Strong Communities
Delivering Regeneration	Create Conditions for Business Growth
Focus on Challenging Neighbourhoods	Nurture Strong Communities
Welfare Reform	Nurture Strong Communities
Troubled Families	Nurture Strong Communities
Sustainability in Adult Social Care	Prepare for an Increasingly Older Population
Developing a Local Plan	Ensure a Sustainable Future
Developing a Five Year Housing Plan	Ensure a Sustainable Future
Spend Money Wisely	Linked to aim to provide Value for Money

The actions to address these Medium Term Priorities will be determined through the Business Planning Process.

The Sustainable Community Strategy

As an organisation, the Council plays a major role in delivering the seven priorities set out in *Ambition for All*, the Sustainable Community Strategy for Cheshire East.

These priorities were developed in consultation with local communities and partner organisations. They provide the framework against which the Council plans its service delivery and monitors its performance. The seven priorities are:

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

Appendix 4 – Financial Stability

Introduction

This appendix provides updated information in relation to:

- The current scenario and assumptions.
- The Council's Financial Position in Context.
- The changes to local government funding and their impact.

The Current Scenario and Assumptions

The current scenario forecasts were set out in the February 2012 Business Plan and are replicated here.

Cheshire East Council Revenue Budget

	2012/2013	2013/2014	2014/2015
Funding	£m	£m	£m
Formula Grant Funding	-67.7	-67.2	-62.2
Specific Grant Funding	-334.5	-321.0	-314.5
Council Tax	-178.6	-179.1	-179.6
Central Adjustments	20.0	24.1	13.5
Funding Available to Services	-560.8	-543.2	-542.8
Budget for the Year			
Children and Families	58.5	56.3	56.6
Schools Ringfenced Expenditure (inc DSG)	205.4	199.5	193.5
Adults	92.0	97.0	102.8
Places & Organisational Capacity	76.5	76.3	74.2
Corporate Services	25.3	24.2	23.5
Council Tax and Housing Benefit Expenditure	95.5	93.5	93.5
Total Budget	553.2	546.8	544.1
Planned Contribution to Reserves / Surplus	7.6	9.5	6.1
Planned Contribution from Reserves / Deficit	0.0	0.0	0.0
Funding Gap / (Surplus)	0.0	13.1	7.4

Source: Cheshire East Council Finance

The table is based on the following key assumptions. These are set out under the standard five headings used to monitor the scenario.

Measure 1 ~ Challenge Funding Assumptions

Item	Basis	Impact	Comment
Formula Grant Funding	Based on Comprehensive Spending Review estimates up to 2014/2015.	1% = £0.63m	Formula allocation system to be replaced from April 2013. Modelling is underway to develop estimated funding levels.
Specific Grant Funding	Based on Comprehensive Spending Review estimate to 2014/2015 or figures released by the relevant Government Departments.	£ for £	New Homes Bonus figures assume 650 properties per annum. Further work underway to refine this estimate.
Central Adjustments			
- Inflation and Pensions	See Measure 4		
- Capital financing	Based on estimates from 2012/2015 capital planning	£ for £	To be reviewed as capital programme is developed.
- Severance Costs	Based on agreed basis for dealing with early retirement costs	£ for £	

Measure 2 ~ Review Local Taxation

Item	Basis	Impact	Comment
Council Tax	0% in each year.	1% = £1.8m	No information regarding Council Tax freeze or criteria for a referendum beyond current year.
Council Tax Base	0.3% increase per annum.	0.1% = £0.2m	Taxbase decreased for 2012/2013. Technical reforms for 2013/2014 may increase Taxbase but Localising Council Tax Benefit is expected to reduce it.
Collection Fund	Nil surplus / deficit per annum.	£ for £	To be reviewed later in the year.

Item	Basis	Impact	Comment
Supplementary Business Rates	No additional income.	1p supplement = £2.1m	To be reviewed but considerable lead in time to consult with businesses etc. The maximum supplement is 2p.

Measure 3 ~ Use General Reserves

Item	Basis	Impact	Comment
Contribution to / from Reserves	A planned contribution to reserves to ensure a minimum strategic level is retained	£ for £	Insufficient levels of Reserves will not provide working balances nor meet emergencies or unforeseen service demand. An updated Reserves Strategy will be reported as part of the Business Plan.

Measure 4 ~ Review Expenditure

Item	Basis	Impact	Comment
Pay Inflation	1% per annum based on Chancellor's Autumn 2011 Statement.	1% = £1.4m	
Non Pay Inflation	0% per annum.	1% = £0.9m	Reflects move to cash based budgeting. Specific inflationary pressures can be submitted as proposals.

Note the scenario assumes the funding gaps in 2013/2014 and 2014/2015 are permanently closed.

Measure 5 ~ Review Income

Item	Basis	Impact	Comment
Fees and Charges	To be reviewed as part of the roll out of the Council's Charging and Trading Strategy to establish the basis for the charge and scope for full cost recovery.	£ for £	Under review.

Capital Programme

	2012/13	2013/14	2014/15
	£m	£m	£m
Proposed New Starts	42.6	41.4	24.4
Committed schemes	59.2	11.9	3.0
Total Capital Programme	101.8	53.3	27.4
FINANCING			
Unsupported Borrowing - Prudential	33.4	31.1	19.9
Supported Borrowing	3.0	0.6	0.0
Government Grants	45.5	14.1	2.5
Capital Receipts	17.7	7.3	5.0
External Contributions	1.3	0.2	0.0
Other Revenue Contributions	0.9	0.0	0.0
Total Sources of Funding	101.8	53.3	27.4

Source: Cheshire East Council Finance

The Capital Programme has been updated for the carry-forward of slippage from 2011/2012, this is subject to approval as part of the Final Outturn report. In 2011/2012 the Council spent £50.2m on capital schemes compared to the original budget of £77.0m, the main areas of slippage related to the Schools Programme, Property Planned Maintenance, Office Accommodation Upgrades and Highways Maintenance.

The capital programme is funded from a number of resources, including government grants, capital receipts, external contributions, revenue and

prudential borrowing. Government support for capital investment has reduced in recent years placing the emphasis increasingly towards Prudential Borrowing.

The fundamental objective in the consideration of the affordability of the Council's capital plans is to ensure that the total capital investment of the Council remains within sustainable limits, and in particular to consider its impact on the 'bottom line' and hence Council Tax. In considering the affordability of its capital plans, the Council is required to consider all of the resources currently available to it including estimates for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the following two years.

The Council is also required to consider known significant variations beyond this timeframe, hence the requirement to develop the Capital Programme over a longer period and create a 'Capital Vision' for the Council for the next five years.

The development of the five year vision will include a review of the existing commitments within the current programme and the capacity to deliver an ambitious programme including major highway developments such as Crewe Green Link Road, Town Centre Regeneration, Housing Development, Children & Adults Service Systems Replacement and ICT developments including Superfast Broadband.

The Council will consider prudential borrowing where it can be shown to be sustainable, affordable and prudent. Examples of this may include projects which can effectively self-fund by raising sufficient revenue income or by reducing revenue costs so as to be able to fund the debt repayment costs, such as "Invest to Save" projects.

Where a project is to be funded by borrowing, provision will be made for incorporation of the debt servicing charges in the capital financing budget held corporately. The capital financing budget will be charged with the principal and interest elements based on the amounts of Prudential Borrowing that are actually used in the capital programme. Charges are not payable in the first year of capital expenditure, they will commence in the following financial year.

The closing balance on the Capital Reserve as at 31st March 2012 is £16.3m which is fully committed to fund schemes within the current programme. The Asset Disposals team is continuing to explore opportunities to generate capital receipts by rationalising the estate and disposing of surplus property assets. The Capital Receipts Policy ensures that receipts are used in the most beneficial way to support corporate priorities and strategic opportunities.

The Council will seek to maximise external funding wherever possible to support capital schemes. For example this may be in the form of grants from central government or contributions from third parties, such as negotiated Section 106 planning gain agreements with developers.

The capital planning process will follow the business planning timetable as set out in **Appendix 2**. The Capital Visioning Group will oversee the development of the capital programme and the use of available resources. The management of the capital programme is currently under review and will incorporate a gateway process to review capital projects at appropriate stages.

The Council's Financial Position in Context

The four charts below summarise the funding position for Cheshire East Council compared to statistical neighbours.

Chart 1 ~ Cheshire East Council receives less Business Rates per head than similar councils.

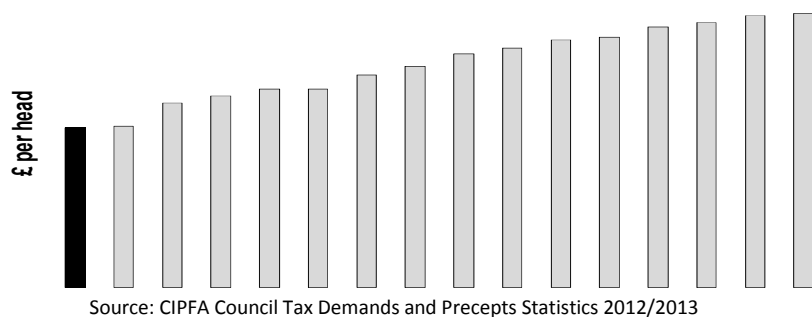


Chart 3 ~ Cheshire East Council already raises a high level of Council Tax per head

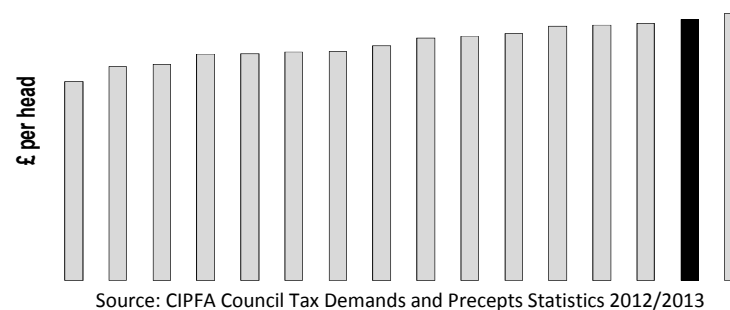


Chart 2 ~ Cheshire East Council receives less Revenue Support Grant per head than similar councils.

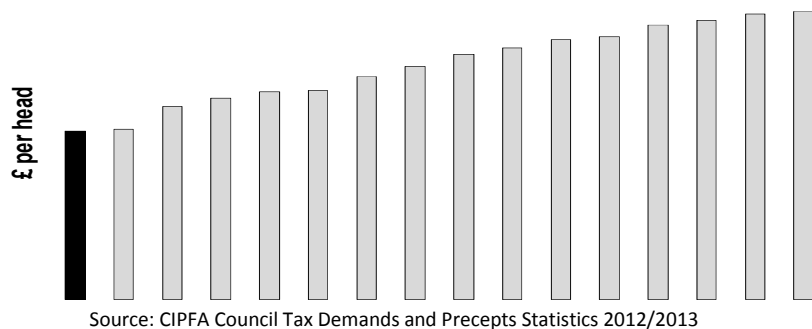


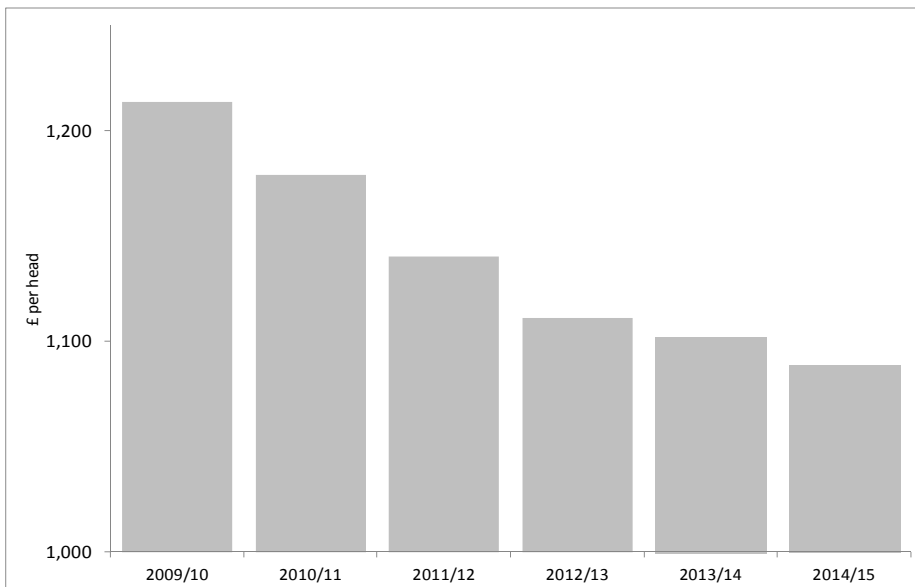
Chart 4 ~ Absolute Band D levels are average in comparison.



Impact on spending

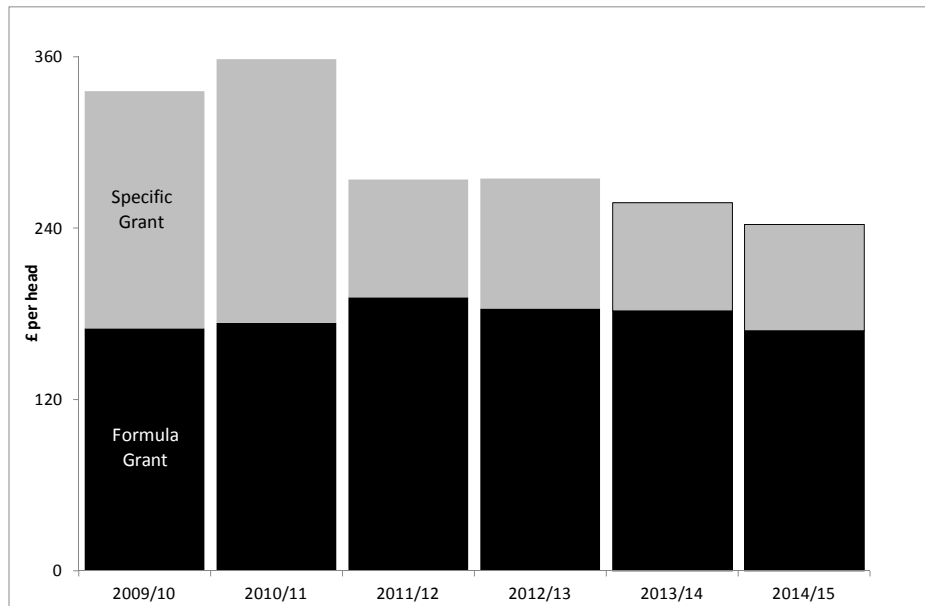
The next two charts show the impact of the funding reductions on Council spending per head and Government funding per head over time. The impact of reduced funding is continued reductions in expenditure.

Chart 5 ~ Expenditure per head is expected to fall from £1,214 in 2009/2010 to £1,089 in 2014/2015



Source: Cheshire East Council Budget / Business Plans 2009 to 2015 (excluding funding for Schools and Benefits)

Chart 6 ~ Income from government grants is falling



Source: Cheshire East Council Revenue Outturn Returns (2009 to 2011) & Budget Reports / Business Plans (2009/2015)

The Changes to Local Government Funding and their Impact.

There will be several significant changes to local government funding taking place from 2013/2014 onwards. These are set out below with their impact.

Current Approach	Proposed Approach	Anticipated Impact
Formula Grant Central Government focus on equalisation and determine Formula Grant funding using a complex 'needs vs resources' model with no reward for local growth.	Business Rate Retention Model Billing Authorities will be provided with a baseline funding level which could be set for up to 10 years. Actual funding to the Local Authority will then vary depending on the level of Business Rates yield received above or below the adjusted baseline. Additional measures will cap excessive growth and protect councils where income falls sharply.	Local funding will increase or decrease in response to local economic activity, encouraging a focus on promoting development.
Council Tax Levels Council Tax is determined locally by Councillors with the potential threat of a Central Government Cap to restrict high increases.	Central Government will announce an annual threshold. Proposals by local Councillors to increase Council Tax above this rate will be subject to a local referendum. (Effective from April 2012)	Councillors will need to win majority support from the electorate if spending plans require significant additional funding from the local taxpayer.
Council Tax Benefits Welfare payments to support Council Tax costs are provided via a national scheme and funded in full by Central Government.	Localising Council Tax Benefit The level of welfare support for Council Tax payments will be determined locally. A reduced fixed grant will be provided by government to fund local schemes.	The Council will support citizens to move from benefits into better paid work to improve the local economy and reduce Council expenditure. The new scheme will need to consider wider Welfare Reform Act changes and the Council's concession policies.

Current Approach	Proposed Approach	Anticipated Impact
Council Tax Base Growth in the tax base increases local Council Tax payments but may then decrease funding from Formula Grant	Growth in the tax base will increase local Council Tax Payments. However, bonus payments will be received in respect of increases in the number of occupied dwellings in the area and there is potential income from the Community Infrastructure Levy (CIL) for new developments.	Supporting new development will provide bonus payments which will in turn support additional spending related to the additional demand for services and a CIL contribution to identified infrastructure needs.
Council Tax Discounts The Council has no further scope to change discounts.	The Council can change the discount for second homes, empty and long term empty properties.	These will provide additional income but the impact needs to be understood. Further analysis is being undertaken.

Appendix 5 – Communicating the Process

Introduction

The table below sets out the key dates and communications that will take place.

When	For Whom	What / Why	How
June	Cabinet, Management Team and Budget Task Group	Agree and own process	Briefings and consultation on draft process
	Heads of Service (HoS)	Briefing re process and key stages	Presentation
July	Budget Task Group (BTG)	Review process and input	Report and meeting
	Cabinet	Approve Process	Formal report on process & priorities
	All Members	Briefing re process, context and assumptions	Presentation
August	Cabinet, Management Team, HoS & Task Groups.	More detailed instructions and forms issued	Guidance note and forms
	Members and Stakeholders	Input to process	Report and meeting
September	Management Team / Cabinet	Receive progress update	Report and meeting
October	Management Team / BTG	Review proposals to ensure a robust and considered set of proposals are published	Briefing and meetings

When	For Whom	What / Why	How
November	Budget Task Group	Consider format of Draft Business Plan	Briefing and meeting
	Members / Stakeholders	Brief on financial scenario and key budget issues	Briefing notes, meetings, website and citizen's panel
	Budget Task Group	Review Draft Business Plan	Briefing and meeting
Dec / Jan	All	Publish Draft Business Plan	Hard copy and electronic versions
January	Members / Stakeholders	Consultation on Draft Business Plan	Meetings / briefing sessions
	Budget Task Group	Review Business Plan	Briefing and meeting
	All	Publish Business Plan	Part of Cabinet papers
February	All	Business Plan approved	Cabinet and Council meetings

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	23 rd July 2012
Report of:	John Nicholson – Strategic Director of Places and Organisational Capacity
Subject/Title:	Addressing the Accommodation Needs of Gypsies and Travellers
Portfolio Holder:	Councillors J. Macrae, R Bailey and D Brown

1.0 Report Summary

- 1.1 Cheshire East Council has an established population of Gypsies and Travellers and there is an identified need for further sites. This report looks at the Council's approach to the delivery of provision across the borough and the different opportunities available. This report seeks agreement from Cabinet to the new approach in light of the new planning policy for Gypsies and Travellers.

2.0 Decision Requested

- To acknowledge the current position
- To endorse 'Addressing the Accommodation Needs of Gypsies and Travellers Policy' and the interim actions
- To approve a site search and suitable appraisal process for both permanent residential and transit sites
- To approve a site search for a temporary stopping place based on the evidence from encampment locations

3.0 Reasons for Recommendations

- 3.1 To ensure the Council has a coordinated approach to the accommodation needs of Gypsies and Travellers and a methodology to facilitate new site provision.

4.0 Wards Affected

- 4.1 All Wards

5.0 Local Ward Members

- 5.1 All Ward Members

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 **Health:** Better site provision will improve access to education and health care facilities for the Gypsy and Traveller community

6.2 **Housing:** The provision of Gypsy and Traveller sites within the Borough is included within the Council's draft Housing Strategy to reduce unauthorised sites, reduce overcrowding on existing sites and meet the current and anticipated need arising from future household formation.

6.3 **Carbon reduction.** No direct implications

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

7.1 A capital allocation of £540,000 has been approved for 2012/13 which has been secured in order to facilitate the development of suitable sites. The capital allocation will cover the following costs:

- .Costs associated with the setting up of a temporary stopping place – Approximately £65,000
- The commissioning of studies to identify suitable sites – Approximately £70,000.
- Site surveys and other assessments necessary to support the development of future sites including planning applications – Approximately £60,000.
- Development costs to cover any shortfall in Homes and Community Agency funding - To be determined once a site has been identified
- Staff costs associated with the delivery of the project £15,000

7.2 In addition an update of the sub regional Gypsy Traveller Accommodation Assessment (GTAA) will be required – at a cost of approximately £10,000 per sub regional partner. The Council will need to contribute £5,000 this year and the same amount in 2013/14. This can be met from spatial planning revenue budget. Otherwise there are no other anticipated revenue implications. Any running costs associated with the site would be covered by the managing companies' rental income.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 The Housing Act 2004 states that every local housing authority must, when undertaking a review of housing needs in their district under section 8 of the Housing Act 1985 (c. 68), carry out an assessment of the accommodation needs of Gypsies and Travellers residing in or resorting to their district.

Local Housing Authorities are required under section 87 of the Local Government Act 2003 (c. 26) to prepare a strategy in respect of the meeting of such accommodation needs.

8.2 Whilst a review was undertaken in 2007 to assess the accommodation needs of the Gypsy and Traveller community (GTAA) a strategy has not yet been developed to demonstrate how these needs are to be met. The attached paper 'Addressing the Accommodation Needs of Gypsies and Travellers Policy' tackles this.

8.3 In the context of Equalities Legislation, Gypsies and Irish Travellers are recognised ethnic minority groups under the Equality Act 2010 (previously known as the Race Relations Act). The Act gives public authorities a general duty to eliminate unlawful discrimination, and to promote equality of opportunity and

good race relations in carrying out their functions. The Act covers housing services and management of housing, including Gypsy and Traveller sites.

- 8.4 Under the Housing Act 1996, a Gypsy or Traveller is homeless if s/he does not have a lawful place to put his or her caravan or living vehicle. If a homeless person is in priority need and not intentionally homeless then a local authority will have a duty to ensure that the individual is provided with accommodation.
- 8.5 The Good Practice Guidance on Gypsy and Travellers Site Management, published by the Department of Communities and Local Government in July 2009, provides detailed guidance on the management of these sites, and suggests that where the management of Gypsy and Traveller sites is contracted out, local authorities should build relevant race equality considerations into contracts to ensure that the site management function meets the requirements of the Act.
- 8.6 The Human Rights Act 1998 requires all public authorities to refrain from unjustified interference with rights to private & family life and to the peaceful enjoyment of property, and to secure the exercise of those rights without discrimination on race or other grounds.

9.0 Risk Management

- 9.1 **Unauthorised developments.** A shortfall of residential pitches leaves the Council vulnerable when planning applications are refused and then appealed, as two cases have demonstrated (Stapeley and Poole), with the Appeal Inspector subsequently granting planning permission for the sites finding that there was an urgent unmet need across the Authority.
- 9.2 **Unauthorised encampments.** A shortfall of suitable transit pitches will increase the level of unauthorised encampments which will have a financial impact on the Authority in relation to officer resources and leaves the Authority open to challenge via planning appeals or other mechanisms. This in turn can lead to protracted, complex, and costly legal proceedings. There are also associated costs to private businesses when their land is encamped upon.
- 9.3 If there is insufficient strategic planning for sites, the Gypsy and Traveller community will determine where sites are located via the Planning Inspectorate, not the Local Authority. This can lead to community tensions and inappropriate development.
- 9.4 The lack of suitable facilities creates problems for the Gypsy and Traveller communities in terms of access to health, education and employment opportunities and basic facilities such as clean water and good sanitation.
- 9.5 An issue raised at the Wybunbury Lane appeal relates to the Council's obligations under the Equality Act 2010 (Race Relations Act 1998). It was argued by the appellants that in providing a five year supply of accommodation for the settled community but not for the Gypsy and Traveller community that the Council have failed to meet its obligations under the above act. Under recent changes to planning policy, local councils are required to plan for a five year supply of Traveller pitches.

10.0 Background and Options

- 10.1 The Council is required by the Housing Act 2004 to undertake regular assessments of the accommodation needs of Gypsies and Travellers either living in, or travelling through, their area. It also requires the Council to include the needs of Gypsies and Travellers in any housing strategy that it produces and to take any such strategy into account in exercising their functions. The objective behind all this is to ensure that councils consider the need for additional transit and permanent residential accommodation in their area.
- 10.2 The level of need for Gypsy and Traveller and Travelling Showperson accommodation within Cheshire East has been identified through the Cheshire Partnership Area Gypsy and Traveller Accommodation and Related Services Assessment (GTAA), published in January 2007. The study examined the current position on unauthorised sites together with evidence of unauthorised developments and encampments, and carried out consultation with key stakeholders in order to estimate concealed households, household formation and potential movements from bricks and mortar housing. The number of permanent pitches required for Cheshire East is a minimum of 37 to a maximum of 54 and 10 transit pitches by 2016. (GTAA July 2007) (A pitch is generally defined as space for two trailers and a vehicle – a family unit). There is also a need for 10 plots for Travelling Showpeople by 2016.
- 10.3 Since May 2007, eight pitches have been supplied on privately owned sites and a further two on the local authority owned site. In Cheshire East there are a total of 13 private sites, with 112 permanent pitches and 2 transit pitches. One council run site with 18 pitches (2 recently developed) and 1 site (8 pitches) with temporary permission. There are also two Travelling Showpersons sites in the borough with 4 pitches. Also at present in the borough there are 3 sites with current planning applications or appeals, Thimswarra Farm, Dragons Lane (4 pitch), Street Record, Moor Lane, Wilmslow (1 pitch) and a site at Pickmere (3 pitches) which is subject to a valid enforcement notice and located within the Greenbelt. Consequently there is a clear gap between assessed need and current provision.
- 10.2 The attached report 'Addressing the Accommodation Needs of Gypsies and Travellers Policy' provides a robust policy and procedural framework for addressing the future needs of the Gypsies and Travellers. It also deals with the issues of unauthorised developments and encampments by Travellers and the procedures to deal with them. The approach the policy takes is divided into both long term and interim/medium term measures that will run in parallel.

10.3 Long term approach

The Local Plan is required to identify a target for the provision of Gypsy and Travellers Pitches and Travelling Showpeoples plots for the Plan period based on identified need. In producing its Local Plan the Council is also required to:

- Identify and update annually, a supply of specific deliverable sites sufficient to provide five years' worth of sites against the target figure

- Identify a supply of specific, developable sites or broad locations for growth, for years six to ten and, where possible, for years 2011-15
- Consider setting targets on a cross-authority basis i.e. the existing approach of sub-regional working in Cheshire should continue
- Provide criteria to guide land supply allocations, which ensure that Traveller sites are sustainable economically, socially and environmentally.

10.4 Interim approach

- Set up a temporary stopping place to alleviate the issue of unauthorised encampments on both public and private land.
- Update the sub regional Gypsy Traveller Accommodation Assessment (GTAA) with our partners
- Commission a study to identify both transit & permanent residential sites; this would involve the agreement of site criteria for the provision & a call for sites.
- Council to explore the extension of affordable housing policy to include the use of s106/commuted funds to deliver permanent residential sites.
- Investigate the possibility of establishing a joint venture company/strategic partnership between the council and its Registered Provider partners to identify develop and manage future provision.

11.0 Access to Information

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

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Appendices:

Appendix 1	Addressing the Accommodation Needs of Gypsies & Travellers
Appendix 2	Key Tasks & Timescales

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CHESHIRE EAST COUNCIL

Addressing the Accommodation Needs of Gypsies and Travellers

Short Term Strategic Approach

July 2012

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changing planning policy
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5. Key Tasks and Timeline
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Section 1 – INTRODUCTION

This paper presents the interim strategy on Gypsy and Traveller accommodation needs for Cheshire East. It includes information on the requirements placed upon the Council to address Gypsy and Traveller accommodation needs, the national, regional and local context, the current supply of accommodation, identified needs and an outline programme of how these needs will be met. It also addresses the issue of unauthorised developments and encampments by Gypsies and Travellers and the policy and procedures to deal with these circumstances. The proactive management of unauthorised developments and encampments is an important factor affecting the public perception of Gypsies and Travellers. It proposes that the Council takes a pro-active approach to meeting the needs of Gypsies and Travellers in partnership with local registered providers (RP's). This strategic approach will balance the rights and responsibilities of all parties; the Council, the settled community and the Gypsy and Traveller communities.

The Ethnicity of Gypsies and Travellers

- Gypsies and Travellers are recognised as ethnic minority groups under the Race Relations Act 1996 and are protected by the Equality Act 2010. All public sector organisations have a positive duty under the law to eliminate racial discrimination and promote equality of opportunity, including for Gypsies and Irish Travellers.
- There is a lack of robust data on Gypsies and Travellers and this is a major barrier to developing a good understanding of the needs of this group. Until now Gypsies and Travellers have not been included on the Census but from 2011 they will be.
- Defining Gypsies and Travellers is not straightforward. Different definitions have been used for different purposes based, for example, on ethnicity, lifestyle and self-ascription. (Appendix 1) contains a table outlining the definitions used for Race Relations, Planning and Housing purposes. For the purpose of the accommodation assessments it is the Housing definition that is used.

Key Facts

- In 2006, 21% of Gypsies and Travellers living in caravans nationally were homeless, having no lawful place to park their caravan.
- £18 million is spent on enforcement issues across the country. Dale Farm recently cost Basildon Council in excess of £7 million.
- Less than one square mile of land in the whole of England would be sufficient to provide pitches for all Gypsy and Traveller families who are currently homeless.
- 42% of Gypsies and Travellers report limiting long-term illness – compared to 18% of the settled population.
- Average life expectancy is 10-12 years less than the settled population.
- 18% of Gypsy and Traveller mothers have experienced the death of a child – compared to 1% in the settled population.
- In 2004, 30% of Irish Traveller children and 13% of Gypsy children achieved 5 A-C Grades at GCSE – compared to 52% of the settled population.

Gypsy and Traveller Numbers Nationally

- Unfortunately there is no precise data for the numbers of Gypsies and Travellers in Britain today, varying from as low as 90,000-120,000 living in caravans to as high as 300,000

including those living in bricks and mortar. This information is based on various research and the local authority caravan counts. The former Commission for Racial Equality estimated the number to be between 180,000 and 350,000 with the majority living in 'bricks and mortar'.

- The twice-yearly Caravan Count carried out by local authorities provides information regarding numbers of caravans and location; it is carried out in January and July to capture the seasonal differences. The most recently published count is the January 2012. At that time the total number of Gypsy and Traveller caravans in England was almost 18,750. Of these, approximately 6,800 (36%) were on socially-rented sites; 9,100 (49%) were on privately-funded sites; 1,900 (10%) were in unauthorised developments on land owned by Gypsies or Travellers; and 950 (5%) were in unauthorised encampments on land not owned by Gypsies or Travellers

- The total number of Gypsy and Traveller caravans in England in January 2012 was almost 18,750. This is about 400 more than the total in January 2011.
- Approximately 6,800 caravans were on authorised socially-rented sites, a decrease of about 150 since the January 2011 count.
- The number of caravans on authorised privately-financed sites was almost 9,100, an increase of about 750 since the January 2011 count.
- The number of caravans on unauthorised developments, on land owned by Gypsies and Travellers, was about 1,900, approximately 300 below the number in January 2011.
- The number of caravans on unauthorised encampments, on land not owned by Gypsies and Travellers, was about 950, approximately 50 more than in January 2011.
- The average numbers of caravans per site were 20.4 for socially-rented sites and 5.1 for privately-funded sites.
- The total number of Gypsy and Traveller Caravans in England has increased in recent years - by 20% since 2006
- Of all the caravans on unauthorised sites, the West Midlands (87%) and the North West (83%) were the regions with the highest proportions of caravans on land owned by Gypsies or Travellers.

Overall, the January 2012 count indicated that 85% of Gypsy and Traveller caravans in England were on authorised land and that 15% were on unauthorised land.

The last five Caravan Counts in Cheshire East Borough

		No. of Caravans	Temporary Planning Permission	Permanent Planning Permission	All Private Caravans	No. of Caravans on Sites on Gypsies own land		No. of Caravans on Sites on land not owned by Gypsies		Total All
Region	Count	Socially rented	Private Sites			Tolerated	Not tolerated	Tolerated	Not tolerated	Caravans
Cheshire East UA	Jul 2011	17	8	85	93	0	6	0	11	127
	Jan 2011	17	10	96	106	0	6	0	0	129
	Jul 2010	17	0	102	102	0	20	0	0	139
	Jan 2010	17	0	115	115	0	13	0	0	145
	July 2009	17	0	0	105	0	9	0	21	152

The Sub-Regional Context

- In December 2003 the Cheshire Chief Executives Group on Gypsies and Travellers was established. This Group (now known as the Strategic Gypsy Traveller Partnership) was set up in response to various incidents across the partnership including the murder of Johnny Delaney a 15-year-old Irish Traveller in May 2003 in Ellesmere Port and Neston.
- The Partnership comprises representation from Cheshire East, Cheshire West and Chester, Halton, Warrington and St Helens Borough Councils and Cheshire Constabulary, the Commission for Racial Equality and the Cheshire, Halton and Warrington Racial Equality Centre (CHAWREC). The group underwent a review in light of the formation of the two new Cheshire Councils and new sub-regional leadership and governance arrangements in 2009.
- The decision to establish the Partnership was based on the recognition that there were limits to how far individual councils could address the needs of Gypsies and Travellers by working on their own. Also the government want authorities to move towards a sub regional approach.

The partnership was set up to:

- Equip local authorities and other agencies with the **capacity** to address the needs of Gypsies and Travellers and the concerns of the settled population.
- Ensure **consistency** in the way that public policy is developed, applied and monitored towards Gypsies and Travellers in the sub region; and
- Maintain **credibility** with central government, other public bodies and local people.
- The Partnership established a jointly funded post of Gypsy and Traveller Co-ordinator; the post holder is currently hosted by Cheshire West and Chester. The Coordinator is based in Cheshire East one day per week. Cheshire East Council has agreed funding until March 2013.
- The Partnership jointly commissioned the Gypsy and Traveller Accommodation Needs Assessment (GTAA) as required by the Housing Act 2004 for the sub-region. They are at present considering reviewing and updating the GTAA.
- The Partnership developed an encampment protocol and procedure. This was signed up to by the legacy authorities in 2006/7.

Gypsy and Traveller Numbers Sub-Regionally

The Key Findings of the GTAA in 2007 were:

- 59 pitches on three residential sites managed by local authorities (Halton (23), St Helens (20) and Congleton [now Cheshire East] (16))
- 222 pitches on private authorised sites
- Minimum of 442 Gypsy/Traveller families on sites, in houses or encamped.
- Minimum of three unauthorised developments containing 16 pitches
- 3.5 people per 'household' – significantly higher than the settled population
- Average caravan to 'household' ratio was 1.4 caravans to 'households' locally and the national average is 1.7.

Sub-Regional needs for the future (GTAA 2007):

TYPE	2006 – 2016
Residential	140 – 178 pitches
Transit	25 – 37 pitches
Travelling Showpeople	17 pitches

Gypsy and Traveller accommodation

- 1. Residential Sites** – this covers both public and private sites. The list of all sites in Cheshire East is in appendix 2 and at Map1

What are residential sites?

Residential sites are intended for permanent use by residents mirroring social housing for those that rent and owner occupation for the small family run sites. Cheshire East has one council run residential site and the rest are all privately owned by the Travelling communities. One of the most emotive issues for the settled community is the setting up of unauthorised developments; this refers to a caravan/trailer or group of caravans/trailers on land owned (possibly developed) by Gypsies and Travellers without planning permission.

What does a residential site consist of?

Residential sites are intended to be used as a permanent base. There is guidance from the Department of Communities and Local Government (DCLG) 'Designing Gypsy and Traveller Sites: Good Practice Guide' (CLG, 2008).

Size of pitch – It is important to ensure that wherever possible each pitch is of a size sufficient to accommodate one static and one touring caravan, two parking spaces, drying space for clothes, some green space and an amenity block containing a bathroom and kitchen area. The pitch sizes should reflect the communities that are going to live on them; there is no one-size-fits-all.

Shared facilities

- Play area – it is recommended that the inclusion of a communal recreation area for children is considered.
- Warden's office – to contain some communal space for community engagement.

How would a residential site be managed?

Cheshire East manages a socially run site at present but would look for their RP partners or managing agent to take this role with any future sites. Guidance from the DCLG in regards to rents is that the levels should be set at an affordable rent i.e. 'no more than 80% of the market value'. Within the partnership there is an understanding that rents should reflect those in the social housing. Private run sites, usually small family sites are covered by the Caravan Sites Licensing, which is issued by the Council. It covers issues like number of caravans on site, fire safety and other health and safety issues. The licence is in the name of site owner and the site will be inspected regularly.

What are the Gypsy and Traveller preferences GTAA 2007?

Residential sites:

- Management/Ownership – local authority/housing association, followed by a site owned by their own family. Only 3% wanted to live on a site owned by another Gypsy/Traveller.
- Size – varied from 10-12, 15-20 and 20-30 pitches per site. All requested pitch big enough to accommodate a number of trailers and include space for travelling guests.
- Location – wide variety of potential of localities including: Middlewich, Sandbach, Ellesmere Port, Winsford, Nantwich and the outskirts of Chester.

Own Land:

- 29% of people expressed interest in developing their own site
- However only 6% thought they would be able to afford it
- Only seven interviewees had actually done so with varying degrees of success

2. Transit sites

What is a transit site?

Transit sites are permanent sites intended for temporary use by residents. The length of stay generally varies between 28 days and three months. Cheshire East Borough does not yet have a transit site. From April 2009 to February 2012 there were 78 unauthorised encampments (caravans or other vehicles on land without the landowner or occupier's consent) within the borough – an average of 2.2 encampments every month. (Appendix 3 & Maps 2-4) There are costs attached to dealing with unauthorised encampments; legal and/or enforcement costs, clear up costs and securing the land.

What does a transit site consist of?

As transit sites are not intended to be used as a permanent base, the site requirements are different to those of permanent sites. In terms of transit pitches, 'Designing Gypsy and Traveller Sites: Good Practice Guide' (CLG, 2008) states:

Size of pitch – It is important to ensure that wherever possible each pitch is of a size sufficient to accommodate two touring caravans, two parking spaces and private amenities, which consist of two electrical hook-ups, a standpipe of drinking water and drainage.

Shared facilities -

- two bathroom units' one male one female containing four toilets and four showers with a family room at the end which can be locked and is private.
- A disabled unit with accessible shower and toilet.
- A laundry room with industrial size washing and drying facilities which the temporary residents would pay for.

How is a transit site managed?

The sites will have an on-site warden (same as Halton Borough Council) a warden will be present each day to monitor Travellers arriving and leaving, ensuring that occupants sign up to a licence agreement, setting out the terms and conditions for taking a pitch, this involves all adults having to show ID and paying a licence fee. The warden will also ensure that the terms of the agreement are being adhered to and the site is clean, tidy and trouble free. The pitches will be residential only and business activities will not be allowed.

The site will remain in the ownership of the local authority (so the Police powers under the Criminal Justice and Public Order Act 1994 (CJPOA) can be enforced to direct Travellers to the site from unauthorised encampments) but the management could be out sourced.

Police Powers

Section 62A of the Criminal Justice and Public Order Act 1994(CJPOA) allows the police to direct the Travellers from the land to a suitable pitch on a relevant caravan site within the same local authority area (transit site). If the Travellers do not leave when directed to do so under Section 62A or if they return to the district within three months after being directed, they are committing an offence. The experience of an authority with an official transit site is instructive. When an encampment has arrived in Halton they have mostly been dealt with within approximately two of hours of settling in a location. Halton's encampment numbers have greatly reduced since the introduction of the official transit site, from 83 in 2005, 66 in 2006 to 4 in 2009 and 6 in 2010.

What will the site cost to stay on?

This is to be looked at in further detail but we will be following practices already established within Cheshire. Halton Borough Council has had a transit site since February 2009 and the Travellers are charged:

- £11.25 per night per pitch per household – they can claim Housing Benefit if they are entitled to but must still pay the charges below.
- A £150 deposit per pitch
- A weeks rent up front
- Also they need to purchase electricity cards from the warden

The Halton site is currently running at an occupation level of 85% on average and is breaking even financially.

What are the Gypsy and Traveller preferences for transit sites (GTAA 2007)?

- Significant support for transit provision, which Gypsies/Travellers believed to be preferable to the current alternatives, offering, security, stability, and safety.
- Also Gypsies/Travellers believed such sites would be good solutions if there was an emergency in the family and support was needed for a short time.
- Size – the majority suggested a site with between 10-15 pitches, with each pitch big enough for two trailers and one vehicle. Others suggested 20-30 pitches.
- Location – a network of transit sites across the region. However a number of locations were mentioned: Middlewich, Sandbach, Ellesmere Port and between Winsford and Chester.

SUMMARY OF NATIONAL AND SUB-REGIONAL CONTEXT

- Gypsies and Travellers are a recognised ethnic minority
- Estimates for the number of Gypsies and Travellers in Britain vary from 90,000-120,000 living in caravans to as high as 300,000 including those living in bricks and mortar.
- Life chances for Gypsies and Travellers are severely reduced compared to those of the settled population.
- Around 263 authorised pitches in the sub-region.
- A need for 140 – 178 new pitches in the sub-region between 2007-16.

SECTION 2 – Need in Cheshire East

What is the Legal Requirement?

The Council is required by the Housing Act 2004 to undertake regular assessments of the accommodation needs of Gypsies and Travellers either living in, or travelling through, their area. It also requires the Council to include the needs of Gypsies and Travellers in any housing strategy that it produces and to take any such strategy into account in exercising their functions. The objective behind all this is to ensure that councils consider the need for additional transit and permanent residential accommodation in their area.

Planning Policy

The Government published its new **Planning Policy for Traveller Sites** on 23rd March 2012. It replaced Circular 01/06: 'Planning for Gypsy and Traveller Caravan Sites' and Circular 04/07: 'Planning for Travelling Showpeople'. This new policy came into effect on 27th March 2012, at the same time as the National Planning Policy Framework (NPPF); and it should be read in conjunction with the NPPF.

Like the NPPF, the policy confirms that planning law requires that applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise. The Planning Policy for Traveller Sites is a material consideration in planning decisions and it must be taken into account in the preparation of development plans. The Government's overarching aim is: *"to ensure fair and equal treatment for travellers, in a way that facilitates the traditional and nomadic way of life of travellers while respecting the interests of the settled community"*.

Paragraph 4 of the document sets out 11 aims in respect of Traveller sites, which include:

- To ensure that Local Planning Authorities (LPA's), working collaboratively, develop fair and effective strategies to meet need through the identification of land for sites.
- To reduce tensions between settled and Traveller communities in plan-making and planning decisions.
- For LPAs to have due regard to the protection of local amenity and local environment.

The key policies covered in the new policy do not fundamentally change what has gone before, in as much as they still talk about using a 'robust evidence base to establish accommodation needs'. (There has been no change to the Housing Act 2005 s225)

However there are changes in emphasis and tone which we need to take account of. Overall the new policy has greater connection with core planning policies for housing – places more emphasis on private provision and is less permissive in tone.

As with housing in general, the Council is obliged to identify a five year supply of 'deliverable sites' for Gypsies and Travellers – and it is expected that this will be done via the Local Plan. Where five year supply cannot be demonstrated this will be a 'significant material consideration' in the granting of temporary permissions. There is a 12 month period of grace for this provision to apply.

As with housing policies, rural exception sites may be permitted outside villages to allow for affordable site provision to be made. Generally however, the new policy is tougher on developments in the Countryside – Councils should 'strictly limit' developments in the open countryside – and also protection for the green belt is enhanced.

THE IMPLICATIONS FOR CHESHIRE EAST

Whilst the new policy provides some extra safeguards and a change of emphasis to private provision, it makes Cheshire East more vulnerable to unauthorised developments or planning applications in inappropriate locations.

The Council may be unable to demonstrate a five year supply of sites – and so it will be hard to resist proposals that are on the urban fringe. The stronger safeguards for the green belt and open countryside should serve to protect deeper rural areas, but under the new policy, if sites come forward on the edge of towns and villages, then the Council will need to consider granting temporary consent at least. Temporary permissions do not count towards the established need figures for the Council.

The Local Plan will also need to include the identification of sites – within its site allocations document. This will not be easy to accomplish and the issue seems certain to provoke a lively debate in those areas affected. The Council will also need to do more work to identify potential sites and ensure that they can genuinely be developed.

What is the level of need in Cheshire East?

The level of need for Gypsy and Traveller and Travelling Showperson accommodation within Cheshire East has been identified through the Cheshire Partnership Area Gypsy and Traveller Accommodation and Related Services Assessment (GTAA), published in January 2007. The study examined the current position on unauthorised sites together with evidence of unauthorised developments and encampments, and carried out consultation with key stakeholders in order to estimate concealed households, household formation and potential movements from bricks and mortar housing. The number of permanent pitches required for Cheshire East is a minimum of 37 to a maximum of 54 by 2016 (GTAA July 2007). Also a further 10 pitches for transit provision and 10 plots for Travelling Showpersons by 2016.

The GTAA established that each family unit equated to 1.4 caravans per household (nationally it is 1.7). Therefore for planning purposes an average pitch is two caravans and any ancillary buildings or parking area that goes with the pitch. Generally a pitch will accommodate only one family.

SUMMARY OF NEEDS IN CHESHIRE EAST

- 37 - 54 Permanent pitches 2007-2016
- 10 Transit pitches 2007-2016
- 10 plots for Travelling Showpersons

SECTION 3 – Existing Supply in Cheshire East

How many pitches are there at present in Cheshire East?

In Cheshire East there are a total of 13 private sites, with 112 permanent pitches and 2 transit pitches. One council run site with 18 pitches (2 recently developed with funding from the HCA) and 1 site (8 pitches) with temporary permission (these pitches do not count towards the GTAA figures).

There are also 2 Travelling Showpersons sites in the borough with 4 pitches.

Also at present in the borough there are 3 sites with current planning applications or appeals, Thimswarra Farm, Dragons Lane (4 pitch), Street Record, Moor Lane, Wilmslow (1 pitch) and a site at Pickmere (3 pitches).

Since May 2007, 8 pitches have been supplied on privately owned sites and a further two have been developed on the local authority owned site in Astbury.

There is a map and table showing all the Gypsy Traveller sites in Cheshire East in Appendix Map 2

Gypsy and Traveller sites across the sub-region

It is also important that the Council works with its neighbouring local authorities in planning for Gypsy and Traveller pitch provision and work is now underway to establish those cross-boundary links. Information about site and pitch provision has been collected and mapped for the sub region and a next step will be to collate information about existing and planned provision in neighbouring council areas. This is through the work the partnership is carrying out. For example, a new publicly owned and managed 14 pitch transit site opened in the adjacent Halton Borough in February 2009, close to the Northern part of Cheshire East.

Cheshire West and Chester Council has gone through a search for sites and has two outline planning permissions for 32 permanent pitches and is in the process of working on a third site as well as identifying a transit site. They also manage a tolerated encampment in Ellesmere Port.

See table below for the breakdown of provision, need and delivery options

LOCAL AUTHORITY	GTAA NUMBERS (2006-2016)	Local Plan Numbers	CURRENT PROVISION	DELIVERY
Cheshire East Council	37 - 54 Permanent Pitches 10 Transit Pitches 4 Travelling Showperson's yards	No set target in the 3 former district Local Plans. Each of the Local Plans has a criteria based policy to deal with G&T applications i.e. Macclesfield LP (DC31); Crewe & Nantwich LP (RES.13) and Congleton LP (H8). Also the Cheshire 2016: Structure Plan Alteration has a criteria based policy (HOU6).	1 council run site with 18 pitches 13 private sites with 112 permanent pitches and 2 transit pitches 1 site, 8 pitches, with temporary permission	Overall target likely to be in Core Strategy element of Local Plan and based on current GTAA with an annual % increase beyond 2016 until new GTAA completed. To be adopted by December 2013. Site Allocations element of Local Plan to be adopted by end of 2014 and to identify specific sites.
Cheshire West and Chester Council	31-45 permanent pitches 10 transit pitches* 10 Travelling Showperson's yards	No target set in local plan. Core Strategy will contain a criteria based policy to identify further suitable sites. Intend to do a new	No council run site –(council manage an 'accepted' encampment 8 pitches) 12 sites with 81 pitches (60 permanent & 21 temporary)	Core Strategy – Preferred Options 6 week formal consultation – September-October 2012 Publication of submission

		GTAA to set local pitch targets.	There is 1 Travelling Showperson sites with 14 yards	document for consultation – Summer 2013 Submission – Winter 2013 Examination – Summer 2014 Adoption – Late 2014
Warrington Borough Council	9 permanent pitches 5 transit pitches* 10 Travelling Showperson's yards*	(2006 – 2027) 56 additional permanent pitches 5 transit pitches* 13 Travelling Showperson's yards*	Travelling Showperson's yards*. 22 authorised pitches (18 of which are temporary). The 2 permanent permission sites essentially operate as privately controlled transit provision. 8 permanent pitches (additional to the 22) have full planning permission by way of appeal but are as not yet implemented.	Land Allocations Plan to be progressed. Programme of production now approved by Executive Board [16th April] (and set out in LDS) as follows: Pre production – Aug 2012 SA Scoping – Sep 2012 Pre-publication consultation – Nov / Dec 2012 Publication – Feb 2013 Public consultation Feb / Mar 2013 Submission to SoS – May 2013 Pre-examination meeting – June 2013 Examination – July 2013 Inspectors Report – Sep 2013 Adoption – Dec 2013
Halton Borough Council	28 – 32 Permanent Pitches 5 Transit Pitches	No target set in local plan. Core Strategy contains a criteria based policy to identify suitable sites. Intend to do a new GTAA to set local pitch targets.	25 permanent HBC pitches 12 transit HBC pitches 13 private pitches, 4 with temporary permission	Site Allocations DPD to be progressed to identify specific sites. To be adopted by Dec 2013

SECTION 4 – Meeting the needs in Cheshire East

Why do we need to provide suitable accommodation for Gypsies and Travellers?

- We are required by law to assess needs and make provision in our planning policies.
- Having a suitable decent place to live is a basic human need.
- It will help decrease the incidence of unauthorised encampments and developments, thereby reducing community tensions
- It will improve the health and educational inequalities experienced by homeless Gypsy and Traveller families.
- It will meet the Authority's obligation to facilitate decent accommodation for all needs groups.

Overview

Our approach to Gypsy and Traveller provision has been re-assessed in the light of new national guidance issued in March 2012. This strengthens protection for open countryside and the green belt – but also promotes better community integration in sustainable location. It frees up the Council to carry out its own assessment of need – but once assessed that need should be clearly identified in the way that overall housing supply must be for a five year period.

The Council's approach has been to look at both long-term and interim measures that can support the new way forward.

Long-Term Measures

1. The Local Plan

The Local Plan is required to identify a target for the provision of Gypsy and Travellers Pitches and Travelling Showpersons plots for the Plan period based on identified need. In producing its Local Plan the Council is also required to:

- Identify and update annually, a supply of specific deliverable sites sufficient to provide five years worth of sites against the target figure
- Identify a supply of specific, developable sites or broad locations for growth, for years six to ten and, where possible, for years 11-15
- Consider setting targets on a cross-authority basis i.e. the existing approach of sub-regional working in Cheshire should continue
- Provide criteria to guide land supply allocations, which ensure that Traveller sites are sustainable economically, socially and environmentally.

The timescales for this can be seen in the next section.

2. Council and Registered Housing Providers partnership

Our Partner housing providers have signalled they are keen to work with the Council – but very much in partnership. By working together we can secure better outcomes for all concerned. The Council are already working with providers around the issue of funding for future sites. At present there are two Cheshire based Registered Providers (RPs) who have secured £2.7 million pounds from the Homes and Communities Agency to provide 38 pitches across Cheshire and Warrington. The grant is no longer 100% funding and this grant would provide £70-£75,000 per pitch. The RPs involved are Plus Dane and Chester District Housing Trust (CDHT). There is also a further bid round in summer 2012 with a pot of £13 million nationally. The funding is paid on completion of the build and runs out on the 31st March 2015. The Council wish to investigate setting up a 'joint venture' company that would look at all future site provision, the management of the sites and innovative ways to deliver.

Suggested priorities are:

- A. Development of a long-term Transit Site
- B. Development of a Residential site

There are examples from the North West of innovative accommodation projects; Homespace, who recently became a RP and is run by Gypsies and is based in Cheshire, has secured funding from the HCA to deliver 40 self build pitches across Cumbria. The grant they were awarded was £1,368,000 averaging £34,200 per pitch. They also manage, on behalf of Carlisle City Council, a 15 pitch Gypsy site outside of Carlisle. It is the most recently built site in the North West and was developed with funding from the HCA.

Key Short Term Measures

1. Set up a Temporary Site

The Council does have a protocol for dealing with unauthorised encampments, which was signed up to by the legacy authorities in 2007 (see Appendix 4 for protocol). Unauthorised encampments within the borough continue to cause problems when situated on unsuitable locations e.g. playing fields, highways and business premises. There is also a substantial cost associated with dealing appropriately with these incursions; nationally this is approximately £18 million. In appendix 3 there is a table showing numbers across the sub region since 2005. There is also a map showing the location of encampments across Cheshire East, this highlights the areas where locations and frequency of the incursions.

As a temporary solution to this the Council could provide an 'accepted' (tolerated) encampment on land in the ownership of the council. There are two main options as to how we could take this forward;

- a. Apply for planning permission to use the land as a temporary encampment/site
- b. Use for less than 28 days in any 1 year, thereby not needing planning permission – but a Traffic Order would be necessary

The existence of a temporary encampment reduces the disruption and cost to the authority, landowners and residents. Local Authorities have a duty to promote equality and good race relations under the Equality Act 2010. At present the Council and police deal with all encampments on highways and council land and private landowners deal with them unsupported. There is strain placed on both the Council and the police resources as and when encampments appear in the Borough. This simple measure of a temporary stopping place allows the Council to take a proactive approach in partnership with the police. Although this would not increase the powers available, it would allow us to move the Travellers from inappropriate locations, including private land. This is something the police have asked for previously.

2. Update Gypsy Traveller Accommodation Assessment (GTAA)

The partnership needs assessment was published in January 2007 and needs updating. This was discussed at the Gypsy Traveller Strategic Partnership in February 2012 and the partners agreed to explore the options. A paper is being prepared for the Leadership board to get agreement across the sub-region in principle and the methodology to be applied to the assessment. This will also establish whether the need has grown, as there has been little if any new provision across the sub-region.

3. Call for Sites

This would run in parallel with the Local Plan process and the site allocation document. The Local Plan will need to include the identification of sites, this will not be easy to accomplish and the issue runs the risk of dominating the debate in some areas to a disproportionate degree.

To try to accommodate these issues the Council could commission a Site Identification Study and have an early 'call for sites', utilising both private and public land. The criteria for site identification need to be developed with our partners taking into consideration the preference of the Gypsy and Travelling communities. There is also a need for the criteria to be flexible enough to accommodate these preferences and that the same criteria will be used for both private and public provision. There needs also to be a distinction between the criteria for transit and those for residential sites.

4. Policy Change

The new Planning guidance brings the provision of Gypsy and Traveller accommodation closer in to line with mainstream housing policy. In particular it is recognised that a certain amount of 'affordable' sites will need to be provided. This enables the Council to explore the use of the 'Wilkinson' principle – namely the use of s.106 funding from mainstream housing sites to subsidise affordable Traveller accommodation. At present most affordable housing is provided on the principal development site itself – but occasionally commuted sums are negotiated to meet specific housing needs elsewhere. The extension of this process to include Traveller provision has the potential to bridge the gap left by a potential decline in HCA funding. To develop this approach further the Council could include, within its Core Strategy a policy on developer contributions (s106/commuted funds) with reference to Gypsy and Traveller sites. Although Traveller provision is not mentioned in the definition of affordable housing in the NPPF, it is recognised as such through the grant available from the HCA; Traveller Pitch Funding is available as part of the Affordable Homes Programme. Also new pitches are now in receipt of the Homes Bonus – previously this was only available on affordable homes. Even assuming funding can be negotiated in this way, it will take several years for meaningful contributions to emerge from new developments because of the time lags between the planning process and site implementation.

5. Member Training

Develop an ongoing programme of training session for all elected members and parish councillors in partnership with the sub-region. As well as offering bespoke training and support to those who are directly affected by Gypsy and Traveller issues. This training will allow the Council to keep all those involved up to date with new changes in policy both nationally and locally. As well as focusing on the Council's continued obligations and the new planning guidance, members will also be given an opportunity to visit sites within the partnership.

6. Enforcement issues

This involves continually monitoring the sites, particularly dealing with any anti-social behaviour associated with the residents. Cheshire East Council has a proactive approach to the Caravan Site Licensing and the private sites are regularly visited.

The Council has not experienced significant unauthorised developments in recent months. However breaches of planning control should continue to be tackled in a robust yet proportionate way.

SECTION 5 – Communications – Keeping in Touch

There will be a wide range of communication and consultation about Gypsy and Traveller accommodation needs over the coming years, with both the travelling and settled community and with our partners and stakeholders.

The Council can consider communications about the following:

1. Gypsy and Traveller accommodation needs (GTAA)
2. The local authority's statutory obligations
3. The draft Planning Enforcement Policy and procedures (unauthorised developments)

4. The methodology for the Gypsy and Traveller site identification work
5. The consultation programme for the Gypsy and Traveller site identification work

We will also improve the information available:

- Information on the website, will include this interim strategy and the myth-buster, (A copy of the Gypsy and Traveller Myth-Buster document is attached at Appendix 5)
- Regularly updated Member training

There are a number of Council services involved in ensuring the accommodation needs of Gypsies and Travellers are met. These include:

Enquiries about	How to contact
The Local Plan	LDF-consultations@cheshireeast.gov.uk
The provision of sites or report an encampment	Gypsies Travellers@cheshireeast.gov.uk
Planning application	Planning2@cheshireeast.gov.uk
Planning enforcement issues	PEenforcement@cheshireeast.gov.uk

Appendix 1 - Definitions of Gypsies and Travellers

Policy area	Definitions	Comments
Race Relations	Gypsies and Irish Travellers are established by case law as 'ethnic groups' and duties of public bodies thus apply.	Omits New Travellers and Showmen. An ethnic definition would include Roma – the term usually applied to European 'Gypsy' groups who may come to UK as migrant workers or asylum seekers/refugees. While not specifically tested by case law, an ethnic definition would also, presumably include Welsh Gypsies and Scottish Gypsy Travellers since the term 'Gypsy' is not pre-fixed by 'English' or any other indication of origin.
Planning	Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily or permanently, but excluding members of an organised group of travelling show people or circus people travelling together as such. (ODPM Circular 01/2006, para 15)	A 'lifestyle' definition, similar to that in use prior to 2006, but allowing people to 'retire' from travelling or to otherwise stop travelling for specific purposes without losing their Gypsy and Traveller status. Likely to include many Gypsies and Irish Travellers, and New Travellers (certainly while actively travelling). It specifically excludes Showmen as a group. Probably excludes most Roma as they have followed a sedentary lifestyle for generations.
Housing	(a) persons with a cultural tradition of nomadism or of living in a caravan and, (b) all other persons of a nomadic habit of life, whatever their race or origin, including: : (i) such persons who, on ground only of their own or their family's or dependant's educational or health needs or old age, have ceased to travel temporarily or permanently; and (II) members of an organised group travelling Showpeople or circus people (whether or not travelling together as such)	This is a wider 'lifestyle' definition referring to a 'cultural tradition' of nomadism, and to 'caravan dwelling' as a distinct concept. The definition could be amended or, if it stands, could be challenged in the courts on its more intangible aspects. It seems likely to include Gypsies and Irish Travellers, New Travellers and Showmen, and could include Roma depending on how 'cultural traditions of nomadism' are interpreted. The Draft Practice Guidance on Gypsy and Traveller Accommodation Assessments is silent on (European) Roma and their inclusion/exclusion

Appendix 2 - Gypsy and Traveller Sites in Cheshire East (June 2012)

AREA	LOCATION	OWNERSHIP	PLANNING ISSUES	NO. PITCHES
PERMANENT PLANNING PERMISSION				
Crewe & Nantwich	Wybunbury Site, Wybunbury Lane, Stapeley, Nantwich, CW5 7JP	PRIVATE		3
Crewe & Nantwich	Lea Caravan Park, Sound, Nantwich, CW5 8ED (near Wrenbury) Sound Common	PRIVATE		16
Crewe & Nantwich	New Meadow, Ponderosa, CW5 8BE	PRIVATE		11
Congleton	Astbury Marsh Site, Newcastle Road, Congleton, CW12 4HP	COUNCIL Cheshire East		18 pitches/park homes
Congleton	3 Oaks Booth Lane, Middlewich, CW11 3PU	PRIVATE	PP for a further 24	24 (pp for 40)
Congleton	Kinderton Site, Cledford Lane, Middlewich CW10 0JS	PRIVATE	Wants to make it all Park Homes and remove G&T pitches.	5 G&T 11 park home
Congleton	5 Acre Farm, Cledford Lane, Middlewich CW10 0JS	PRIVATE		3
Congleton	Horseshoe Farm, Warmingham Lane, Middlewich	PRIVATE	Current application in at present as the site has extended beyond the previous application	3 families + 2 transit pitches (max 9 vans)
Congleton	Newcastle Road Site, Betchton Heath, Sandbach, CW11 2WE	PRIVATE		25 pitches
Congleton	Tetton Bridge Cottage, Booth Lane, Moston, Middlewich, CW10 0HF	PRIVATE		6 trailers in yard adjacent to house

Congleton	1 East Tetton Cottages, Booth Lane, Middlewich	PRIVATE		1
Congleton	Flat Lane, Sandbach CW11 4BD	PRIVATE		2
TEMPORARY PLANNING PERMISSION				
C&N	New Start Park, Wettenhall Road, Reaseheath, Nantwich, CW5 6EL	PRIVATE	Retrospective application – Temporary -5 years	8
SITES WITH NO PERMISSION				
Macclesfield	Sphinx Lane, Pickmere	PRIVATE	3	3
Macclesfield	Street Record, Moor Lane, Wilmslow	PRIVATE	1	1
Congleton	Thimswarra Farm, Dragons lane	PRIVATE		4

Appendix 3 – Encampment Table for the Cheshire & Warrington Partnership

YEAR (Jan-Dec)	NORTH		WEST			EAST		
	Halton	Warrington	EP&N *	Vale Royal	Chester	Congleton	Macclesfield	C & N
2012 (February 2012)	2	16	2			2		
2011	7	28	17			30		
2010	6****	17	17			28		
2009	4***	24	9 *	4	10	7	11	6
2008	10**	17	14 *	1	8	14	12	12
2007	21**	58	37	14	36	17	14	27
2006	66	63	41	21	48	24	15	12
2005	83	54	32	17	28	21	15	9

- plus 'accepted' encampment numbers of between 9-13 trailers
- ** 'accepted' encampment of up to 17 trailers
- *** transit site opened in February 10 transit and 4 permanent pitches
- **** all of Halton's encampments moved within 2 hours (they either moved onto the transit site or left the authorities area and were unable to return for 3 months)
- 2011 Halton encampments - 4 were dealt with under police powers s62 (CJPO Act) and 4 went of their own accord

Appendix 4 Unauthorised Encampment protocol

THE CODE OF PRACTICE FOR UNAUTHORISED ENCAMPMENTS IN CHESHIRE

- 1.1. This Code of Practice is an agreement between the following authorities for the management of unauthorised encampments by Gypsies and Travellers in Cheshire

Cheshire Constabulary	Halton Borough Council
Cheshire County Council	Macclesfield Borough Council
Chester City Council	St Helens Borough Council
Congleton Borough Council	Vale Royal Borough Council
Crewe and Nantwich Borough Council	Warrington Borough Council
Ellesmere Port and Neston Borough Council	

- 1.2. This Code is in line with statutory guidance, national policy frameworks and best practice
- 1.3. All considerations will be made with due regard to statutory obligations including the Human Rights Act 1998, the Race Relations Act 1976 and the Race Relations (Amendment) Act 2000 and other government statutory guidance
- 1.4. It presumes that all parties will act within the actual and spirit of the law
- 1.5. It will be effective from 26 July 2007
- 1.6. In this Code the reference to Travelling community means Gypsies and Travellers and other Travelling ethnic groups who have a nomadic lifestyle for all or part of the year.
- 1.7. The Code applies to all land which the Councils either own or exercise rights or obligations over including highway land

2. AIM

- 2.1. The Aim of this code is to:
- ensure an effective, efficient, fair and consistent approach to the management of unauthorised encampments
 - take account of the reasonable needs and expectations of both the settled and Travelling communities; and
 - enable the public sector partners to undertake their statutory responsibilities
- 2.2. This code acknowledges that:
- at any given time every member of the Travelling community will require to stop either overnight or for a longer period
 - authorities together have an obligation to provide appropriate facilities to meet needs
 - authorities must ensure that any unauthorised encampments are handled in the most appropriate way
 - all parties, be they settled community or Traveller, have both rights and responsibilities
- 2.3. Any stay on land other than on a site specifically designated for travellers is time limited and dependent upon the travelling community abiding by any conditions specified.
- 2.4. Failure to comply will result in action to move on

3. THE MANAGEMENT PRINCIPLE

3.1. The partners agree that whilst:

- an unauthorised encampment will always be defined as such; and
- powers exist to take immediate action to evict

There will not be an automatic presumption of immediate eviction in every case.

3.2. A series of tests will be applied to determine whether an encampment on a particular piece of land not specifically designated for Travellers should be allowed to remain.

3.3. Two main factors will be considered:

3.4. Factors relating to the encampment:

- The size of the encampment relevant to the land (area and/or numbers of vehicles)
- the duration of any stay
- the health, safety, education and welfare needs of the Travellers
- the proximity of the encampment to any sensitive or potentially hazardous sites
- proximity to roads where a highway danger may ensue
- the social and environmental behaviour of the Travellers
- any known previous behaviour by those Travellers
- any known and immediate welfare issues

3.5. Factors relating to the type or status of the land or surrounding environment including:

- a site of special scientific interest (sssi) where an encampment endangers a sensitive environment or wildlife
- a school car park or playing fields (especially in term-time)
- an urban park
- car parks, including hospital, supermarket or leisure facility car parks
- an industrial estate
- recreation ground and public playing fields
- a site where pollution from vehicles or dumping could damage ground water or water courses
- a derelict area with toxic waste or other serious ground pollution
- a village green or other open area within a residential area
- the verge of a busy road where fast traffic is a danger to unauthorised campers' children

4. WHAT THE LOCAL AUTHORITY WILL DO

4.1. Each authority will

- Prepare a written procedure which documents how action will be taken and which reflects this shared code.
- Nominate officers to deal with Gypsy and Traveller issues, who will be briefed on policy and procedure and trained to undertake their duties effectively including understanding the needs and expectations of the Gypsy and Traveller culture.
- Recognise and respect the reasonable rights of both the Travelling and settled community.

Unless there are exceptional circumstances before any decision to move on is taken we will:

- Carry out health safety and welfare enquiries.
- Consider the issues and circumstances and involve the local authority(ies) concerned the police and the health care professionals and any other relevant people.
- Consider the factors referred to under the shared principles.

4.2. If it is reasonable to allow the unauthorised encampment to remain we will

- Agree the duration of the encampment with the Travelling community.
- Provide any necessary health and welfare advice.

- Provide adequate facilities for the storage and subsequent removal of refuse.
- Consider access to fresh water and facilities to dispose of human waste
- Provide a point of contact for both Travellers and the settled community
- Liaise with local residents and businesses to consider any issues of concern, help resolve any tensions and explain the basis of the decision to allow the encampment to remain.

4.3. Ensure that only such force as is necessary will be used to remove the encampment and secure the site taking into account the circumstances and evidence relating to the encampment

5. EXPECTATIONS OF THE TRAVELLERS

5.1. If it is proposed to allow an encampment to remain for an agreed period there are a number of considerations which the partners can reasonably expect from the Travelling community.

5.2. As part of the agreement to stay we would expect Gypsies and Travellers to:

- Agree the duration of their stay.
- Keep groups small - up to six caravans may be acceptable, dependent on the location of the encampment.
- Be accountable for their behaviour towards the local community and each other.
- Respect the environment, the surrounding area and property and the reasonable expectations of the local settled community.
- Not create a hazard to road safety or otherwise create a health and safety hazard.
- Not to dump or inappropriately dispose of household, human or trade waste.
- To dispose of all refuse in containers supplied by or as directed by the local council.
- To keep all animals under control.
- Leave the site by time agreed and in the condition it was upon arrival.
- Not to re-occupy the same area of land within a period of three months.

6. EXPECTATIONS OF THE SETTLED COMMUNITY

6.1. It is acknowledged that there can be tensions between the settled and Travelling community

6.2. Where an encampment is being permitted to remain on a temporary basis residents and businesses in the vicinity will be informed.

6.3. Information about the arrangements will also be given to elected members, parish councils and local community groups.

6.4. Provided the Travellers respect the conditions of any agreement to stay the settled community will be expected to:

- respect the reasonable expectations of the local settled community
- be accountable for their behaviour towards the travelling community

7. CONSULTATION

7.1 All sectors of the community will have the opportunity to comment on this Code and any review will take account of all community views and feedback.

8. COMMUNICATION

8.1. Copies of this Code will be

- provided in appropriate forms to the Travelling community using national and local groups and networks
- briefed within the participating organisations at both member and officer level

9. MONITORING

9.1. The effectiveness of this Code and the number type and impact of Gypsy encampments will be monitored by the Cheshire Chief Executives Liaison Group

Appendix 5 - **GYPsy and TRAVELLER MYTH BUSTER**

'Who are Romani Gypsies?'

This group includes English, Welsh, Scottish Gypsies and European Roma. Romani Gypsies have the longest known history of the Traveller communities, with their roots being traced back to Northern India over 1,000 years ago. Their language is known as Romany/ Rom.

'Who are Irish Travellers?'

The first Irish Travellers were recorded in the 8th Century as travelling metal workers and menders of household utensils. Their language is called Cant or Gammon, and they are mainly of Catholic faith, and prefer to send their children to Catholic schools.

Gypsies have a shared culture, language and belief system, as do Irish Travellers, both groups may be referred to as Travellers. They are recognised as ethnic minority groups under race relations legislation. Additionally all public sector organisations have a positive duty under the law to eliminate racial discrimination and promote equality of opportunity, which includes Gypsies and Irish Travellers.

'Do all Gypsies and Irish Travellers travel?'

- Planning law defines Gypsies and Irish Travellers as people with a travelling way of life. Whilst this is historically true, 90% of Gypsies and Irish Travellers around the world now live in houses. When Gypsies and Travellers live in houses their culture and heritage stays with them, you do not have to travel to be a Traveller.
- Some groups are highly mobile, moving on when work opportunities have been exhausted and others live permanently in one area or only travel for a few weeks or months of the year.
- Most Gypsy and Traveller families live within close-knit communities, whether in housing or on caravan sites, with strong family and social networks. Gypsies and Travellers now use modern, good quality vehicles and caravans.
- The main reason for travelling is to work, to follow fairs and visit family.

'I thought the whole point of being a Gypsy or an Irish Traveller was that you travel? Why do they need permanent sites?'

Although Gypsies and Travellers travel for some of the year, during the winter months most people need a place to stop

- Travelling patterns are linked to the seasons and the work associated with the seasons. Gypsies and Travellers do not travel on a daily basis, all year round. Families require safe and secure places from which to do their travelling. The 'base' site (if they have one) will usually be where they access GPs, schools and a dentist.
- As Gypsies and Travellers grow older and become less able to travel on a regular basis, some require a safe and secure stopping place where they can maintain the cultural traditions of being a Gypsy or Traveller. Gypsies and Travellers also sometimes stop travelling for periods of time to care for sick or elderly relatives or to continue a child's education within a supportive school environment. Families will then take up the travelling way of life again following these critical events.

'Why do Gypsies & Irish Travellers stop on the side of the road?'

There are not enough authorised places for them to stop; they may be attending a family wedding or funeral in the area, or they are travelling through to one of the many Horse Fairs and need to stop. These are called unauthorised encampments. The Government defines them as "encampments of caravans and/or other vehicles on land without the landowner or occupier's consent"; trespass is a civil rather than criminal offence. Nationally, 21% of all Gypsies and Irish Travellers living in caravans are homeless; this means they have nowhere legally to park their caravan. One solution to this would be to provide permanent and transit sites

(Site intended for short stays. Such sites are usually permanent, but there is a limit on the length of time residents can stay).

‘Why do the Council have to make provision for Gypsy and Traveller sites?’

Local authorities have a responsibility to undertake housing needs assessments for the settled population, to identify their accommodation needs. These needs are fed into the local planning framework & the Council will address the housing need by providing different types of accommodation like for example flats, houses or perhaps sheltered. This is now the same for Gypsy and Traveller accommodation which is just another form of provision that’s takes into account people’s different ways of life. The legal requirement in the Housing Act 2004 is for all local authorities to complete a Gypsy Traveller Accommodation Assessment (GTAA), which identifies pitch requirements. From this information the authority need to identify sufficient land to meet the accepted need through the Local Development Framework (LDF). While the Council does not identify land there may be an increase in the number of unauthorised developments (This refers to a caravan/trailer or group of caravans/trailers on land owned (possibly developed) by Gypsies and Travellers without planning permission) with retrospective planning applications in ‘unsuitable’ locations being granted through the appeal process.

The number of permanent pitches required for Cheshire East is a minimum of 37 to a maximum of 54 and 10 transit pitches by 2016. (GTAA July 2007)

‘Who is going to pay?’

There are two options:

- **Public provision** – in the recognition of the importance of the need to provide sites, it is possible to apply to the Homes and Communities Agency (HCA) regionally for grants to cover a percentage of the costs for new provision; this is a similar process to how affordable housing for the settled population is funded.
- **Private provision** – the land would be identified in the Local Development Plans that could be purchased by individuals to meet their family needs or self manage but not all Gypsies & Travellers can afford to buy & develop their own land

‘Do Gypsies & Irish Travellers pay taxes and rent?’

- All Gypsies and Travellers living on a local authority or privately owned sites pay council tax, rent, gas, electricity, and all other charges measured in the same way as other houses.
- Those living on unauthorised encampments, generally speaking, do not pay council tax, but they also do not generally receive services. There are occasions when basic services, such as a toilet or a wheelie bin, are provided and the Gypsies and Travellers might make payment for this service direct to the appropriate local authority.
- All residents within the UK pay tax on their purchases, petrol and road tax as do Gypsies and Travellers

Having Gypsy sites nearby will increase crime levels?

There is no evidence anywhere to suggest that this is the case. Crimes are committed by individuals not communities. There is no evidence at all that there is a disproportionate number of offenders within Gypsy and Traveller communities as opposed to any other communities. The police service has learned from past experience that it is wrong to create stereotypes that link particular crimes with ethnic or social groups. In Cheshire, neighbourhood policing and the establishment of Gypsy and Traveller Liaison Officers has helped build greater trust. Many Travellers return to the same sites year after year and do get to know local officers and local people. There are far fewer unauthorised encampment issues across the county than five or ten years ago. (Cheshire Constabulary 2011)

‘What are Cheshire East Council doing?’

- We are part of the Cheshire Chief Executives Advisory Group (CCEAG) on Gypsies and Travellers. Working in partnership with Cheshire East, Halton BC, St Helens BC and Warrington BC, Cheshire, Halton and Warrington Race and Equality Centre (CHAWREC) and Cheshire Police for solutions to Gypsy and Traveller issues. This group commissioned the GTAA.
- We are keen to take a proactive approach to tackling the accommodation needs of Gypsies and Travellers.

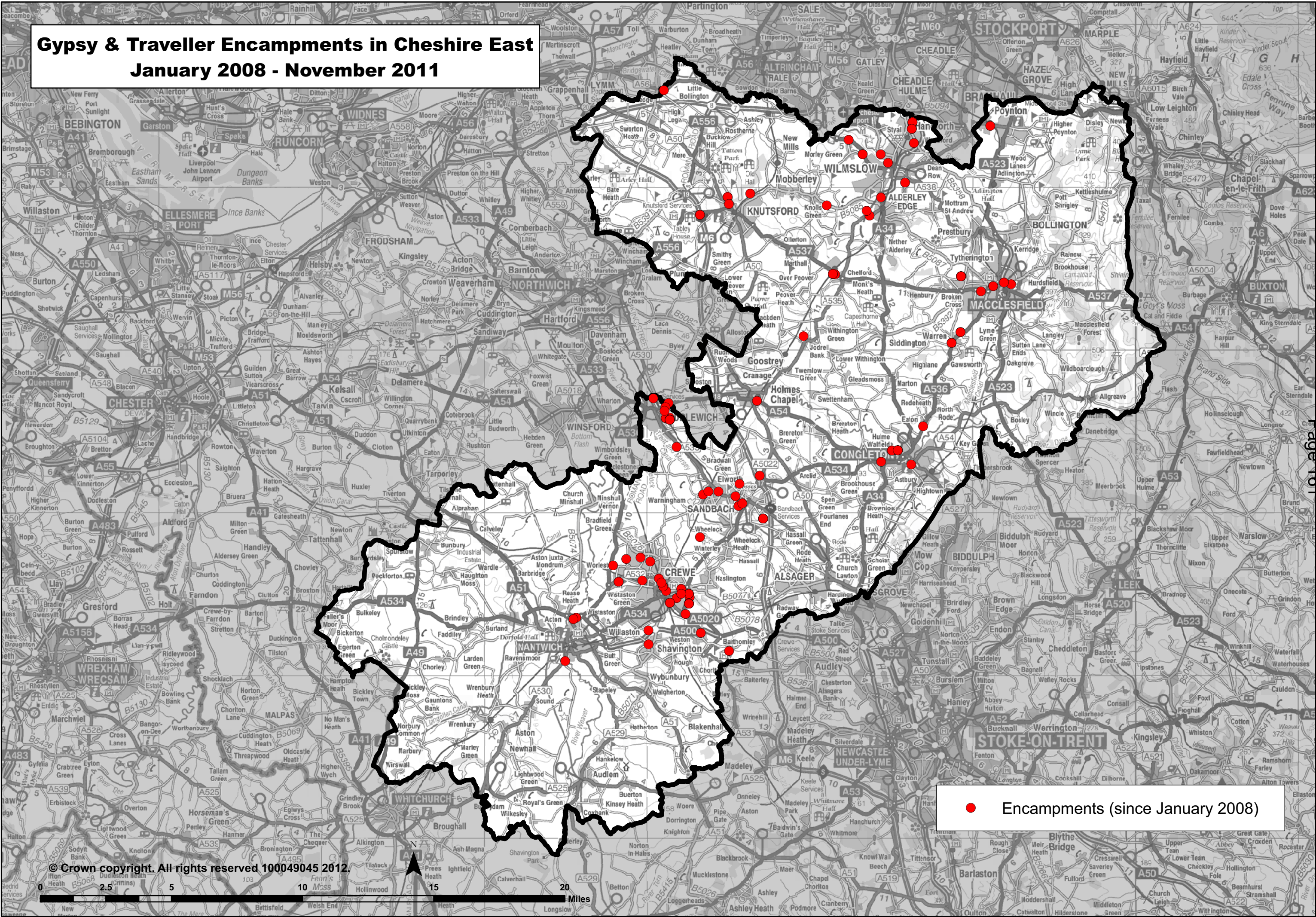
Who to contact for further details

1. Dawn Taylor (Cheshire Partnership Gypsy Traveller Coordinator) – 07780842718
dawn.taylor@cheshirewestandchester.gov.uk
2. Cheshire Halton & Warrington Race Equality Centre – 01244400730 www.chawrec.org.uk
3. Cheshire Gypsies & Travellers Voice (Sharon Cotton-Smith) – 07728915153 www.travellersvoice.org
4. Irish Community Care Merseyside (Win Lawlor) - 0751 7074302

MAPS:

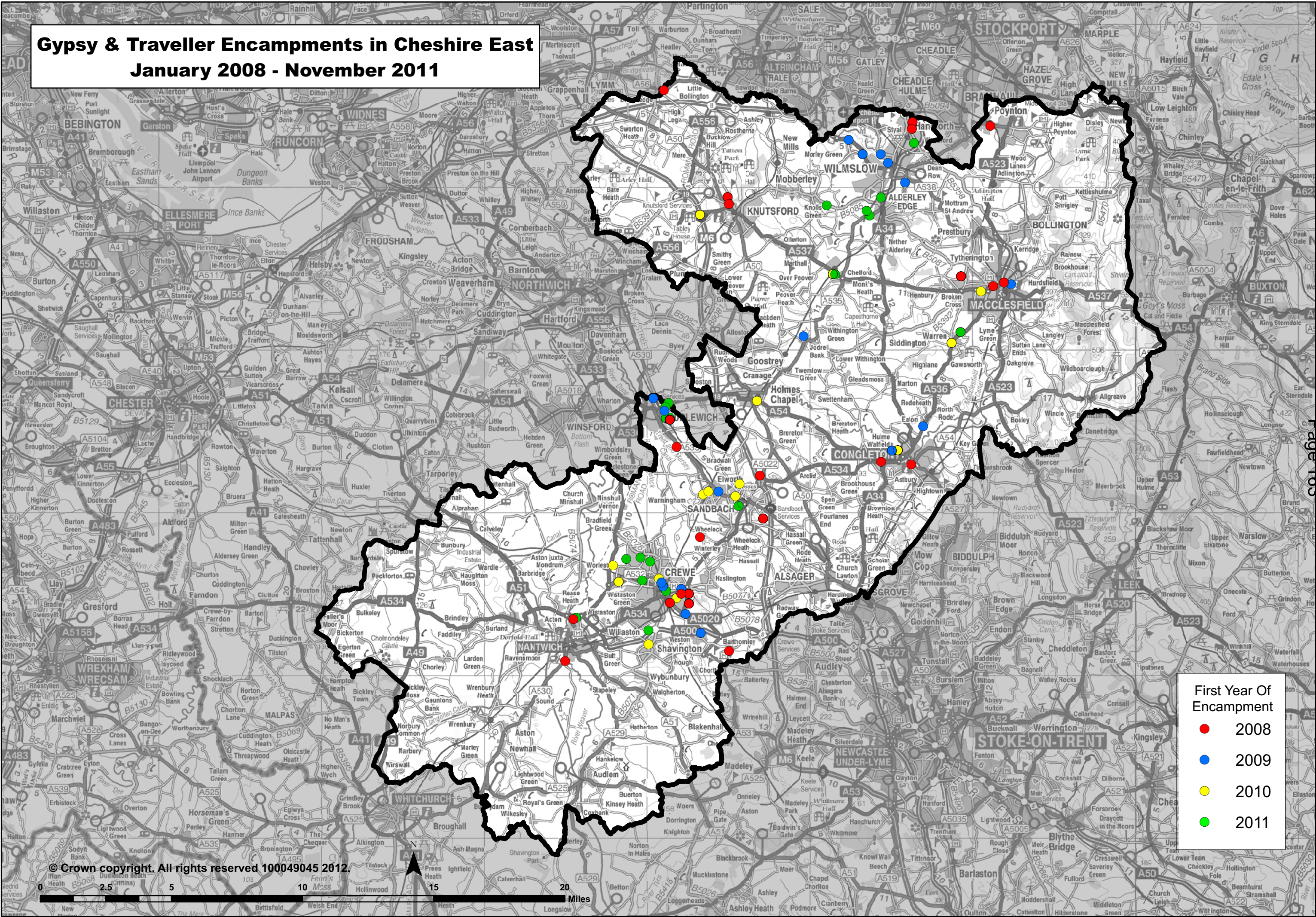
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| Map 1 | Residential Sites in Cheshire |
| Map 2 | Encampments In Cheshire East |
| Map 3 | Encampments by Year |
| Map 4 | Encampments by Occurrence |

Gypsy & Traveller Encampments in Cheshire East
January 2008 - November 2011



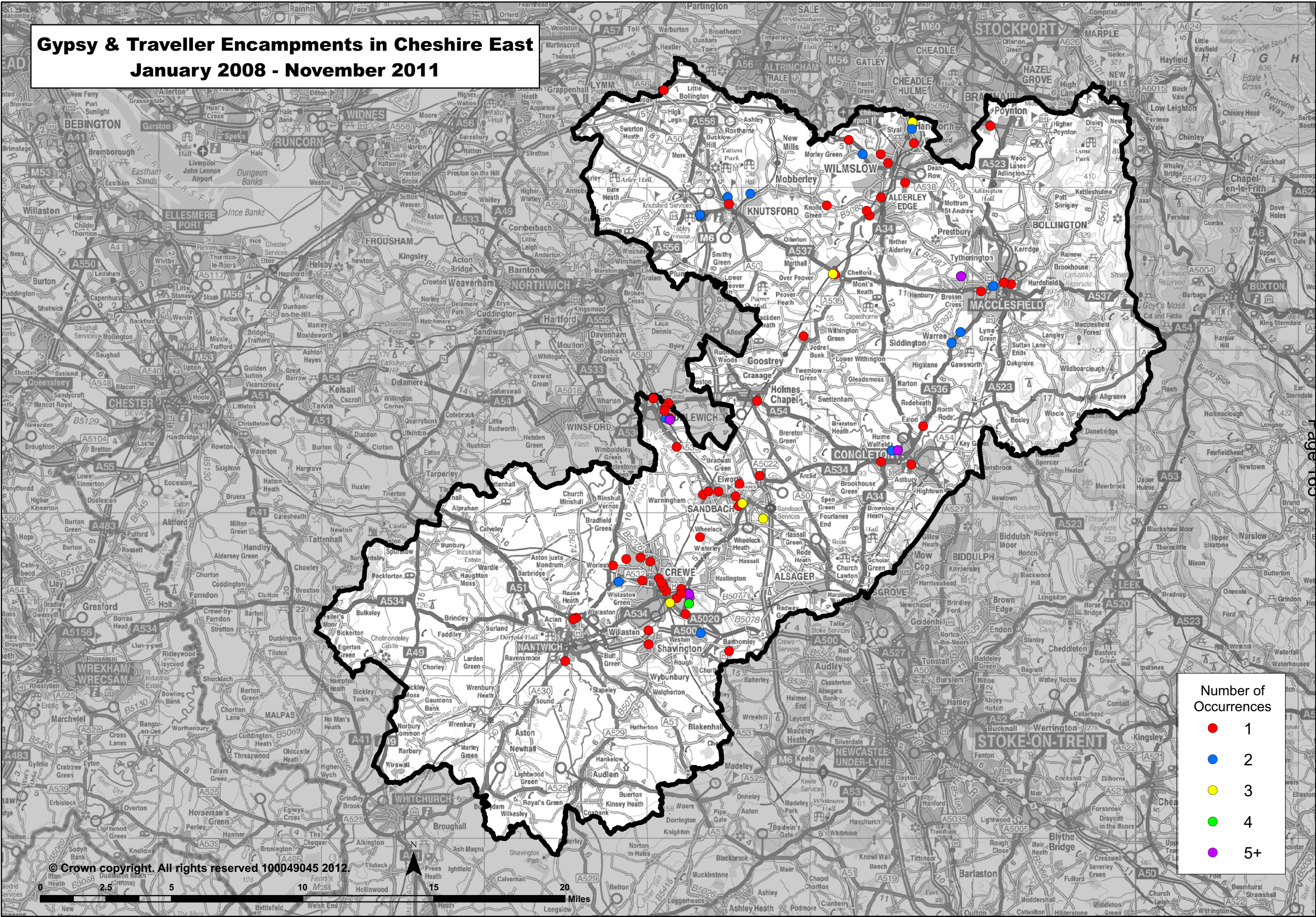
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Gypsy & Traveller Encampments in Cheshire East
January 2008 - November 2011



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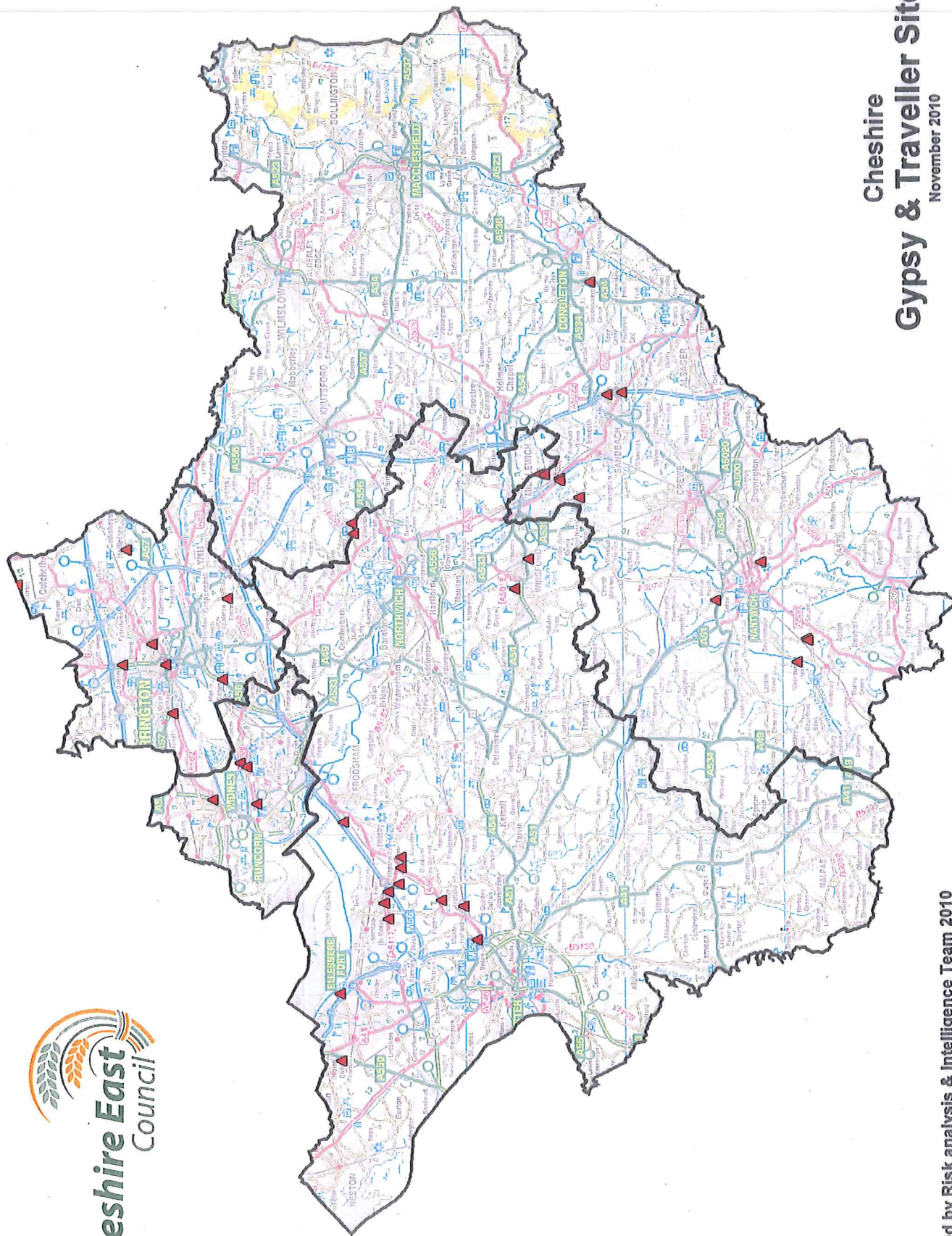
Gypsy & Traveller Encampments in Cheshire East
January 2008 - November 2011



Number of Occurrences

- 1
- 2
- 3
- 4
- 5+

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Cheshire
Gypsy & Traveller Sites
November 2010

Produced by Risk analysis & Intelligence Team 2010

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KEY TASKS & TIMESCALES

KEY TASKS	TIMESCALES																																
	2012						2013												2014										2015				
LONG TERM MEASURES	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
LOCAL PLAN																																	
Core Strategy																																	
CS Publication consultation																																	
CS Submission																																	
CS pre Exam Meeting																																	
CS Examination																																	
CS Inspector's Report																																	
CS Adoption																																	
Site allocation Documents																																	
Stakeholder consultation																																	
Site Allocations Publication consultation																																	
Site Allocation Submission																																	
Site Allocation Pre Examination Meeting																																	
Site Allocation Examination																																	
Site Allocations Inspector's Report																																	
Site Allocations Adoption																																	
COUNCIL & RP PARTNERSHIP																																	
Develop business plan with partners																																	
Cabinet & board																																	
Sign partnership																																	
Launch																																	
HCA FUNDING																																	
RP sign HCA contract																																	
Sites developed																																	
INTERIM MEASURES																																	
TEMPORARY SITE																																	
Cabinet Endorsement																																	

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 23rd July 2012
Report of: Strategic Director – Places & Organisational Capacity
Subject/Title: Carbon Management Plan Annual Monitoring Report
Portfolio Holder: Cllr Rod Menlove, Portfolio Holder for Environment

1.0 Report Summary

1.1 In March 2011, Cheshire East Council published its Carbon Management Plan, to reduce CO₂ emissions and energy costs between 2011–2016. This document identifies a range of projects to be developed over the five year period to achieve a 25% reduction in our energy consumption from the 2008/09 baseline. This is equivalent to 51,037 tonnes of CO₂. If we do not take action now to reduce our energy use and meet this target it is estimated that it will cost the authority an additional £ 13.2 million over the next 5 years.

1.2 Within the plan there is a commitment to an annual progress review:

“The Council acknowledges that a plan is only as good as its management and its delivery. While progress is regularly monitored, a full scale review will take place each April. This review will cover our CO₂ savings against targets collectively and individually for each project and closely monitor the financial investment and savings too. The outcome of the review will be reported to Cabinet”.

1.3 Since the publication of the plan we have achieved a saving of **3303 tonnes of CO₂** and there has been good progress in implementing the 55 identified projects. This is a significant achievement, though it should be noted that this is effectively savings achieved through projects implement in 2009/10 and 2010/11, so is effectively 2 years worth of activity. To achieve our target of **12,759 tCO₂ by March 2016**, we need to achieve the same level of savings each year for the next 4 years as we have done in the past two.

1.4 Within the original plan, the identified projects did not account for all the savings needed. There is a gap of 4.8%, or 2504 tCO₂. This gap is likely to grow larger with time as some of the projects are not implemented or do not achieve the savings predicted. In response, new projects need to be developed. This list requires refinement and it is intended that they be reviewed and new projects are being developed in conjunction with staff and Councillors over the forthcoming year.

- 1.5 Details of the progress to embed carbon management within the organisation through a review of the Carbon Management self assessment matrix is attached as Appendix A.

2.0 Decision Requested

- 2.1 Accept the figures presented as the Carbon Management Plan annual monitoring report 2011-12.

3.0 Reasons for Recommendations

- 3.1 Cheshire East Council made an early commitment to reducing its impact by signing up to the Nottingham Declaration in 2008/09. In the same year, as the third largest unitary authority in the North West, we had an annual energy bill of £9.9 million and emitted almost 52,000 tonnes of CO₂. Both our energy costs and carbon footprint will continue to rise if action is not taken to significantly reduce consumption.
- 3.2 In addition, the prospect of the Councils participation in Phase 2 of the governments Carbon Reduction (Energy Efficiency) Commitment from 1st April 2013 at a cost of £12/tonne of CO₂ poses an additional financial incentive on the authority to reduce its carbon emissions. The cost for our participation in 2013/14 is estimated to be **£507,528**, and unless action is taken to reduce our carbon emissions, will only continue to increase each year. The table below highlights the sources of the Councils emissions:

		t CO ₂ 200 8/9	%
Category			
Buildings and Street Lights	Office buildings	3,868	8%
	Libraries	722	1%
	Primary Schools	9,502	19%
	Community and day centres	2,799	5%
	Secondary Schools	13,325	26%
	Other buildings	3,665	7%
	Streetlights	7,053	14%
	Leisure centres	3,439	7%
Transport	Fleet	4,563	9%
	Business	2,099	4%
		51,037	100%

- 3.3 By working with the Carbon Trust to produce a five year Carbon Management Plan, Cheshire East Council set out to:
- 3.3.1 achieve a reduction in energy use and associated carbon emissions and deliver **cost savings** from carbon reduction activities in our buildings, schools, transport provision and street lighting,
- 3.3.2 reduce the demand for energy and fuel and **increase efficiency** of the organisation, and

3.3.3 **demonstrate leadership** to the public and the community through actions in our schools, libraries, leisure centres and adult services.

3.4 Carbon management is identified as a key objective of the Cheshire East Council Corporate Plan 2011-13:

“In addition to working with residents and businesses to reduce carbon emissions, we have developed a carbon management plan in association with the Carbon Trust. This plan puts in place a 5 year strategy to reduce our carbon emissions by 25% by 2016”.

And Cheshire East Council’s Business Plan 2012 -15:

“The Council has set clear targets for reducing carbon emissions which will not only reduce our overall carbon footprint but minimise the amount of money we now have to pay to Government under the Carbon Reduction Commitment”.

4.0 Wards Affected

4.1 All Wards are affected

5.0 Local Ward Members

5.1 None

6.0 Policy Implications including – Carbon reduction - Health

6.1 As referred to in the Report.

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

7.1 As a monitoring on the 2011/12 year, there are no direct financial implications of the report. Looking forward, the budgetary effects of energy costs, changes in usage and any related financial consequences will be monitored through 2012/13 and also considered in future medium term business planning.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 The legislation surrounding the requirements placed upon Government and local authorities, and other provisions in relation to energy and carbon reduction, is found in the successive Energy Acts of 1983, 2004, 2008, 2010 and 2011 and the Climate Change and Sustainable Energy Act 2006, plus various secondary legislation which has been made under them. The emerging draft Energy Bill, which will add to the existing climate change legislation, is currently passing through the Parliamentary process and at the moment at the stage of being scrutinised by the Energy and Climate Change

Committee. The Parliamentary website indicates that a report which will take the emerging Bill to its next stage is anticipated in mid-July.

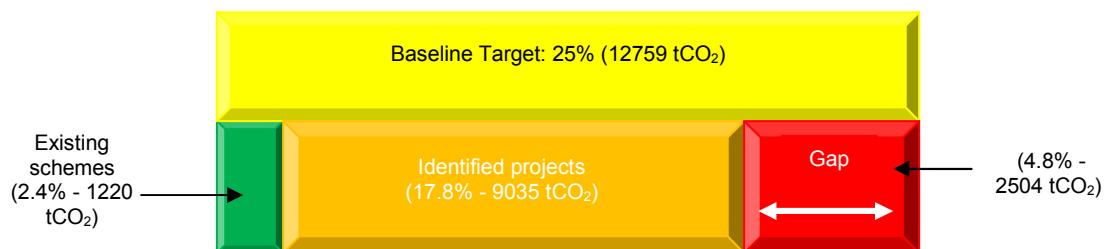
9.0 Risk Management

9.1 Cheshire East Council made an early commitment to reducing its impact by signing up to the Nottingham Declaration in 2008/09. In the same year, as the third largest unitary authority in the North West, we had an annual energy bill of £9.9 million and emitted almost 52,000 tonnes of CO₂. Both our energy costs and carbon footprint will continue to rise if action is not taken to significantly reduce consumption.

9.2 The prospect of the Councils participation in Phase 2 of the Government's Carbon Reduction (Energy Efficiency) Commitment from 1st April 2013 at a cost of £12/tonne of CO₂ poses an additional financial incentive on the authority to reduce its carbon emissions.

10.0 Background and Options

10.1 When published, the Carbon Management Plan identified 55 projects that would deliver just over 95% of our target. This left room for further projects to be identified that would deliver a further 4.8% of the target, equivalent to 2504 tonnes of CO₂.



10.2 Within the plan, these 55 projects were divided into 43 “existing projects”, 10 “planned projects” and 2 “medium/long term projects”, depending upon their level of development and funding available.

10.3 Detailed reporting of progress against each of these 55 individual projects is undertaken by the Carbon Management Report. In summary, of the 55 projects:

10.3.1 Forty have already been successfully completed and are on target to achieve their predicted savings (mostly from existing projects);

10.3.2 Seven are ongoing with good prospects for achieving the anticipated savings within the plans timeframe (from planned projects)

10.3.3 Three of the projects originally identified have not been implemented (from existing projects);

10.3.4 Four projects are constrained by resources available to implement them and need better data and/or performance measures developing (Good Housekeeping, Green ICT, Staff travel and Schools Engagement);

10.3.5 One has been implemented but not achieved the savings originally identified (the Invest to Save budget 10/11),

10.4 The projects that have taken place since the production of the Carbon Management Plan have saved the authority **3303 tCO₂ to 31st March 2012**. This is a significant achievement, though it should be noted that this is effectively savings achieved through projects implement in 2009/10 and 2010/11, so is effectively 2 years worth of activity. To achieve our target of **12,759 tCO₂ by March 2016**, we need to achieve the same level of savings each year for the next 4 years as we have done in the past two. Therefore, the pace of implementation needs to increase if we are to ensure we achieve the challenging target we have set ourselves.

10.5 It is likely that as we progress through the next year or two of the Carbon Management Programme, the gap between our achievements and our target grows. This is in part because we have already identified those projects which are more straightforward to complete, and identifying savings will become increasingly challenging. It is also likely that some of those projects which are ongoing may not deliver the savings anticipated unless additional resources become available to them.

Embedding Carbon Management within the Council

10.6 For the Carbon Management Plan to be successful it needs to be owned across the Council, or “embedded”. We used the Carbon Trust’s Carbon Management 5 level Embedding Matrix (enclosed in Appendix A to this report) to determine our starting point when the plan was published in March 2011. Targets were also set at that point for progression. An assessment of progress against those targets at March 2012 is also set out below.

10.7 Each element is led by a senior officer whose role is to ensure progress and to report that progress to the Programme Board and to the Council. The Matrix demonstrates that carbon management is not just about technical projects but relates to all Council activity from strategy development, communications and training, responsibility, accountability, monitoring and review, programme management, finance and investment and policy alignment.

10.8 As can be seen, although some progress has been made in many areas, there is still some way to go in embedding carbon reduction into all of the Council's actions and activities.

Category	Level (of 5) at March 2011	Target level by date	Level at March 2012	Target level at 2014
Corporate Strategy	3	4 (by March 2012)	4	5
Programme Management	3	4 (by December 2011)	3/4	5
Responsibility	2	4 (by March 2012)	3	5
Data Management	4	4 (by December 2011)	4	5
Communications and Training	3	4 (by December 2011)	3/4	5
Finance and investment	4	5 (by March 2012)	4	5
Policy alignment	2	3 (by September 2011)	3	5
Schools engagement	3	4 (by March 2012)	3/4	5

11.0 Access to Information

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

Name: Michelle Burrow

Designation: Senior Carbon Management Officer

Telephone Number: 07506 232616

Email: michele.burrow@cheshireeast.gov.uk

Appendix A Carbon Management Matrix

Appendix A. Carbon Management Matrix – Self assessment at March 2011 (blue line) and March 2012 (green line)

Aim to achieve level 4 in all sections by April 2014

	CORPORATE STRATEGY	PROGRAMME MANAGEMENT	RESPONSIBILITY	DATA MANAGEMENT	COMMUNICATION & TRAINING	FINANCE & INVESTMENT	POLICY ALIGNMENT *	ENGAGEMENT OF SCHOOLS
Mature 5	<ul style="list-style-type: none"> Top level target allocated across organisation CO₂ reduction targets in Directorate Business Plans Action plans in place to embed strategy. Progress routinely reviewed 	<ul style="list-style-type: none"> Cabinet / SMT review progress against targets on quarterly basis Regular diagnostic reports provided to Directorates Progress against target published externally 	<ul style="list-style-type: none"> CM integrated in responsibilities of senior managers CM part of all contracts / Ts & Cs Central CO₂ reduction advice available Green Champions leading local action groups 	<ul style="list-style-type: none"> Regular collation of CO₂ emissions for all sources Data externally verified Monitoring & Targeting in place for: <ul style="list-style-type: none"> buildings street lighting transport/travel 	<ul style="list-style-type: none"> All staff given formalised CO₂: <ul style="list-style-type: none"> induction and training communications Joint CM communications with key partners Staff awareness tested through surveys 	<ul style="list-style-type: none"> Finance committed for 2+yrs of Programme External funding being routinely obtained Ring-fenced fund for carbon reduction initiatives 	<ul style="list-style-type: none"> CO₂ friendly operating procedure in place Central team provide advice and review, when requested Barriers to CO₂ reduction routinely considered and removed 	<ul style="list-style-type: none"> A 'whole school approach' including curriculum Mature programme of engagement in place CO₂ saving in schools having a wider community impact
4	<ul style="list-style-type: none"> CO₂ reduction commitment in Corporate Strategy Top level targets set for CO₂ reduction Climate Change Strategy reviewed annually 	<ul style="list-style-type: none"> Sponsor reviews progress and removes blockages through regular Programme Boards Progress against targets routinely reported to Senior Mgt Team 	<ul style="list-style-type: none"> CM integrated in to responsibilities of department heads Cabinet / SMT regularly updated Staff engaged through Green Champion network 	<ul style="list-style-type: none"> Annual collation of CO₂ emissions for: <ul style="list-style-type: none"> buildings street lighting transport/travel Data internally reviewed 	<ul style="list-style-type: none"> All staff given CO₂ reduction: <ul style="list-style-type: none"> induction communications CM matters communicated to external community 	<ul style="list-style-type: none"> Co-ordinated financing for CO₂ reduction projects via Programme Board Funding principles and processes agreed Finances committed 1year ahead Some external financing 	<ul style="list-style-type: none"> Comprehensive review of policies complete Lower level policies reviewed locally Unpopular changes being considered 	<ul style="list-style-type: none"> A clear emphasis on energy / CO₂ reduction in schools Council activities fully co-ordinated Broad set of education stakeholders engaged Funding in place
3	<ul style="list-style-type: none"> Vision for CO₂ reduction clearly stated and published Climate Change Strategy endorsed by Cabinet and publicised with staff 	<ul style="list-style-type: none"> Core team regularly review CM progress: <ul style="list-style-type: none"> actions profile & targets new opportunities 	<ul style="list-style-type: none"> An individual provides full time focus for CO₂ reduction Key individuals have accountability for carbon reduction Senior Sponsor actively engaged 	<ul style="list-style-type: none"> Collation of CO₂ emissions for limited scope i.e. buildings only 	<ul style="list-style-type: none"> Environmental / energy group(s) given ad hoc: <ul style="list-style-type: none"> training communications 	<ul style="list-style-type: none"> A view of the cost of CO₂ reduction is developing, but finance remains ad-hoc Some centralised resource allocated Finance representation on CM Team 	<ul style="list-style-type: none"> All high level and some mid level policies reviewed, irregularly Substantial changes made, showing CO₂ savings 	<ul style="list-style-type: none"> A person has responsibility for Schools CO₂ reduction projects co-ordinated Schools CO₂ reduction projects co-ordinated Ad-hoc funding
2	<ul style="list-style-type: none"> Draft Climate Change Policy Climate Change references in other strategies 	<ul style="list-style-type: none"> Ad hoc reviews of CM actions progress 	<ul style="list-style-type: none"> CO₂ reduction a part-time responsibility of a few department champions 	<ul style="list-style-type: none"> No CO₂ emissions data compiled Energy data compiled on a regular basis 	<ul style="list-style-type: none"> Regular awareness campaigns Staff given CM information on ad-hoc basis 	<ul style="list-style-type: none"> Ad hoc financing for CO₂ reduction projects 	<ul style="list-style-type: none"> Partial review of key, high level policies Some financial quick wins made 	<ul style="list-style-type: none"> Ad-hoc schools projects to specifically reduce energy / CO₂
Start 1	<ul style="list-style-type: none"> No policy No Climate Change reference 	<ul style="list-style-type: none"> No CM monitoring 	<ul style="list-style-type: none"> No recognised CO₂ reduction responsibility 	<ul style="list-style-type: none"> No CO₂ emissions data compiled Estimated billing 	<ul style="list-style-type: none"> No communication or training 	<ul style="list-style-type: none"> No specific funding for CO₂ reduction projects 	<ul style="list-style-type: none"> No alignment of policies for CO₂ reduction 	<ul style="list-style-type: none"> No CO₂ / energy reduction policy for schools

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	23 July 2012
Report of:	Adult Social Care Scrutiny Committee
Subject/Title:	Review of Residential Provision
Portfolio Holder:	Councillor Janet Clowes

1.0 Report Summary

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

2.0 Recommendations

- 2.1 That the report be received and the Health and Adult Social Care Portfolio Holder undertake to come back to a future meeting of Cabinet with a formal response to each recommendation.

3.0 Reasons for Recommendations

- 3.1 To progress the findings of the Scrutiny Review Task and Finish Group who reviewed Residential Provision within Cheshire East.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

5.0 Policy Implications

- 5.1 Not known at this stage

6.0 Financial Implications

- 6.1 Not known at this stage

7.0 Legal Implications

- 7.1 Not known at this stage

8.0 Risk Management

8.1 Not known at this stage

9.0 Background and Options

9.1 At the meeting of the Council on 21 April 2011 a Notice of Motion had been submitted by Councillors D Flude and C Thorley regarding instability in the residential care market in Cheshire East and its potential impact on the finances of the Council. It was requested that a Scrutiny Committee Task and Finish Group be set up to determine the best means of managing demand for residential care including demand from returning self funders.

The Council resolved:

That the matter be referred to the Adult Social Care Scrutiny Committee with a view to them examining the matter and reporting back on:

- The stability of the residential care market in Cheshire East
- The availability of residential care at affordable prices in Cheshire East
- The success or otherwise of current measures to manage the demand for residential care in Cheshire East.
- The success or otherwise of measures to support self funders to remain independent of Council funding for longer

In a meeting of the Adult Social Care Scrutiny Committee on 22 September 2011, it was agreed to establish a Task and Finish Group to explore the issues raised in the Notice of Motion.

9.2 The final report of the Task and Finish Group is now attached for Cabinet's consideration.

10.0 Access to Information

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

Name: Mark Grimshaw
Designation: Scrutiny Officer
Tel No: 01270 685680
Email: mark.grimshaw@cheshireeast.gov.uk

OVERVIEW AND SCRUTINY COMMITTEE – FINAL REPORTING PROCEDURE

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

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

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Overview and Scrutiny Review Adult Social Care Scrutiny Committee

November 2011 – May 2012



Residential Provision Review

For further information, please contact
Mark Grimshaw, Overview and Scrutiny
(01270) 685680
mark.grimshaw@cheshireeast.gov.uk

1.0 Foreword



Councillor F Keegan – Chairman of the Task and Finish Group

- 1.1 The funding and provision of social care in England is widely acknowledged to be in need of reform, and over the past decade a variety of papers, committees and reports have made suggestions about the shape of the reform.
- 1.2 There are 3 major drivers of change. Firstly, the post war “baby boomers” are retiring and the over 65 group are estimated to grow in numbers by 60% over the next 20 years, whereas over the same period the working population will reduce by 7%. Secondly, the current and foreseeable economic climate will inhibit the funding growth in Adult Care budgets and the demand pool will grow at a much faster rate than the available resources. In large measure the current retirees are less well funded than previous retirees and it should be expected that the profile of those dependent on Council Resources will widen dramatically. Thirdly, the Judiciary is beginning to rule that the lack of Resources is not a good enough reason to withdraw or curtail services. In summary, a substantially larger pool of people, less well funded than previously, can expect legal backing to have their assessed needs met and the working taxpayer base will have shrunk by 7%.
- 1.3 The aim of this review was to explore how the life experiences of older residents in Cheshire East could be enhanced. The overwhelming desire of residents is to be self sufficient in their own homes, either independently or assisted with carer’s, and the Group support that as the ideal solution for all.
- 1.4 It is certain that ‘business as usual’ will result in a serious collapse of the care system at some point in the near future, and so the Group favours an alternative approach, mindful of the fact that there are no brand new solutions. In conjunction with the new approach, the Group recommends an aggressive switch to ‘Invest to Save’, which will have 2 impacts; firstly it will switch expenditure from Revenue to Capital and secondly it will enable residents to live longer in their own homes. The touchstone has to be that the electorate assume personal responsibility for their own care and the role of the Council is to make that personal responsibility a reality.
- 1.5 This report is the summary of discussions between Councillors with a genuine interest in the subject matter and I would like to thank Councillors Janet Jackson, Laura Jeuda, Irene Faseyi and Shirley Jones for their time, diligence and hard work in shaping this

report. We acknowledge the invaluable work done by Mark Grimshaw who shepherded the discussions into an agreeable report. The group members would also like to thank all the witnesses who gave evidence to the review. A full list of witnesses is given in the body of the report.

1.6 We commend this report to Cabinet.

Front cover picture extracted from:

http://ec.europa.eu/employment_social/emplweb/families/index.cfm?langId=en&id=3&news_id=1221&news_det=yes

2.0 Executive Summary

- 2.1 The care and wellbeing system that has supported the country since the Social Welfare Legislation of 1943 has relied on “a certain balance between demand and resources, between formal and informal care, between prevention and acute care and between numbers of older people and those of a working age.”¹
- 2.2 This balance has reached a tipping point. Indeed, given the massive scale of the challenges that the adult social care system faces in terms of increased demand (both in number and complexity), reduced budgets, higher expectations from service users and a private care market in turmoil, it is clear that continuing with a ‘business as usual’ approach is both unfeasible and unsustainable.
- 2.3 This review asserts therefore that a new, radical approach to adult social care is required to manage cost and demand without allowing standards to fall. There is not one single solution to this situation; the complexity of the issue negates this. There is however, an opportunity to explore a strategic approach which redirects and shifts the balance of funding, where appropriate, from acute residential care towards an integrated and community based approach with ‘prevention’ at its core.
- 2.4 Indeed, the Group has been influenced by Maslow’s Hierarchy of Need (see p.24) as a model for looking holistically at all the needs of a service user within their family and community and the Danish² model of social care which places the community at the centre of care delivery. It is believed that social care can no longer exist as a separate entity, hidden out of sight in a care home but rather it should be aligned and entwined with all aspects of social policy and wider society.
- 2.5 The Group feels that the policy direction and mitigation strategies set out in this report will help to contribute to such a change in approach. It is hoped that the work in this review will also sit alongside and contribute to the Ageing Well Programme – the principles of which are fully endorsed by the Group.
- 2.6 The RECOMMENDATIONS of the review are as follows:
- 2.7 Strategic
- 2.8 The Group does not claim to have all the answers to the considerable issues facing adult social care but it does feel that helping to facilitate older people to stay safely in their own homes whilst retaining an active role in their own communities is the best way forward. What follows are a set of strategic recommendations that the Group feels will help the Council and its partners towards achieving such a principle.

¹ ‘The Case for Tomorrow – A joint discussion document on the future of services for older people’ ADASS p.9

² ‘Home- and Community-Based Long-Term Care: Lessons from Denmark’, M. Stuart and M. Weinrich, *The Gerontologist*, 41(4), 2001: 474–80; and ‘Housing and Service for the Elderly in Denmark’, B. Lindstrom, *Ageing International*, 23, 1997: 115–32

- 2.8.1 That the Council agree to the principle of changing strategic direction in order to alter the focus of how the Council funds social care. This would involve incrementally shifting funding from acute high end care towards facilitating more preventative community based and delivered care.
- 2.8.2 That the Council, working with partners from Health and the Voluntary and Community Sector agree to pilot a 'social care hub', akin to the Danish model. The focus of this hub would be to co-ordinate and facilitate the preventative mitigation strategies outlined in the report and to ensure that all aspects of social policy are aligned for older people, particularly housing (planning) and transport. That the performance and impact of the 'hub' be monitored closely.
- 2.8.3 That the Cheshire East Health and Wellbeing Board, when fully formed and operational, make integrated working a top priority and that they monitor the transition between the outgoing CECPT and the incoming Clinical Commissioning Group (CCG) to ensure that existing integrated practice is not lost.
- 2.8.4 That the Cheshire East Health and Wellbeing Board facilitate conversations between the Council, CCGs and the Voluntary and Community Sector so that integrated long term and sustainable strategies and funding structures can be implemented.
- 2.8.5 That the Council explore funding additional sheltered housing/extra care housing placements that are affordable (for the individual and the Council) and embedded in the community. That particular attention is paid to a need for such housing in the North of the Borough (see p.29).
- 2.8.6 That the Council seek to open a dialogue with private care home owners regarding the self funding market in order to foster a positive and mutual working relationship. This would aim to facilitate:
 - i. Private Care Homes flagging up the Council when an individual has presented for care so that intelligence can be gathered as to the potential size and characteristics of the self funders market.
 - ii. Private Care Homes referring an individual to the Council for independent financial advice in managing their resources both when they present for care and when they are already in receipt of care with depleting resources.
- 2.8.7 That when the Council makes a budgetary proposal, joined-up systems are put in place to ensure that full and proper consideration is given to the potential ramifications on other functions of the Council.
- 2.9 Operational (thematic)
- 2.10 During the evidence gathering process, the Group encountered a number of examples of good practice. What follows therefore are a number of recommendations that the Group believe will enhance this work.

2.10.1 Housing

- i. That the Council explore putting more money into the housing financial assistance policy (beyond the £1.4 million already identified) and the discretionary loan funding budgets. This could be funded through capital borrowing as it is felt that the savings created in the revenue budget (by preventing people entering care) would more than offset the cost of borrowing.
- ii. That the Council explore helping residents to rent out their home so that the rental income could be used to offset care costs whilst maintaining a capital asset for the family. That this be considered alongside the Council's empty property lease scheme (in development).

2.10.2 Improving Older People's Transport

- i. That the Council target those older people with a Higher Mobility Allowance to get them to use it towards transport so that they maximise their income and that costs are reduced for the Council.

2.10.3 Managing the Market (Self Funders)

- i. To help foster positive relationships with private care homes, that the Council reduce care home administration costs by improving the efficiency of the payment process
- ii. That the Council ensures that customer facing staff are recording all contacts (and providing people with accessible, accurate and appropriate information and advice) so that the Council can monitor the current self defined needs of self-funders and the nature of these contacts.
- iii. That the Council improves the basic advice and information given to self funders so that it goes beyond simply a list of care homes by including good quality independent financial advice and information on alternate accommodation solutions such as home improvement grants and extra care housing.
- iv. That the Council look to establish an extensive media campaign to try and get people of all ages but particularly those 50+ thinking about how they will fund their future care.
- v. That the Council explore providing an annuity product that would help people to provide for their care in old age.
- vi. That the Council ensure that the deferred charge scheme is robust by firstly establishing a framework for when people have to liquidate an asset in order to pay off a deferred charge agreement and secondly ensuring that people sign up to the agreement before it is granted.
- v.iii. That the Council work with appropriate providers to possibly joint fund a welfare advisor in order to ensure that people are receiving the benefits to which they are entitled.
- ix. That the Council explore commissioning a piece of research, perhaps in conjunction with a local university, to map the number and characteristics of self funders in Cheshire East.

2.10.4 Caring for those who care

- i. That the Adult Social Care Scrutiny Committee receive a series of reports detailing the various areas of pressure in terms of carers.

- ii. That the Council increase the Carers' Steering Team resource to 3FTE at an approximate cost of £61,900pa to deal with the future demands of the service.
- iii. That the Council explore funding a pilot to commission externally its carer assessment process using Trafford Council as a model.
- iv. That the Council explore standardising the collation of carer information across all Voluntary, Community and Faith sector partners who support carers.
- v. That the personal budget pilot for carers be extended across the Borough
- vi. That the Council work with third sector partners to improve their assessment processes so that capacity is not used unnecessarily.

3.0 Outline of Review

3.1 Background

- 3.2 At the meeting of the Council on 21 April 2011 a Notice of Motion had been submitted by Councillors D Flude and C Thorley regarding instability in the residential care market in Cheshire East and its potential impact on the finances of the Council. It was requested that a Scrutiny Committee Task and Finish Group be set up to determine the best means of managing demand for residential care including demand from returning self funders.

The Council resolved:

That the matter be referred to the Adult Social Care Scrutiny Committee with a view to them examining the matter and reporting back on:

- The stability of the residential care market in Cheshire East
- The availability of residential care at affordable prices in Cheshire East
- The success or otherwise of current measures to manage the demand for residential care in Cheshire East.
- The success or otherwise of measures to support self funders to remain independent of Council funding for longer

In a meeting of the Adult Social Care Scrutiny Committee on 22 September 2011, it was agreed to establish a Task and Finish Group to explore the issues raised in the Notice of Motion.

3.3 Membership

- 3.4 The Members of the Task and Finish Group were:

Councillor Frank Keegan (Chairman)

Councillor Laura Jeuda

Councillor Janet Jackson

Councillor Irene Faseyi

Councillor Shirley Jones

3.5 Terms of Reference

- To construct a detailed picture of the demographics in Cheshire East to fully understand the potential demands on services now and in the future.
- To understand the success or otherwise of current measures to manage the demand for residential care in Cheshire East.
- To explore and then recommend some credible policy options for mitigating demand and pressure on Cheshire East, the NHS and the voluntary sector, particularly with regard to returning 'self funders'.
- To explore the best way for Cheshire East to ensure a mixed and therefore stable residential care market that is affordable and of good quality.

3.6 Methodology

3.7 Witnesses:

Members met with the following people during the review:

- Councillor Dorothy Flude (attending as a witness)
- Lucia Scally - Head of Strategic Commissioning and Safeguarding
- Liz Austin - Strategic Commissioning Manager
- Lyn Glendenning - Commissioning Manager (SP and Contracts)
- Bernadette Bailey - CECPCT Commissioning Manager
- Alison McCudden – Commissioning Manager, Income Maximisation.
- Karen Whitehead – Private Sector Housing Manager
- Sophie Middleton - Contract Manager - Extra Care Housing
- Beechmere Extra Care Housing Residents
- Rob Walker – Commissioning Manager
- Libby Brookes – Project Officer, Carers Team
- Helen Clark – Project Officer, Carers Team
- Residents of Beechmere Extra Care Housing Scheme
- Councillor Roland Domleo – Portfolio Holder for Adult Services
- Adrian Lindop – Chairman of the Crewe and Nantwich Seniors Voice Group
- Dominic Anderson - Policy and Development Manager Age UK Cheshire East
- Councillor Don Stockton (attending as a witness)
- Graham Wood – Dial-a-ride Joint Co-ordinator
- Bill Scragg – Dial-a-ride Chairman
- Lorraine Butcher – Strategic Director of Children, Families and Adults
- Jacqui Evans - Head of Local Delivery/Independent Living Services
- Councillor Janet Clowes – Portfolio Holder, Health and Wellbeing

3.8 Timeline:

Date	Meeting / Site Visit
9 November 2011	Initial scoping meeting <ul style="list-style-type: none"> • Councillor Dorothy Flude (attending as a witness) • Lucia Scally - Head of Strategic Commissioning and Safeguarding • Liz Austin - Strategic Commissioning Manager • Lyn Glendenning - Commissioning Manager (SP and Contracts)
5 December 2011	Scoping and background information <ul style="list-style-type: none"> • Liz Austin - Strategic Commissioning Manager • Lyn Glendenning - Commissioning Manager (SP and Contracts)
16 January 2012	Background to the Ageing Well Programme <ul style="list-style-type: none"> • Liz Austin - Strategic Commissioning Manager • Bernadette Bailey - CECPCT Commissioning Manager

31 January 2012	Discussion over self funder issue and current strategies to provide timely financial advice <ul style="list-style-type: none"> Alison McCudden – Commissioning Manager, Income Maximisation.
20 February 2012	Discussion over extra care housing and home improvement policies. <ul style="list-style-type: none"> Lyn Glendenning - Commissioning Manager (SP and Contracts) Karen Whitehead – Private Sector Housing Manager
5 March 2012	Tour of Beechmere Extra Care Housing Scheme and conversation with residents <ul style="list-style-type: none"> Sophie Middleton - Contract Manager - Extra Care Housing <p>Discussion over carers</p> <ul style="list-style-type: none"> Rob Walker – Commissioning Manager Libby Brookes – Project Officer, Carers Team Helen Clark – Project Officer, Carers Team
14 March 2012	LGA Smith Squared Debate – ‘Social Care is an Embarrassment’
19 March 2012	Discussion over dial-a-ride and extra care housing <ul style="list-style-type: none"> Councillor Roland Domleo – Portfolio Holder for Adult Services Adrian Lindop – Chairman of the Crewe and Nantwich Seniors Voice Group
2 April 2012	Discussion to gain Third Sector Perspective <ul style="list-style-type: none"> Dominic Anderson - Policy and Development Manager Age UK Cheshire East
16 April 2012	Discussion regarding the private care market and dial-a-ride <ul style="list-style-type: none"> Councillor Don Stockton (attending as a witness) Graham Wood – Dial-a-ride Joint Co-ordinator Bill Scragg – Dial-a-ride Chairman
15 May 2012	Consideration of 1 st draft
7 June 2012	2 nd draft considered by informal Adult Social Care Scrutiny Committee
11 June 2012	Consideration of 2 nd draft
21 June 2012	3 rd draft discussed with Lorraine Butcher, Lucia Scally, Jacqui Evans and Councillor Janet Clowes
5 July 2012	Final draft considered by Adult Social Care Scrutiny Committee

4.0 Review Findings

4.1 Introduction

- 4.2 Ageing is a basic condition of human life, a fact that all societies have to accept, but as Evans (1998)³ suggests;

“Our hope is to spend a long time living and a short time dying. There are grounds for believing that we can increase the proportion of individuals who achieve this, and this ideal should be the focus of research on human ageing”

- 4.3 Whilst accepting the principle, the challenge to achieve this for most European societies is becoming increasingly difficult. A century ago it could not be taken for granted that a newborn would reach old age. Indeed, a person living in the industrial age would frequently be at serious risk of terminal illness, with poor educational access and a working day that was longer and often physical. Older people of today and tomorrow will have experienced better schooling/health services and a later entry into the labour market with drastically different working conditions and retirement rules. All of which has led and will lead to new cohorts who experience and will experience decades of life after retirement.

- 4.4 This is undoubtedly a positive and progressive development – fulfilling the hope that people spend a long time living. However, it has also led to a significant and rapid change in the age composition of society bringing with it a number of challenges. These can be summarised as thus:

- As there will be will fewer people of working age to support retirees will the large numbers of older people bankrupt a health care and social security system already experiencing funding pressures?
- Polarization is to be expected between more ‘young old’ people in better health than similar age groups are now – and a small proportion of frail ‘older olds’. The fraction of ‘older olds’, however, will be bigger than now, older than now and therefore frailer than most older people are today with increasingly complex (and costlier) needs. In other words, there is an ever increasing fraction of people who are spending a long time dying.

- 4.5 It is clear that there is a need for adaptations at individual, social and societal levels to cope with such challenges and to develop a sustainable social care system. Such a system would look to help people remain active and healthy as they age – reducing demand on heavy institutional care which is neither desirable nor affordable for individuals and social care commissioners. It was from this principle that the Group began their research to explore how the Council could achieve such a sustainable system.

³ Evans JG, (1998b): Innovative research and appropriate health care for the citizens of Europe. Parallel Session B. Ageing: Synonymous with disease and disability. Proceedings of the invitational conference on the occasion of the Netherlands’ EU Presidency. European Commission EUR 17786 EN. p. 52-61

5.0 Policy Context

5.1 National

- 5.2 The funding and provision of social care in England is widely acknowledged to be in need of reform, and over the past decade a variety of papers, committees and reports have made suggestions for what reform should look like. Probably the most widely reported of these is the Dilnot Review, otherwise known as 'Fairer Care Funding' published by the Commission on Funding of Care and Support in July 2011.
- 5.3 This asserted that "The current adult social care funding system in England is not fit for purpose and needs urgent and lasting reform" and suggested that a "major problem is that people are unable to protect themselves against very high care costs." As a result, the review recommended that there needed to be a fairer way of sharing costs and responsibility between the state and individuals and a cap of £35,000 for care contributions was put forward.
- 5.4 Representatives of the Group also attended an LGA conference on the 14 March 2012 which involved a debate between various social care professionals on the assertion made by Andrew Dilnot that 'Social Care [in the UK] is an embarrassment'. The Chairman of the debate, Councillor David Rogers, provided a useful summary of the national policy context in his opening remarks. He asserted that for decade's central government had grappled with the issue of adult social care and support reform. He noted that different governments had put forward ideas on exactly how this should be done, but they had only achieved minor tangible changes or worse, stalled completely. He commented that it was hard to pinpoint why wholesale reform had never fully succeeded although he noted that a combination of political inertia, public indifference and concern over associated costs were probably to blame.
- 5.5 Councillor David Rogers continued to assert that he believed that the conditions for wholesale reform were now favourable with the public and policy makers alike and called on the imminent white paper on social care to make good on this momentum. As an aside, he called on the Bill to recognise the importance of local government and to make sure that the governance architecture for social care fostered the desirable changes.
- 5.6 The other speakers at the debate were as follows:
- Victoria Hart – Social Worker, Camden and Islington NHS Foundation Trust
 Caroline Abrahams – Director of External Affairs, Age UK
 Matthew Young – Founder and Director, Public Policy Projects
- 5.7 They identified the following themes as priorities:

- Better interagency working between health and social care – agreed that Health and Wellbeing Boards (HWBs) would have a vital role to play in achieving this. There was a particular concern that the integration achieved by the outgoing PCTs would be lost in the transition to Clinical Commissioning Groups (CCGs) and it was hoped that the HWBs would monitor this closely.
- Transparent charging structures on a regional basis
- More money in the system
- More user voices and advocacy required
- Quality and reach of care needs to be addressed as a priority.

5.8 Local Policy Context

5.9 The Group was pleased to note that the Council and its partners have recognised that due to a decrease in funding and an increase in demand there is a need to start doing things differently to prevent social care provision dropping to an unsatisfactory level. This recognition has resulted in the **Ageing Well Programme** – a result of 18 months work between a number of partners to agree a set of priorities for the future of social care provision.

5.10 Expanding on what would be done ‘differently’, the Group was informed by the CECPCT Commissioning Manager that the focus of the Ageing Well Programme would be on preventative services. It was noted that traditionally the Council/NHS commissioned services such as care homes that residents didn’t really want. It was explained to the Group that the programme would attempt to get stakeholders to agree to increasingly move resources into preventative services so that a) outcomes would improve for the resident and b) demand would be reduced on services – improving their sustainability and at the very least maintaining their quality.

5.11 The work of the Ageing Well Programme will be focused into the following work streams:

- 1) Housing and Transport
- 2) Community Safety
- 3) Income/Employment
- 4) Adult Learning
- 5) Care and Support
- 6) Communications and Engagement.

5.12 All of these work streams have their own vision and priorities and they are tailored to firstly individuals in the 3 stages of later life (1. Preparing Well, 2. Living Well, 3. In receipt of care and support) and secondly to the respective communities in which said individuals reside. An overarching aim of all these work streams is to try and help people and communities to remain healthy for longer so that they do not have to come into contact with social care services until absolutely necessary.

6.0 Local Areas of Pressure

6.1 Demographics

- 6.2 Robust demographic data, covering both the absolute numbers of older people and the proportion of older people relative to those of working age, are essential for formulating social care policy.
- 6.3 The following demographic information has been taken from the Office of National Statistics (ONS) and in particular the 2009 Registrar General's Mid Year Estimates (MYE). This is Crown Copyright material and it has been reproduced in this report with the permission of the Controller of Her Majesty's Stationary Office (HMSO).

Key Points

- Total population forecast to increase by 21,300 to around 384,000 by 2029
- 4% less children (aged 0-15) by 2029
- Workforce will continue to age until 2020
- Population aged 65 or above will increase by over 50%
- Those aged 85 or above will more than double to over 20,000 by 2029.

6.4 Total population

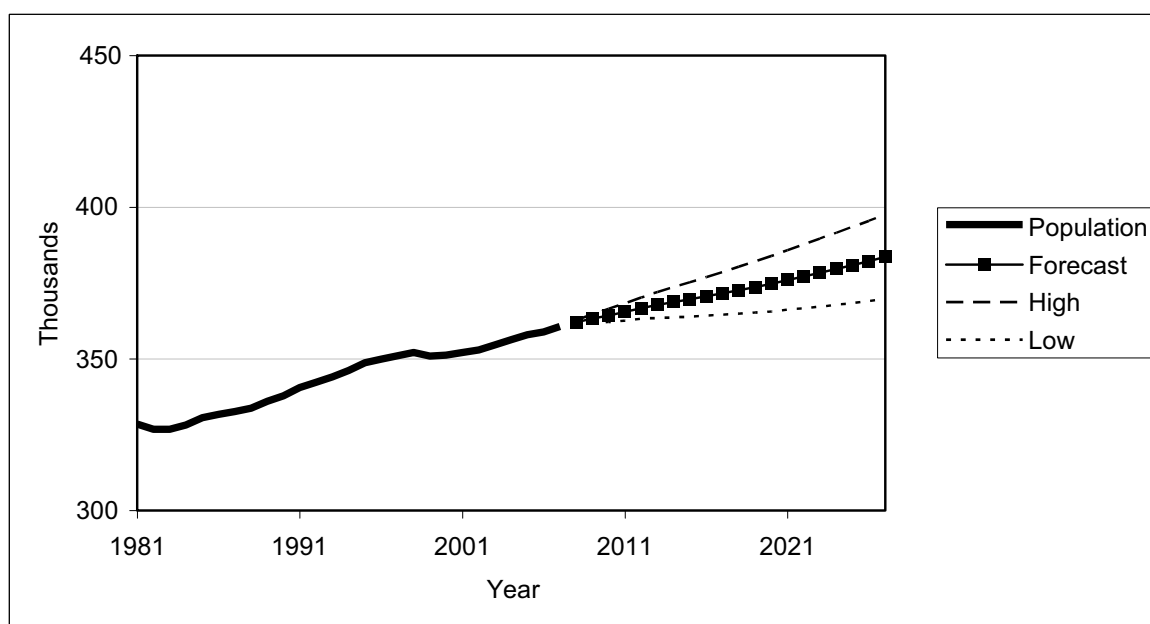
- 6.5 The number of people living in Cheshire East has, in general, shown a modest growth over the past 30 years. The population in 2009 was 362,700. This is expected to increase to 384,000 by 2029. This would continue the steady growth seen in the past. Forecasts based on alternative assumptions indicate the population could be as high as 396,700 or as low as 371,300.

Table 1: Total Population

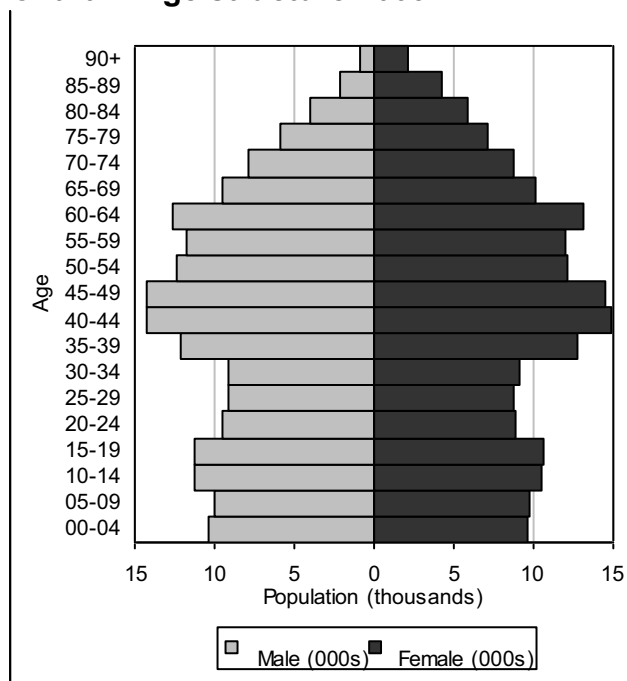
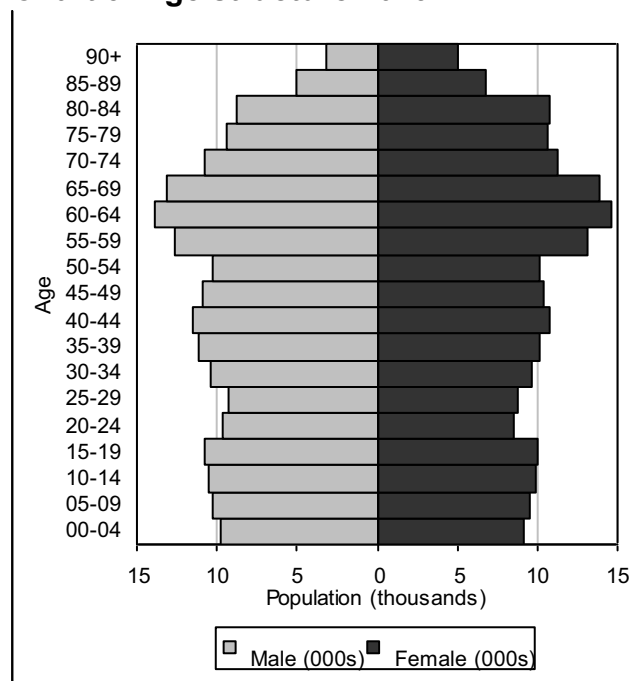
	2009	2014	2019	2024	2029
Population (thousands)	362.7	365.8	369.8	376.5	384.0

Chart 1: Total population

6% increase
in total
population
by 2029



6.6 The following charts show how the age structure of the population will change over the next twenty years. Much of these changes are simply due to the current population being older in 2029 than they are now.

Chart 2: Age structure 2009**Chart 3: Age structure 2029**

6.7 Older people will make up an increasing proportion of the population, as the number of people aged 65 or above significantly increases throughout the next twenty years.

- 6.8 The number of children (aged 0-15) will decrease slightly over the next twenty years.
- 6.9 The working age population and resident labour supply will decrease over the next twenty years. There will continue to be increases in older workers and decreases in younger workers until 2020 when there will be a reversal in this trend.

Chart 4: Population trends of key age groups

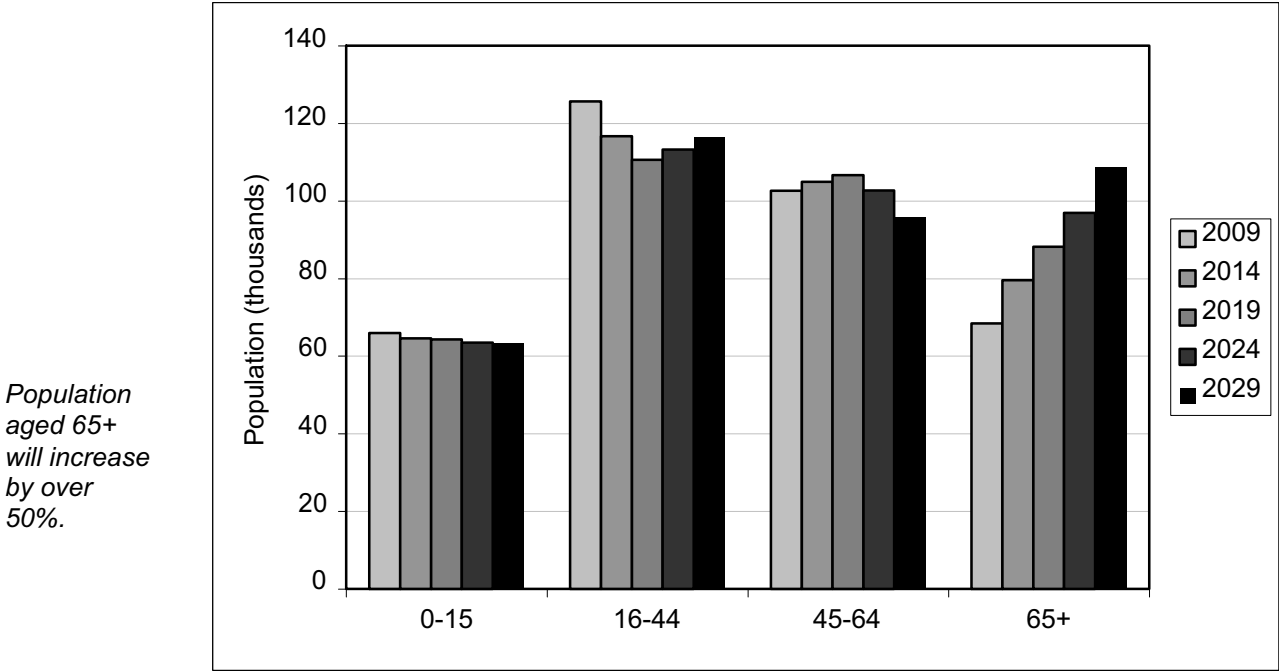


Table 2: Population of key age groups

	Population (thousands)				
	2009	2014	2019	2024	2029
0-15	66.0	64.6	64.4	63.5	63.3
16-44	125.7	116.7	110.6	113.3	116.3
45-64	102.6	104.9	106.7	102.7	95.9
65+	68.4	79.6	88.2	97.0	108.5
Total	362.7	365.8	369.8	376.5	384.0

- 6.10 Working age population
- 6.11 The number of people of working age will decrease by 7% over the next twenty years. The trend of decreasing numbers of people of younger working age and increasing numbers of people of older working age will continue for around the next ten years. But around 2020 there will be a reversal in this trend and the number of people aged 16-44 will increase whilst the number aged 45-64 will decrease.

6.12 It is also worth noting that those people in the shrinking working age population will have added financial pressures such as substantial student loans which will reduce their ability to both save for their own retirement and support elderly relatives.

Chart 5: Trends in working age population

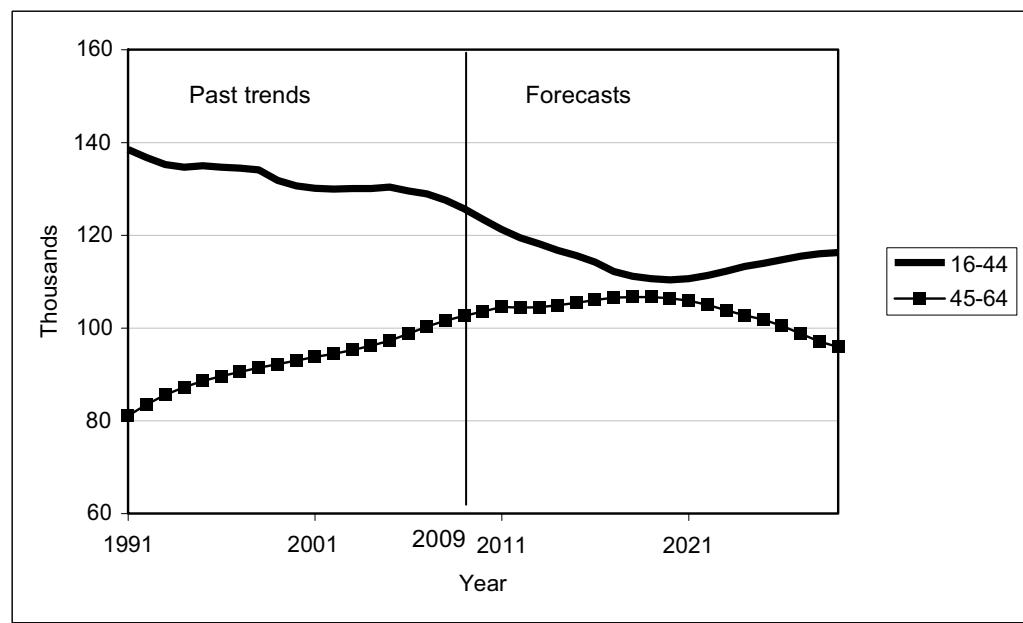


Table 3: Working age population

	Population (thousands)			% change	
	2009	2019	2029	2009-19	2009-29
16-44	125.7	110.6	116.3	-12%	-7%
45-64	102.6	106.7	95.9	4%	-7%
16-64	228.3	217.3	212.2	-5%	-7%

6.13 Labour supply

Labour supply = people aged 16-64 who are available for work

6.14 Changes in the resident labour supply will reflect the changes in the working age population. There will be a decrease in younger workers (aged 16-44) and an increase in older workers (aged 45-64) up to 2020. After this the number of older workers will decrease whilst numbers of younger workers increase.

6.15 The resident labour supply will decrease by around 6% over the next twenty years.

Workforce will continue to age until 2020.

Table 4: Resident labour supply

	Labour supply (thousands)			% change	
	2009	2019	2029	2009-19	2009-29
16-44	101.7	89.2	93.8	-12%	-8%
45-64	73.7	81.0	70.5	10%	-4%
16-64	175.4	170.2	164.3	-3%	-6%

6.17 Older People

6.18 This is the only age group forecast to have significant changes in size. The number of people aged 65 or above will increase by over 50% from 68,400 in 2009 to over 108,500 in 2029.

The number of people aged 85+ will more than double by 2029.

6.19 The number of people aged 85 or above will more than double over the next twenty years, increasing from around 9,300 in 2009 to over 20,000 in 2029.

Chart 6: Trends in Number of Older People

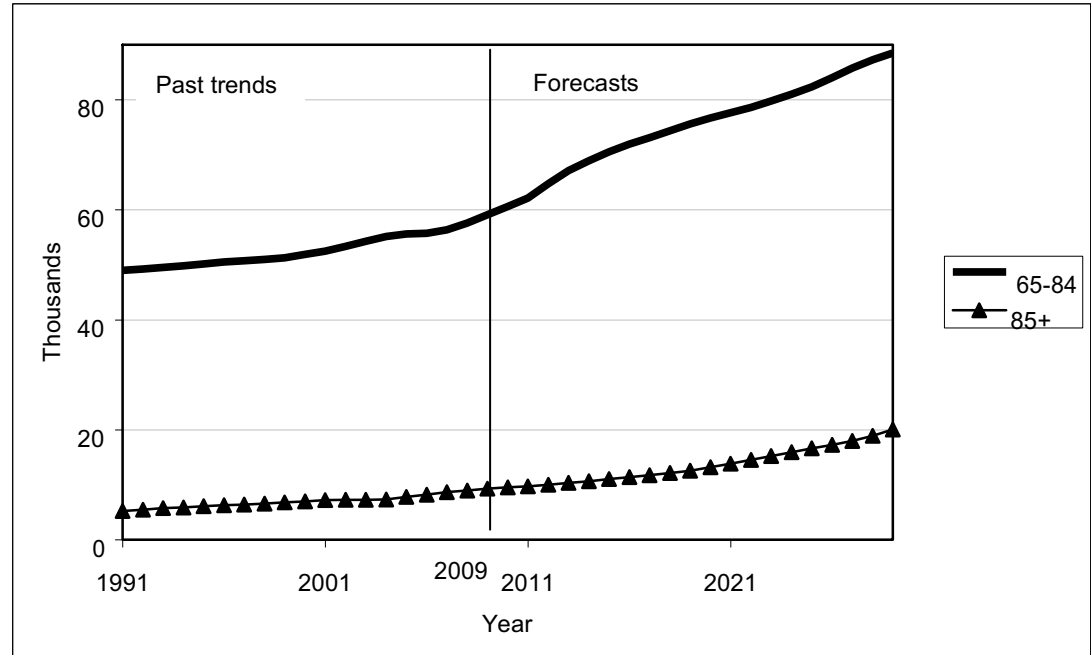


Table 5: Forecasts of Older People

	Population (thousands)			% change	
	2009	2019	2029	2009-19	2009-29
65-84	59.1	75.6	88.5	28%	50%
85+	9.3	12.6	20.1	35%	115%
65+	68.4	88.2	108.5	29%	59%

6.20 It is important to state that demographic projections are not bulletproof, but it is clear from this data that Cheshire East is likely to experience a sharp increase in both the numbers and proportion of pension-age individuals, and a relative reduction in the numbers of working-age people. Even if Office for National Statistics projections prove less accurate than in the past, the Borough can still expect to see large changes to the population over the next 25 years or so.

- 6.21 Whilst it is clear that there will be an increasingly older population in Cheshire East over the next 25 years, what is less apparent is the extent of the future demand for care. This will of course be dependent on the health of the cohorts of older people as they move through their lives. If people in their latter years are healthier than previous generations, demands for social care will rise less sharply than the size of the older population. If they are less healthy than their predecessors, on the other hand, the demand will accelerate.
- 6.22 Even if future cohorts live healthier lifestyles than their predecessors, the sheer number of people living to an age (85+) in which the need for complex care becomes highly likely will mean that demand for social care will increase. Society's ability to meet this demand is unclear and difficult to predict. The demographic picture, for example, is not one-sided. While the ratio of workers to older people will fall, the data above illustrates that fertility rates will remain low so will the proportion of children to working-age adults, thereby possibly mitigating the strain on public finances.
- 6.23 Having said this, the Local Government Association, in providing evidence to the Parliamentary Health Committee stated that "over the course of their retirement, men aged 65 today have a 7/10 chance of needing some care before they die, with a 9/10 likelihood for women. The best estimate of this demographic pressure—which both Councils and the Department of Health agree on—is 4% per year. The reality is therefore that if local authorities cannot achieve this additional 4%, then services will suffer—even before any funding cuts." Furthermore by 2026 the expectation is that there will be 1.7 million more adults who need care and support. This is a 30% increase on current numbers, which stands at around six million.⁴

6.24 Adult Social Care Budget

- 6.25 There is evidence that local and national circumstances has resulted in a variable impact on adult social care across the country. According to the Association of Directors of Adult Social Services (ADASS) the "average position appears to be that budgets will reduce by about 5% per annum over the next three years". The ADASS budget survey (2011) indicated that 150 English Authorities made a combined total of £1 billion savings in 2011-12, which was closer to 7% of the spend in the previous year.
- 6.26 There are added challenges for the Council as the population of Cheshire East is older than the average population of England. According to the Pre-Budget Report 2011/12 "Last year an allowance of £0.4m was made for this impact [of extra demand] and this has proved inadequate to meet the challenge especially for the 85 years and older age category on whom over £20m has been spent in care in the past year. The recessionary impact is also clearer,

⁴ Building the National Care Service, HM Government, March 2010, p 48. [Back](#)

with falling house values and diminished personal savings causing greater costs to fall upon the Council. There is more reflection of this within the budget with an overall annual £4m of year on year growth provided (£11.8m covering the 3 years from 2009/2010 to 2011/2012)”.

- 6.27 Whilst it is positive that the Council has recognised the need for added growth, this has been achieved through efficiency savings – many of which are one offs. There will obviously be a time when further efficiency savings cannot be made and therefore the Council will find it difficult to keep providing additional growth in the budget, regardless of demand.

6.28 Higher expectations

- 6.29 For those in need of social care the last few years has seen an increase in the individual’s choice and control over services. There is now a clear expectation that people needing care will have greater choice and control but this brings with its own challenges for the Council as it tries to balance this expectation against increasingly limited resources.

6.30 Services and the Market

- 6.31 It is well recognised that a “thriving social care market with a range of providers”⁵ is needed. However there are concerns across the sector about how this will be achieved. With the Council having frozen fees for two years, how services are best delivered within the context of limited resources is a real cause for concern.
- 6.32 Furthermore, “the collapse of Southern Cross is an example of the serious concerns about the capacity of the market to meet demand and deliver sustainable quality residential services.”⁶ This has been matched by the concern about the recently well documented cases of poor and undignified care provided by a number of residential services both nationally and in Cheshire East.⁷

6.33 Summary

- 6.34 The care and wellbeing system that has supported the country since the Social Welfare Legislation of 1943 has relied on “a certain balance between demand and resources, between formal and informal care, between prevention and acute care and between numbers of older people and those of a working age.”⁸

⁵ <http://davidbehan.dh.gov.uk/webchat-about-caring-for-our-future/>

⁶ ‘The Case for Tomorrow – A joint discussion document on the future of services for older people’ ADASS p.9

⁷ <http://www.cqc.org.uk/media/richard-dickinson-proprietor-care-home-knutsford-cheshire-has-had-his-registration-cancelled-a>

⁸ ‘The Case for Tomorrow – A joint discussion document on the future of services for older people’ ADASS p.9

- 6.35 It is clear from the challenges outlined above that continuing with a 'business as usual' approach is unfeasible and unsustainable. This Group asserts that a new, radical approach to adult social care is therefore required to manage cost, demand and expectations without allowing standards to fall.

7.0 Managing Demand – A Strategic Approach

- 7.1 Local government cannot call on many levers to manage demand, cost and efficiency and those that it can use are inevitably limited, and indeed in some cases self-defeating. Demand and cost are obviously closely linked although the relationship between the two is complex. First and foremost, packages of care are for real, individual people who have real, individual needs. For that simple reason it is not possible to neatly compartmentalise individuals into groups and groups into costs.
- 7.2 Furthermore, the common mitigation methods that the Council can call upon such as raising charges, stopping or closing services, reducing staffing levels and service budgets, and outsourcing—are difficult to pursue. The Council does not want to jeopardise outcomes for residents, which the aforementioned may do, and such activity is obviously hugely unappealing on a political level.
- 7.3 Very often the principal means of managing demand is to tighten eligibility criteria, which are used by Councils to determine whether a person qualifies for support. The eligibility framework is based on a person's needs and the associated risks to their independence. There are four eligibility bands: critical, substantial, moderate and low. The Group was made aware that the Council had already taken steps to improve their Fair Access to Care Criteria in order to reduce inequalities and inconsistencies.
- 7.4 According to the LGA⁹, in 2009-10 roughly three quarters of Councils, including Cheshire East, set access to care at the 'substantial' level meaning individuals with 'substantial' or 'critical' needs would be eligible for Council support. Roughly one quarter of Councils set their access to 'moderate' and just a handful were at the extremes – either offering services to people just with 'critical' needs, or for those with 'low' needs and above.
- 7.5 It is not difficult to foresee a situation in which the Council, in a pressurised funding arena, might be tempted to set its eligibility criteria at 'critical' only. The difficulty with such an approach is that, whilst it may stem demand in the short term, the decrease in numbers presenting to councils will only be temporary as individuals' substantial/moderate needs escalate to the point of being 'critical'. This could likely mean a sudden increase in the more costly 'critical' end care packages.
- 7.6 It should be noted that the Council does not ignore those individuals who, following assessment, are deemed to fall outside the eligibility threshold. And indeed, putting in place services to **prevent** people entering the system in the first place is becoming an increasingly important Council strategy to manage demand.

⁹ <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmhealth/1583/1583we17.htm>

8.0 ‘Invest to Save’ – the Preventative Approach

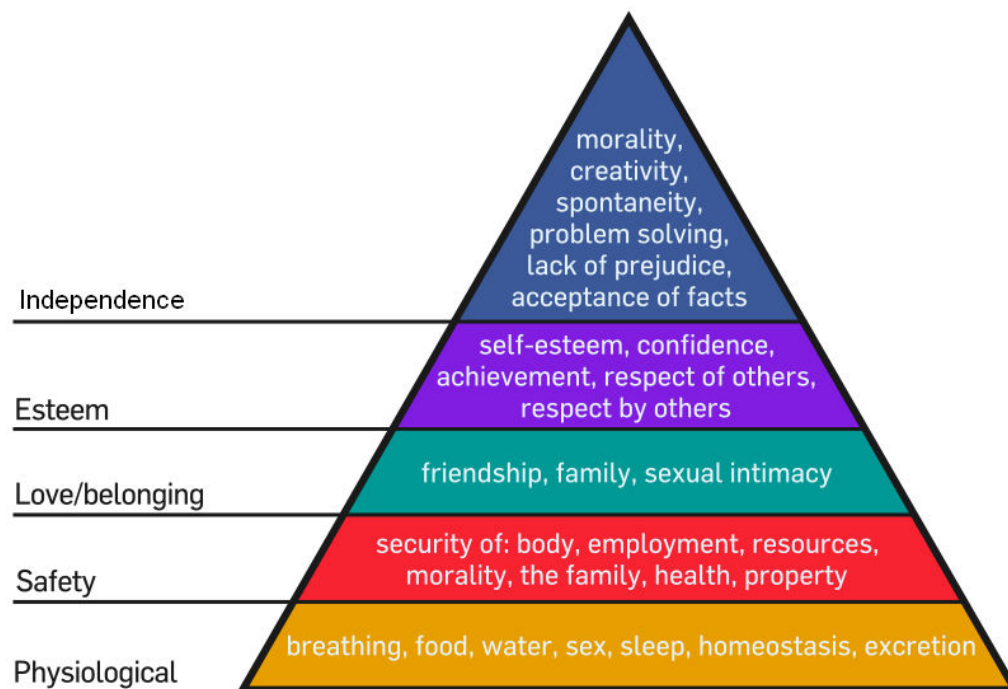
- 8.1 A common theme throughout this review - from all those witnesses that have been interviewed – is that older people do not want (and in some cases, do not need) to spend so much time in hospital and in residential care. It seems clear therefore that the Council must increasingly look at ways and investment opportunities to stop people entering such acute care, unless it is entirely appropriate, as this will a) produce better outcomes for residents and b) help the Council to stretch its resources that little bit further. What follows is a series of findings and recommendations that the Group believe will help the Council go some way to achieving this.

8.2 Integrated working – with the NHS and the Voluntary and Community Sector

- 8.3 Over the past decade, *integrated care* has become an integral part of health policy reform across Europe. In 2003, the World Health Organisation proposed that it was one of the key pathways to improve primary care (World Health Report: 2003). In 2004, the European Commission declared integrated care as vital for the sustainability of social protection systems in Europe¹⁰.
- 8.4 Unfortunately, there has also been a historic disconnect between policy intent and practical application with the NHS and Councils being reluctant to pool budgets for shared outcomes. The Group was pleased to find that the Council and CECPT has somewhat bucked this trend - forging a strong mutual relationship with real tangible outcomes such as the formation of an integrated strategic commissioning unit. This will be further extended and strengthened by the Ageing Well Programme which is a large step forward in agreeing some shared outcomes with regard to health and social care.
- 8.5 After attending the LGA Smith Squared debate and listening to the various speakers, it was striking how much importance was placed upon facilitating practical integration. There was an optimism that the newly formed Health and Wellbeing Boards would help to achieve the Coalition Agreement pledge to ‘break down barriers between health and social care funding to provide incentive for preventative action’. The group would implore that the Cheshire East Health and Wellbeing Board, when fully formed and operational, make integrated working a top priority. Additionally, the Group would also suggest that the Board monitor the transition between the outgoing CECPT and the incoming Clinical Commissioning Group (CCG) so that the existing integrated practice is not lost.
- 8.6 The Group would assert however that this integration needs to go beyond the Council and the NHS so that the needs of older people are included in all

¹⁰ http://www.ilcuk.org.uk/files/pdf_pdf_7.pdf

aspects of social policy. This idea has been influenced by Maslow's Hierarchy of Needs¹¹ which states that people have a range of needs (formed in a hierarchy) which need to be met in order to reach a stage of self-actualisation or independence (illustrated below). In the way that services are currently delivered for the majority of people through the Council and/or NHS it is only the more basic needs which are met, with some lower end and most higher end needs being neglected. The Group believes that this is an issue as it is only through older people feeling connected and part of society will they remain healthy and independent for longer.



- 8.7 There is a need therefore for the Council and its partners to think holistically about how to deliver social care for older people. It is no longer adequate for the care of the elderly to be the sole domain of the social worker and the care home as this only leads to a solution that is expensive, unwanted and occasionally unnecessary. The group therefore promotes the idea of a 'social care hub' which would be designed to include those partners best suited to deliver on all aspects of the hierarchy. This idea is expanded on page. 40.

8.8 Barriers to Independent Ageing:

- 8.9 Before thinking about any solutions to providing holistic and joined-up services for older people, it is a useful exercise to identify the existing barriers that are preventing some older people from retaining (or attaining) a level of self-actualisation and as a corollary; independence.

- 1) Poor, inappropriate or isolated housing/accommodation
- 2) Insufficient funding

¹¹ http://en.wikipedia.org/wiki/Maslow%27s_hierarchy_of_needs

- 3) Poor transport links and a lack of mobility
- 4) Poor health
- 5) Lack of support at home

8.10 Mitigation strategies

8.11 The Group has looked at these issues and has attempted to come up with a number of potential mitigation strategies.

8.12 Improving older people's housing options

8.13 The Wanless Review, 'Securing Good Care for Older People'¹², offered an analysis of people's preferences for housing and care as the table below shows. It illustrated that whilst there is a clear preference by older people to remain in their family home, many older people contemplate a move to alternative accommodation, although few people wish that to be residential care.

PEOPLE'S PREFERENCES SHOULD THEY NEED CARE:	%
Stay in my own home with care and support from friends and family	62
Stay in my own home but with care and support from trained care workers	56
Move to a smaller home of my own	35
Move to sheltered housing with a warden	27
Move to sheltered housing with a warden and other social care services such as hairdressing and organised social outings	25
Move in with my son or daughter	14
Move to a private residential home	11
Move to a local council residential home	7
Move to a residential home provided by a charitable organisation	3
None	1
Don't know	2

8.14 Such preferences are clearly not absolute but may be influenced by the choices that are on offer or indeed the perceptions people have as to what is available or is suitable. For example in the Netherlands, where there is a

¹² Wanless D (2006). Securing Good Care for Older People: Taking a long-term view. King's Fund.

wider choice of specialist accommodation for older people, the numbers wishing to move to alternative accommodation is greater than in the UK.

- 8.15 The Group suggest therefore that what is required is a strategic, cross agency approach to housing for older people that appropriately provides for a multitude of need. At the moment without better owner occupied homes in the community, there seems the stark choice between remaining and 'getting by' in an unsuitable family home or moving to some form of institutional care in unfamiliar surroundings. Unfortunately both of these options often end up putting extra cost onto the Council and produce a worse outcome for the resident. Unnecessarily entering residential care can firstly be costly to the individual and secondly reduce their quality of life. Also, if residents are staying in an inappropriate home, this greatly increases the chances that they will need to enter care earlier than would be potentially necessary.
- 8.16 To get over this issue there are three main options that the Council can pursue:
- 8.17 *Improving people's existing homes*
- 8.18 The Group was informed that the Council and its partners were already aware that housing was a key determinant of health and wellbeing. Recognising this, the Council has agreed to implement a new private sector housing financial assistance policy, which sets out what sort of help the Council will offer to older people and people with disabilities to repair and adapt their homes.
- 8.19 More than £1.4m has been approved to implement the policy. This will be used to:
- Remove the most severe health and safety risks for vulnerable homeowners;
 - Tackle fuel poverty;
 - Enable people with disabilities to live independently; and
 - Bring empty homes back into economic use and increase the supply of affordable housing.
- 8.20 The policy will help to reduce risk of home accidents, improve health and wellbeing, reduce fear of crime and increase opportunities to access suitable housing.
- 8.21 The Group was informed that the Council currently only provides a Disabled Facilities Grant (DFG) when an individual has a critical or substantial need – in line with the Council's FACS criteria. In taking a preventative approach, it is suggested that it would be helpful to provide adaptations at an earlier stage (e.g. through discretionary loan funding) as this would reduce the demand for the mandatory (and more costly) DFG grant. Such a use of earlier adaptations could also possibly reduce early admission into residential care, prevent

injuries and hospitalisation and promote independence. Indeed, such a loan could enable people to plan for their future rather than reacting to a crisis.

- 8.22 In line with a preventative approach, the Group would also suggest that the Council explore putting more money into the housing financial assistance policy (beyond the £1.4 million already identified) and the discretionary loan funding budgets. This could be funded through capital borrowing as it is felt that the savings created in the revenue budget (by preventing people entering care) would more than offset the cost of borrowing.
- 8.23 In addition to people's homes, the Group would also like to draw attention to the need to improve neighbourhoods. Indeed, if the Council cannot deliver the objective of maintaining more people in the community without suitable and appropriate housing being in place then equally housing cannot deliver that outcome without people feeling comfortable and safe within their communities and neighbourhoods.
- 8.24 Good neighbourhood design for older people can mean a variety of things, such as:
- Are health and care services grouped in the areas of highest density?
 - Are there nearby shops and banks and are shops and banks accessible to older people, particularly those with mobility scooters?
 - Are neighbourhoods considered safe, eg, what are the reaction times on street lighting failure, is access to property safe and secure?
 - Are transport systems accessible?
 - Is there a structured plan for the installation of drop kerbs?
 - Is there easy access to a range of social activities and facilities?

8.25 *Improving integration with planning*

- 8.26 Ensuring that neighbourhoods are suitable for older people is not just the responsibility of adult social care. The use of the planning system is a key component in ensuring the quality and supply of an effective older person's housing market, and extra care housing in particular. Anecdotally, social care officers have informed the Group that a lack of links with and understanding of, planning in the past has meant that older people's needs have not been considered or prioritised when planning applications or new housing developments are considered. Indeed, the Group would suggest that the following steps are considered to support the delivery of the agreed local vision for housing suitable for older people¹³:

- Ensuring robust and up-to-date evidence reflecting older people's needs is available to support planning decisions.

¹³ Royal Town Planning Institute (2006). *Good Practice Note 8: Extra Care Housing: Development, planning, control and management*.

- Responding to consultation planning documents to ensure older people's needs and preferences are reflected within them, and that they will support the delivery of local policy.
- Regularly consulting with and updating planners about local policy direction. There are three areas in particular where this is likely to prove helpful:
 - Responses to planning applications for new care homes and how to ensure they fit with the local policy direction as far as possible.
 - Supporting the development of new extra care housing schemes.
 - Supporting the development of other forms of housing for older people as part of local regeneration mixed use developments.
- Ensuring there is a clear strategic approach setting out local preferences in terms of whether a predominantly housing model or residential care model is preferred.
- Developing a clear approach to Section 106 (or similar) applications in support of older people's housing.
- Development of pre-planning guidance for independent and voluntary sector developers which outlines the local authority's vision for extra care housing and older people's housing and any minimum requirements would assist in ensuring that any potential developers had an understanding of expectations prior to application. This may form part of the Market Position Statement, Strategic Housing Market Assessment, or an existing Local Development Framework.

8.27 Increasing Sheltered Accommodation placements

- 8.28 Following on from the latter point, the Group was made aware that Extra Care Housing had emerged as a useful intermediary (or alternative) option for older people who may have previously thought their only options were either staying in their own homes or moving into care.
- 8.29 Extra care housing takes a number of different formats and styles, but primarily it is housing which has been designed, built or adapted to facilitate the care and support needs that its owners/tenants may have now or in the future, with access to care and support twenty four hours a day either on site or by call.
- 8.30 To qualify as extra care housing, it was explained that a development needed to provide facilities such as Restaurants, Libraries/IT Rooms, Community Halls, Fitness Suites, Craft Rooms, Lounges, Shops and Hairdressers to their residents and the wider community. Extra Care Housing usually constitutes one or two bedroom flats which can be rented (from £72.54 per week), bought through shared ownership (from £61,500) or bought outright (from £125,000). Residents then often pay a service charge on top of this.

- 8.31 The Council currently has six schemes situated in the Borough of which a number were partly been funded by the first round of Private Finance Initiative (PFI) credits from the central government. A company called 'Avantage' has been appointed to design, build and operate the PFI schemes for Extra Care Housing and it was noted that these were located in the following areas:
- [Crewe, Beechmere](#) (Avantage):
132 apartments - opened in August '09
 - [Handforth, Oakmere](#) (Avantage):
53 apartments - opened in January 2009
 - [Middlewich, Willowmere](#) (Avantage):
71 apartments - opened in April 2009
- 8.32 Extra Care Housing is also provided in the following sites through Housing Associations:
- [Congleton Heath View](#) (Plus Dane):
45 apartments - opened in January 2010
 - [Crewe, Pickmere Court](#) (Wulvern):
65 apartments – opened in May 2011
 - [Nantwich, Mill House](#) (Wulvern):
43 apartments - opened in September 2008
- 8.33 The case for developing additional Extra Care Housing in Cheshire East appears strong. There is a wide range of national evidence which shows that they improve the health and wellbeing of residents whilst reducing costs. An evaluation of an extra care housing scheme in Bradford sought to understand both the costs and the outcomes delivered by the scheme¹⁴. It found that the better health enjoyed by those living in the scheme meant that health care costs were lower (more than a 50% reduction), mainly through a reduction in the intensity of nurse consultations and hospital visits.
- 8.34 It concluded that it was primarily the higher levels of formal support which had resulted in improved outcomes for residents and carers; unmet needs associated with people's previous community care packages seemed to have been met by care services and support provided at the extra care scheme.
- 8.35 This was a finding that was reflected in the Group's own findings following a visit to the Beechmere scheme in Crewe. In a discussion with the residents, it was clear that there was a general consensus that they were happy with their accommodation and that they enjoyed the community feel and added security that the development provided. Of particular note was that a number of residents with relatively complex dementia needs were resident

¹⁴ Joseph Rowntree Foundation (2008). Costs and outcomes of an extra care housing scheme in Bradford.

within the scheme and that since they had resided at Beechmere their condition had improved. It was also reported that Beechmere had very few referrals onto nursing homes as it tended to be able to cope with all needs until a resident passed away.

- 8.36 Having said this, it was also clear to the Group that Extra Care Housing is not a panacea. Following a conversation with Mr. Adrian Lindop, Chairman of the Crewe and Nantwich Seniors Voice Group, it was noted that there were a number of issues that the Council needed to be aware of with regards to Extra Care Housing. He described how Extra Care Housing was not for everyone as it could sometimes prove an isolating experience, particularly in large schemes (100+ units) that were a way out from the town centre. This was less of a problem in smaller 30-40 unit schemes. He also noted that it could be expensive, especially when the service charge was factored in.
- 8.37 There were also some concerns expressed by the Group with regards to the financial model of Extra Care Housing. It was explained that there is potential for the Council to save approximately £50 per week on each residents care cost if the right mix (high, medium & low need) of residents are in place. In the current schemes, there is a high level of low need residents which is causing the saving target to be unmet.
- 8.38 In summary, whilst the Group agrees with the rationale behind Extra Care Housing, namely keeping older people engaged and active in a safe environment, there is a feeling that the principle behind them is somewhat incongruous with the proposed direction of travel outlined in the rest of this report. This is based on the evidence collected by the Group which suggests that Extra Care Housing Schemes tend to be built in isolated parts of towns, thereby creating a distinct community of older people disconnected from mainstream society. Indeed, the claim that other parts of the community would access the facilities in the schemes was felt optimistic and there was no evidence to illustrate that this was occurring in the scheme visited by the Group.
- 8.39 Whilst not completely disregarding the principle of Extra Care Housing, the Group would argue that for a scheme to be successful it needs to be fully embedded in the wider community (i.e. near shops and on a bus route), affordable (for the resident and the Council) and small enough to feel personal. It is felt that this could be achieved by using a more traditional model of sheltered accommodation with better links made to existing community facilities. These could also be linked to the social care hubs outlined on p.40.

8.40 Improving older people's transport options

- 8.41 Throughout the review it is recognised that a feeling of independence is vital for older people if they wish to achieve the higher echelons of Maslow's Hierarchy of Need. One of the key elements of maintaining independence is

the ability to access transport and a lack of good transport can be a significant barrier to social inclusion and independence – two of the very things that help to keep people happy in their own homes.

- 8.42 With this in mind, the Group was concerned to hear about changes to community transport following a conversation with representatives from Crewe, Congleton and Nantwich Dial-a-ride (ran by the Charity East Cheshire Community Transport [ECCT]). The Group was informed that ECCT had lost a total of £120,000 in annual funding - £45,000 of which had been lost as a result of a reduced grant from the Council and £74,000 which had been lost due to the removal of the ability of the service to operate under the concessionary travel scheme. This was a scheme that allowed elderly people to use their bus passes to travel free after 9.30am. Dial-a-ride would then receive a 62% reimbursement of the fare from the Council.
- 8.43 This loss of funding meant that ECCT had to increase their charges to retain the service and the Group was informed that this had resulted in a 20% drop in bookings from the elderly. When it was queried why ECCT had lost the ability to claim back costs under the concessionary travel scheme, it was explained that to qualify the service would have to apply to the Traffic Commissioner to register as a bus service. The issue for ECCT is that to register as a bus service, there would be the need for an expensive operator's license and the vast majority of their drivers would need to be trained to obtain a Passenger Carrying Vehicle (PCV) license. The Group was subsequently informed that ECCT had ceased to trade on 16 May 2012 due to financial pressures.
- 8.44 The Group was also informed that the situation in Crewe, Nantwich and Congleton was in contrast to the arrangement in the North of the Borough in which the newly formed Macclesfield Area Flexible Transport Service could access the concessionary travel scheme due to having an operator's license.
- 8.45 In trying to gain an understanding of how many people the closure of ECCT would affect, the Group was informed that 900 residents had used Dial-a-ride in 2011 and that they had made 45,000 journeys in total (one journey per fortnight on average for each service user). To outline the importance of this service, it was noted that if these 900 people were in Council funded residential care they would cost £18 million per annum. Therefore, even if only a small percentage of the 900 fell into residential care as a result of losing their independence, it could potentially be very costly to the Council.
- 8.46 In the process of conducting this review, The Group was informed that a replacement service has been found for the South of the Borough and therefore the impact on the residents who used the former Dial-a-ride service has been minimised. Whilst this is pleasing to note, the Group does have a number of concerns about how the transition was managed both in the North and the South of the Borough. For example in the North, there was uncertainty about the future of the dial-a-ride and shopmobility service with

no clear succession or exit strategy in place right until the contract end date. This unsettled staff and residents alike and could have been avoided with better forward planning. In the South of the Borough, it was well documented in the media that Dial-a-ride ceased to trade, partly due to a change in the relationship with the Council. With no replacement service in place for two weeks this affected a large number of residents and reflected badly on the Council.

- 8.47 The Group feel that both of these cases could have been avoided if the Council was better 'joined-up' in its thinking. The point here is that one department made a saving which had a knock on effect onto another department. To reduce the chances of this happening, or at least to create awareness that it might happen, the Group suggests that any budgetary proposal should include an impact assessment on other areas/functions of the Council.
- 8.48 As a final point, the Group would also wish the Council to note the 3,300 residents aged 65 and over who have a higher mobility allowance. It is suggested that the Council attempt to target these residents so that they maximise their own income when using transport whilst also reducing the cost for the Council.

Table 6 - Higher Mobility Allowance figures for Cheshire East

Age	Total	Higher Rate	Proportion
total (all ages)	15,070	8,590	57.0%
Aged 60-64	1,970	1,460	74.1%
Aged 65 and over	4,150	3,300	79.5%

8.49 Caring for those who care

- 8.50 This review has, on the whole been about mitigating demand on Council funded residential care by finding strategies and methods to keep people independent and healthy for longer. The role that home carers play in this is highly significant and they very much are the 'first line of defence in prevention'¹⁵. Indeed, the paper 'Valuing Carers 2011' by Carers UK suggests that there are 'over six million carers [taken from 2001 UK census], family, friends and neighbours who provide unpaid care to someone who is ill, frail or disabled. The care they provide to help sustain people in their own homes and in their own communities is vital'. Without this care, they argue, 'society would collapse'.
- 8.51 This could be considered hyperbole but the same study quantified the value of carers and found that the economic value of the contribution made by

¹⁵ Department of Health (2010), 'A Vision for Adult Social Care: Capable Communities & Active Citizens'. London: Centre of Information.

carers in the UK is a remarkable £119 billion per year. To put this into context, the 2009-10 budget for the NHS was £98.8 billion.

- 8.52 Considering this, the Group was concerned by evidence which suggests that a significant number of hospital and care admissions are due to problems associated with the carer rather than the person admitted. One study found that problems associated with the carer contributed to readmission in 62% of cases. Carers of people readmitted were more likely than other carers to¹⁶:
- be experiencing ill-health, fatigue and interrupted sleep;
 - be conducting at least one intimate task;
 - and generally feel frustrated.
- 8.53 A whole systems study tracking a sample of people over 75 years old who had entered the health and social care system, found that 20% of those needing care were admitted to hospital because of the breakdown of a single carer on whom the person was mainly dependent.¹⁷ These studies substantiate the Group's belief that supporting carers is vital to reducing the burden on social care services and therefore retaining the independence of the individual.
- 8.54 The Group was pleased to note that the Council has already recognised this issue and as a result has implemented a number of initiatives for supporting carers. At the forefront of these is the recently established Carers Strategy which has used the following key points from a report produced by the Princess Royal Trust for Carers and ADASS called 'Supporting Carers – Early Intervention and Better Outcomes' as a framework:
- Early intervention is integral to personalisation.
 - Applying early intervention thinking to the support of carers can lead to better value for money and better outcomes.
 - There is an evidence base to support the claim that carer support can create savings for adult services.
 - Considering carer support in the context of major care pathways such as hospital discharge, falls, dementia and stroke could generate systems-wide efficiencies.
 - Systematic information collection from service users and carers would improve the evidence base and improve the investment of limited resources in both health and social care.
- 8.55 Having said this, the Group also became aware of a number of areas which could be further improved. Firstly the Group feel that if the Council is to make the most of the strengths that carers can provide, the steering group which co-ordinate the Council's policies on carers will need to be

¹⁶ Williams, E, Fitton, F (1991), 'Survey of carers of elderly patients discharged from hospital'. British Journal of General Practice, 41, 105-108.

¹⁷ Castleton, B (1998), Developing a whole system approach to the analysis and improvement of health and social care for older people and their carers: A pilot study in West Byfleet, Surrey. Unpublished. Referenced by Banks, P (1998) 'Carers: making the connections'. Managing Community Care, vol 6, issue 6.

strengthened and further resourced. It is felt that the current situation of 1.3FTE staff is inadequate to deal with the both the current and future demands of the service. To highlight this issue, it is important to note that the estimated number of carers in Cheshire East is 39,829 (from 'Valuing Carers 2011' Carers UK) with the number of people known to the Council as Carers on the PARIS social care system is 4,474. The Valuing Carers report estimated that these figures had increased by 36% since 2007.

- 8.56 If this team was extended to 3 FTE, it is expected that this would cost £61,900pa for the extra 62.5 hours per week (including on costs). It is suggested that this is explored by the service.
- 8.57 A result of this lack of resource has led to what has been described as the 'hit and miss' nature of carer assessments. This is partly caused by the slowing of carer assessments due to the high caseloads of the SMART teams. The Group was informed that Trafford Council has commissioned out its carer assessment process to a degree of success and it is suggested therefore that the Council explore this option by funding a pilot study. It is also suggested that the Council look at trialling the standardisation of the collation of carer information across all Voluntary, Community and faith sector partners who support carers. This would enable the Council to review the quality and consistency of the information and the escalation of carers needs.
- 8.58 As previously stated one of the main reasons why people enter care prematurely is due to the breakdown of their carer on which they are dependent. It is obviously in the individual's and the Council's interest therefore to support carers in order to delay this process or prevent it from happening at all.
- 8.59 The budget for the Adult Services carers' team is a complex picture. The majority of money comes from a Carers Grant, distributed to the Council from Central Government. Whilst this is no longer ring fenced, in 2010 it was agreed that all Department of Health revenue grants for adult social care, including the Carers Grant, would continue to rise in line with inflation for the following four years (to the financial year 2014/15) and be paid through the Local Government Revenue Support Grant. Based on this, the figure that Cheshire East Council received for the financial year 2010/11 was £1,436,322. 20% of this historically always went to Children's Services (£287,264), which would leave £1,149,058 in the Adult Services budget.
- 8.60 The budget for the Adult Services Strategic commissioning carer's team for 2011/12 was not given any uplift from 2010/11, so the amount coming into Adult Services for carers remained static at £1,149,058. Any inflation allocated corporately was earmarked in full by Adults Services to contribute towards known departmental financial pressures. Of that, £781,416 was allocated directly to the carer's budget. This covered both the staffing of the adult services carers' team and the commissioning of services from third sector organisations. These services are currently a mixture of information

and advice, support groups, carer breaks, training and a carers fund which can be applied to for small amounts of money to sustain carers in their role (detailed below).

- 8.61 The draft carer's budget for 2012/13 is currently £639,363 which has been put into the Needs Led budget build. There will be a major recommissioning exercise in 2012/13 taking into account the overall priorities for service provision for carers. The Council will potentially be retendering some contracts and looking for provision in some new areas. These new contracts should be in place of the beginning of the financial year 2013/14.

Organisation	Service provided
Alzheimer's Society	<ul style="list-style-type: none"> • Dementia Outreach Service • Early Onset Dementia Service <p>To provide carer breaks and support to carers and family members of people with dementia type disorders. The service offers peer support groups, lunch and café groups, training and awareness for carers supporting a family member with dementia and a counselling service.</p> <p>The Alzheimer's Society provides specialist support to carers and people with dementia type disorders.</p>
The Neuromuscular Centre	<ul style="list-style-type: none"> • Carers Project <p>The Neuromuscular Centre supports carers of people with neuromuscular conditions. Support is in the form of advice, guidance, and carer breaks.</p> <p>The Neuromuscular Centre is both a local and national service offering specialist advice and support to carers of people with neuromuscular conditions.</p>
Crossroads Care Cheshire East	<ul style="list-style-type: none"> • Take-a-Break and CAMEO Carer Support Groups • Social Skills Group for Adults with Aspergers • Hidden Carers • Carers Emergency Response Service (CERS) <p>Crossroads Care Cheshire East provides practical support for carers and those they care for. The services funded are listed above. The services provide carer breaks to unsupported "Hidden" carers and provide an emergency support service for carers across Cheshire East. This provides a short period of cover for the cared for to ensure that they do not have to go into respite while the situation is stabilised.</p>

Making Space	<ul style="list-style-type: none"> • Adult Carer Breaks • Older People Carer Breaks • Carers Development Service <p>Making Space works with people with mental health issues. They carry out Carer Assessments on behalf of the Local Authority. They provide carer breaks and carer support groups and offer a high level of expertise to carers of people with mental illness. They also support carers who would like to access employment, education, and training.</p>
Cheshire Carers Centre	<ul style="list-style-type: none"> • Core Information and advice • Carers Fund • Training and personal development • Pamper sessions • Caring at home courses <p>The Princess Royal Trust Cheshire Carers Centre provides a range of information, advice, advocacy and support services for carers. Services include a carers' helpline and at-home service including advice on finance and benefits, training, drop-ins and carer support groups, carer breaks, regular newsletters, a Carers' Fund which allows carers a one-off payment for specific services or essential items.</p>
St Lukes Hospice	St Luke's Hospice provides specialist support groups to carers supporting people with long term or terminal conditions

8.62 Money which was previously held within the carer's budget is now administered by Care4CE, with £367,642 being used towards various services such as Warwick Mews, Family Based Care and Mental Health Outreach. Additionally, outside the carer's budget, the council also commission £92,000 of carer breaks from Crossroads care and Making Space provides carer assessments for carers of people with mental health conditions.

8.63 Considering the importance of carers in preventative work, the Group feels that there is a strong case for taking an 'invest to save' approach to carer funding. This assertion is mainly evidenced by a report called 'Supporting Carers - The Case for Change', jointly produced by The Princess Royal Trust for Carers and Crossroads Care.

8.64 Analysis of this document and its implications for Cheshire East was subsequently undertaken by Andrew Brown, a Senior Information Officer in Cheshire East Council. The headline findings from this analysis are outlined below. The full analysis can be found in Appendix 1 of this report

8.65 *Up-to-date cost savings*

8.66 Since the document was produced, the NHS Information Centre has published the 2010/11 figures. It is possible to update the figures in the

document with more recent information than had been available at the time it was written.

- 8.67 Updating the Cheshire East figures using 2010-11 PSS EX1¹⁸ information gives the following. The table below shows the results of this, using the original assumptions that the overall number of weeks of residential care in Cheshire East could be reduced by 25% with a home care package 25% above the average amount. An indicative amount of £50 per carer per week was also included in this calculation.

Residential weeks decreased by	Increased expenditure on carers	Increased expenditure on Care at Home	Decreased expenditure on residential care	Overall savings
21,841	£1,092,038	£7,726,341	£11,469,250.00	£2,650,871

8.68 *Alternative Scenarios*

- 8.69 Alternative scenarios were modelled to find out what the variance in cost savings would be. In the original report, a reduction on 25% of residential usage was assumed with a package 25% higher than average. The subsequent analysis looked at lower reductions in usage, with a higher average package of care as a more likely situation. This produces a predictably large variance in potential savings. With a reduction of just 10% of residential usage and an increase in the home care package to 50% above the average, the estimated saving in a year is £442,241. This is in contrast to the £2,650,871 quoted above. This shows that the proportion of weeks that can be converted from residential to home care and the increase in home care costs these would bring are crucial in calculating the possible savings for Cheshire East.

8.70 *Issue of Year 1*

- 8.71 In 2010/2011, Cheshire East admitted 560 clients to permanent residential and nursing establishments over the course of the year. If, in the future, we continue to place at that same rate (around 11 clients every week), we cannot converting the full number of residential weeks to home care weeks from week 1. In Year 1 there would be a gradual implementation of the process as small numbers of people who would have otherwise gone in to residential care are then supported at home. To make substantial savings in a shorter time scale, residents already in care homes would need to be identified who could be supported at home after all.

8.72 *Impact on the market*

- 8.73 The private and voluntary sectors have enjoyed growth over recent years through the shift away from internally-provided residential care and the expansion in the social care market in general. This would be a significant reversal of their business and would need to be carefully discussed with

¹⁸ Personal Social Services Expenditure Collection

Strategic Commissioning due to the impact it could have. There would also be an increase in the provision of domiciliary care. Important factors to consider would be around the availability of the home care workforce and potential bottlenecks around popular times of delivery of care.

8.74 *Carers*

8.75 In the Princess Royal Trust report there is an indicative provision of £50 per carer of a service user who was kept out of residential care. If this was taken as an amount to be paid directly to the carers concerned it would mean that we would need to know each client kept out of residential care who had a carer who we would be offering the enhanced carer payment. This would then raise the question of how we identify the carers in question. A further consideration would be whether some existing carers qualify or whether this is only applicable to new assessments.

8.76 There may be carers providing high levels of care for persons who **do not** satisfy either the criteria for residential care admission or the criteria by which they would have been admitted had it not been for this scheme. The support given by these carers is likely to be no less in terms of quality, quantity or importance to the service user's wellbeing than those we have identified for this enhanced carer payment and there may be issues over fairness and differentials in financial support.

8.77 Even if the financial resource for carers is taken as an indicative amount to be used to commission services which provide a higher level of support, there are considerations. It is necessary to consider what the impact would be on respite provision for an increased group of carers and cared for persons. The proposal also presumes a large increase in training for carers. The types of training, capacity among organisations to deliver it, and increased respite for the cared for would all need to be considered.

8.78 Having taken into account all of these factors and caveats, the Group still believes that the case is strong for investing in carers. A further question is where best to target such investment. The Survey of Carers in Households 2009/10 (the Health and Social Care Information Centre, 2010) found that nationally 62% of all carers felt that their general health was good, 8% felt it was bad, and 30% described it as 'fair'. However, for carers who cared for someone in the same household as themselves for over 20 hours a week, only 52% felt that their health was good, and 8% described it as bad. This suggests that a graduated approach to carer support is necessary, where a low level of support – for example information and signposting – is available to the majority of carers and a higher level of support – for example carer breaks – is available to those with a more demanding caring role.

8.79 Regarding carer breaks, the Group were informed of a personal budget pilot for carers which had been trialled in Crewe through one off PCT funding. This supported carers in taking a break from their caring role by providing them with a personal budget to spend on things they enjoy such as hobbies or a

weekend away. The Group suggests that the Council should explore extending this pilot across the Borough.

- 8.80 Having said this, there is also evidence that are people with personal budgets who are unnecessarily using third sector partner services for respite – causing preventable capacity issues. It is suggested that the Council work with these third sector organisations to improve their assessment processes in order to stop this from happening.
- 8.81 Whilst the Group would call for more funding into Carers and Carer Support, the complexity of the issues involved is recognised. It is suggested therefore that the Adult Social Care Scrutiny Committee receive a series of reports detailing the various areas of pressure in terms of carers. Recommendations to Cabinet could then be made following the consideration of the reports.

8.82 Delivering a co-ordinated and holistic service for Older People

- 8.83 This report has so far outlined the need for change in how social care for older people is delivered whilst briefly making the case for a co-ordinated approach that makes all aspects of social policy work for older people. This is an attempt to move away from the narrow view that social care for older people is the sole domain of social and care workers, hidden away from the rest of the community in residential and nursing homes.
- 8.84 In the previous section, the report has described how various changes could be made to specific areas of social policy, such as housing and transport. Whilst the Group feels that these changes are necessary, it would assert that it is making a change to how services are integrated and subsequently delivered that is the most important and radical step.
- 8.85 It has been noted that the Council and the NHS have already made some important strides in achieving integrated working in Cheshire East. The Group would assert however, that this process and partnership needs to be widened and extended to include other areas of the Council and to treat the Voluntary and Community Sector (VCS) as equal partners.
- 8.86 This is following a belief that the UK (and therefore Cheshire East) should start to look towards a Nordic model of adult social care, and particularly follow the example of Denmark.
- 8.87 Danish Social Care¹⁹
- 8.88 Denmark undertook a deliberate shift in the 1980s. It stopped building nursing homes, and began providing both a housing function and a service function to its ageing population.
- 8.89 The year 1987 saw a number of legislative acts on housing, urban renewal, services, and education of health workers. The Housing Act for the Elderly set standards for contained dwellings. Twenty per cent of all renovated dwellings must be accessible for older people (adapted bathrooms, tele-alarm systems, etc.), and housing adaptations are arranged by local authorities and financed with public loans. Fully 71 per cent of those 85+ in Denmark still live in their own homes.
- 8.90 Local community service centres, almost all of which are 24-hour, provide a variety of health care and home-help services, including assistance with activities of daily living, housework and shopping. Mobile services include meals on wheels, gardening, transport assistance, and snow-ploughing. Nursing and care services also come to the home. Home helpers and nurses

¹⁹ All Denmark data is summarised from two sources: 'Home- and Community-Based Long-Term Care: Lessons from Denmark', M. Stuart and M. Weinrich, *The Gerontologist*, 41(4), 2001: 474–80; and 'Housing and Service for the Elderly in Denmark', B. Lindstrom, *Ageing International*, 23, 1997: 115–32

are based in and dispatched from the local community centre. The local centre is itself a lively place, with a variety of social and recreational activities available. The Home Help Standard in Denmark is one full-time employee for every ten persons aged 75-plus.

- 8.91 The municipality of Skaevinge provides a great example of a radical approach to delivering elderly services. Skaevinge eliminated its nursing home in 1984, turning the facility into a senior centre, day care, rehabilitation, 24-hour home care, and assisted-living centre in one. An evaluation of the Skaevinge project found high levels of satisfaction among residents and staff, improvements in both actual and self-reported health status, and reductions in hospitalisations. The proportion of individuals in Skaevinge rating their health as better than average (when compared to their peers) rose from 29 per cent in 1985 (at the inception of the project) to 41 per cent in 1997²⁰
- 8.92 Lesson learning and policy exchange from other cultures and contexts is inherently fraught with difficulties as what works in one place will not necessarily work in another. Having said this, the Group feels that the general principle found in Denmark is sound and that Cheshire East should take a similarly conscious decision to incrementally disinvest in care homes and instead shift funding into preventative work delivered in the community (and where appropriate by the community).
- 8.93 This is not to say that there wouldn't be difficulties in achieving this and the Group have identified the following issues as potential barriers to such a change that would need to be removed or rectified.
- Not engaging in sufficient dialogue with partners from health and the VCS so that a long term and sustainable strategic delivery plan could be agreed.
 - Once a long term and sustainable strategic plan had been agreed, not ensuring that long term funding is in place.
 - Clinical Commissioning Groups not being sufficiently 'community focused' or aware of the service provision on offer within the VCS.
- 8.94 To demonstrate that these barriers would not be insurmountable there is already examples both from around the UK and in Cheshire East which show that a model based on the Danish principle is feasible.
- 1) Cockermouth Centre for the Third Age (C3A)
 - 2) Suffolk Circle
 - 3) Macclesfield Health and Wellbeing Centre
 - 4) Care4Care

²⁰ Integrated Health Care for Older People in Denmark: Evaluation of the Skaevinge Project 'Ten Years On', L. Wagner (available at: www.oita-nhs.ac.jp/journal/PDF/2_2/2_2_3.pdf)

Cockermouth Centre for the Third Age (C3A)

The Centre for Third Age, although still developing, has been an interesting experience in testing out how the Third sector can contribute to the future health economy and improve the lives of all older people.

Development of the Centre

Prior to the floods, discussions regarding a new health centre in Cockermouth were already in progress and in June 2010 plans for a new health centre were well under way. A consultant was appointed to consider alternatives for the old hospital premises. One idea was a centre to support the Third Sector. At the invitation of the Director of Public Health, Prof. John McKnight fired people's imagination with the concept of Asset Based Community Development (ABCD). The concept struck a chord with local health professionals who had experienced first-hand the response of the Third Sector to the 2010 floods. A meeting of interested parties was convened and the idea of a Centre for the Third Age began to emerge. A Management Consultant/Project Manager was employed by the NHS to run the project.

How it works

The centre works through two means:

1) Physical centre

The centre currently consists of two rooms:

- a. **Room 1** is the hub of the centre; it houses the information point, is staffed and is where the referral and signposting processes take place.
- b. **Room 2** is a bookable room available to third sector organisations.

The physical location of the centre, next to GP surgeries, appears to have been beneficial in establishing the necessary links and relationships with health professionals.

2) Virtual Centre

The centre will also have an online presence which will be a 'virtual centre' to match the 'physical centre'. This will include searchable and relevant sources of advice on local services for local older people which encourages people to seek and provide help on a mutual basis; achieved largely by research (local and hands-on), also through improved design and presentation.

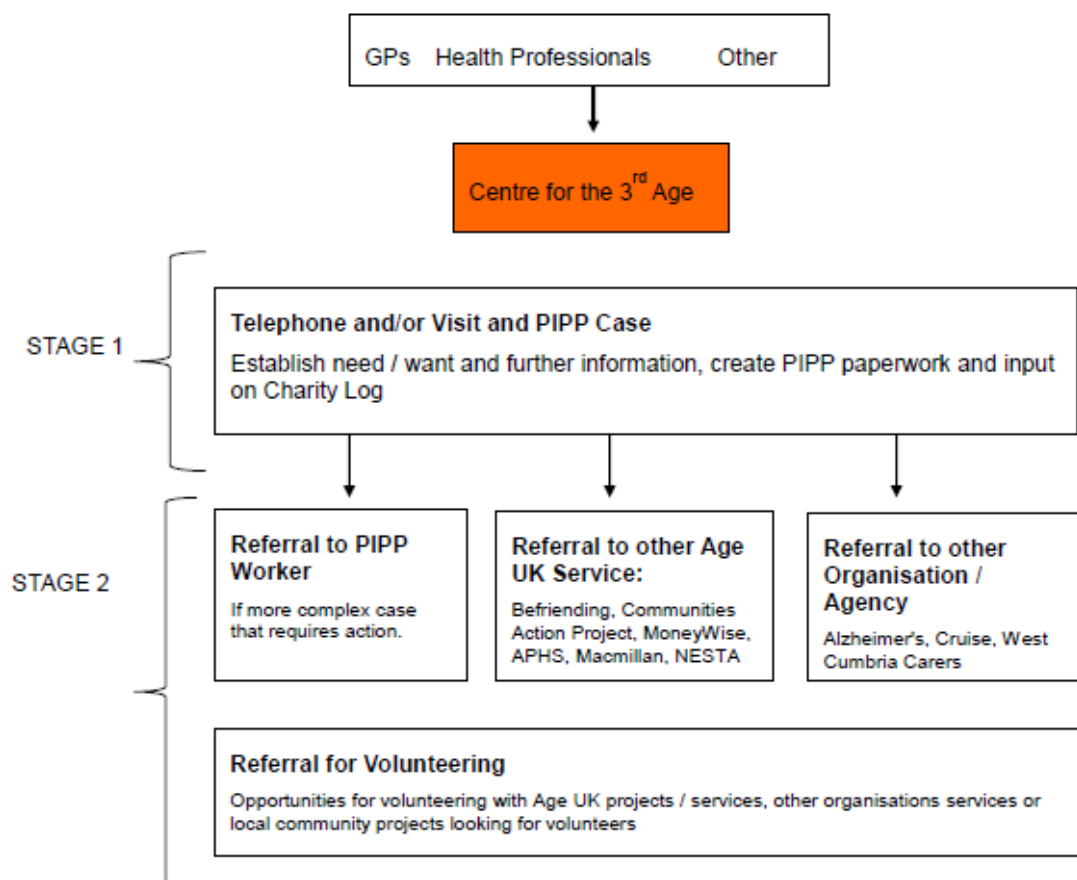
Cockermouth Centre for the Third Age (C3A)

GP Referral and Engagement with Health

A key focus of the project has been to develop a streamlined referral system that would encourage referrals and ensure GPs had faith in the system and received good quality feedback on how it was working for their patients.

The current system being piloted goes back to basics with a single form (shown below) that is quick and easy to complete. GPs can pass on the details of the patient and record what they think the C3A can help with. The form is now on every GP's desk on the site. This is a low cost system using a form that can be adapted or amended to accommodate changes in services available, or changes in what patients need. The diagram below shows how the referral system currently works.

Diagram 2 C3A referral process



Cockermouth Centre for the Third Age (C3A)**Referral to the Centre for Third Age****Name:****Address:****Telephone:****D.O.B**

Tick

Has consented to referral []**Name of Referrer:** **Position:****Date:**

	Please tick		Please tick
General Advice & Information		Support for Activities at Home	
Help at Home		Support for 'Befriending'	
Handyperson Scheme		Support for Dementia	
Nail Cutting		Support for Falls Prevention	
Benefits Advice		Support for Stroke	
Equipment for Daily Living		Support for Bereavement	
Low-level Nutrition Needs		Support for Hospital Discharge	
Social Diary		Support for Prevention of Admission	
Supported access to internet		Support for Carers	
Volunteering		Support for Activities & Exercise	

To the PATIENT/CLIENT OR CARER:

- **This form can be handed in at Reception**
- OR
- **You can take it directly to the Centre for Third Age**
Cockermouth Hospital, Isel Road, Cockermouth CA13 9HT
- **Telephone: 01900 828393**
- **Email: cockermouth@ageukwestcumbria.org.uk**

Suffolk Circle

On 25 May 2010 the Cabinet of Suffolk County Council endorsed their support for the development of a Suffolk Circle Community Interest Company. Suffolk has supported an organisation called "Participle" to develop the Suffolk Circle model based on similar work in the London Borough of Southwark.

In summary, Suffolk Circle is a membership organisation open to anyone over the age of 50 years. An annual membership fee of £30 (or £2.50 a month) enables members to have access to social activities, a phone number to call for practical advice, a personalised membership pack and monthly letter. Once a member, virtual tokens can be purchased at a cost of £6 (or £30 for 6) which can be used for a range of social events, visits and practical help provided through a network of helpers. A £6 token can be used for a ½ hour helper visit. Some examples of the types of things helpers might give a hand with include gardening, DIY, technology and transport. The Suffolk Circle covers the helpers' expenses and, by becoming a member as well as a helper, tokens can be earned through helping which can then be used to take part in events or in exchange for practical help.

Based on research undertaken locally, Participle projected that the model would be self sustainable by the end of its third year, on the basis of a minimum target of 3,500 Circle members. A County Council investment of £680,000, over three financial years, was agreed by Cabinet on 25 May 2010 to support the development of the model.

The Suffolk Circle was officially launched in Suffolk on 14 February 2011. The Circle is now into its second year of operation and has been developed in the West of the County in Year 1. It is planned to roll out across the whole of Suffolk by the end of Year 3.

Age UK Cheshire East Health and Wellbeing Centre – Macclesfield

Age UK Cheshire East has developed a community hub model at its Health and Wellbeing Centre in Macclesfield. The centre provides healthy lifestyles activities including Zumba, Tai Chi, arts and crafts, and houses the Men in Sheds project. The Centre also has a counselling service and an information and advice outreach surgery. Services such as Help at Home go out into people's homes. The organisation is planning to replicate this model in other towns in Cheshire East.

Care4Care

Care4Care is the brainchild of Professor Heinz Wolff. He has a long and distinguished career and is the Emeritus Professor of Bioengineering at Brunel University and the former director of the Bio-engineering division of the Clinical Research Centre of the Medical Research Council. Along with the Young Foundation and Age UK, Professor Wolff launched a Care4Care pilot in the Isle of Wight in March 2012.

How it works:

As a Care4Care member, all the time an individual spends supporting or caring for an older person is “banked” as Care Credits, providing individuals with a way to plan for their own future. Time is measured in quarter, half and whole hours, so that if an individual pops in to check on someone for just 15 minutes a day, they would still be accruing valuable care credits.

The Care Credits a person banks can be used in two main ways:

The main aim of the scheme is to help people prepare for their own older age. When an individual starts to need support, they can spend their Care Credits that they have built up: they don't have to have the same type of support they gave to someone else. For example, someone who accrued 300 hours' worth of Care Credits by driving their elderly neighbours to the doctor and doing supermarket shopping could choose to 'spend' their credits on help with light cleaning and regular companionship.

A second way you can spend your Care Credits is to use them to support a loved one immediately. This can be particularly appealing for people who live some way away from ageing family members or friends. For example, if you are living in Suffolk but have a parent in Newcastle, you can help them at a distance through Care4Care membership. You help a local older person, banking your Care Credits. You then spend them on your mother in Newcastle, so that a Care4Care member local to her will look after her. Alternatively, you might be worried about the life of your partner after your own death. So, you save up Care Credits and leave them to your partner, gaining peace of mind that your husband or wife will be supported for if they outlive you.

One of the strengths of the scheme is that it is a way of people caring for those around them and providing for their own future without depending on financial savings or pension schemes. Everyone has something to offer, and everybody's time is valued as equal.

- 8.95 The Group is not recommending that these initiatives be exactly replicated throughout Cheshire East but simply drawing attention to a range of best practice from which the most appropriate elements can be extracted and applied. Indeed, the Group is also aware of an existing framework in Cheshire

East including Lifestyle centres and Integrated Local Teams (working out of CGP clusters) which could be aligned to such a principle.

- 8.96 The Group has a strong belief that co-ordinating social care along the lines of the Danish Principle will bring about the best outcomes for the older population of Cheshire East and would suggest that a pilot is commissioned to test the efficacy of the model.

9.0 Managing the Social Care Market

- 9.1 Whilst the thrust of this report has been to suggest an incremental move away from funding acute high end care and instead facilitate more preventative, community based and delivered care, there will always be a need for residential and nursing homes. The Group was interested therefore in how the Council could best maintain a good supply of quality beds in what has become a tumultuous market.
- 9.2 It became clear early on that there is no easy solution to this as the Council is struggling to increase the amount paid to care homes with care homes themselves unable to stabilise increasing overheads without affecting the quality of care.
- 9.3 Once again therefore, the levers that the Council has to protect quality and supply in the market are limited. In trying to maintain a supply of beds, it is easy to see how the debate quickly turns to attempting to find efficiencies in existing contracts. The problem with this is that the more the quality of provision is forced down, the more demand can increase as people's needs quickly descend into more complex territories. Any attempt to find efficiencies also favours the larger care home providers who can use economies of scale to reduce overheads. This causes a potential issue for supply as a market with a few large care homes is much more vulnerable than a market with a larger number of smaller care homes.
- 9.4 In a scenario where funding is reducing or remaining stagnant whilst costs are going up, it is clear that the only way to keep supply and quality to a sufficient level is to reduce demand. The Group was pleased to note that the Council has already had some success in achieving this. The number of those in receipt of state funded care in Cheshire East has not expanded in line with the growth in the wider older people's population. The service must be congratulated for this. Despite this success, there is always the danger that the ticking demographic time bomb detonates, leaving the Council beyond its capability to manage.
- 9.5 The Group believes that there are a couple of strategies that the Council could pursue in terms of better managing the market in order to reduce demand.
- 9.6 *Addressing Self Funder migration.*
- 9.7 Most commentators agree that in both the short and long term the number of self funders of care will grow. The numbers of people who self fund their care provision is primarily influenced by the relationship between state funding and individual wealth.
- 9.8 Therefore, numbers may rise through: tighter eligibility criteria, increased charging, less state funding of community organisations, more people having

direct payments and through people who are eligible, topping up their provision from their own, or their families', means. However, a major concern for local authorities, of which Cheshire East is no exception is that there is an increasing number of people who currently self fund their care home placements, migrating over to being council funded when the value of their investments diminish or through increased longevity and spending down capital assets.

- 9.9 It is difficult to know exactly how serious a problem this is, mainly due to the fact that estimating the amount of people self funding is an art rather than an exact science. Without any knowledge of who is out there and how they are funding their care it is also difficult to predict how many people will 'fall into' Council funded care year on year.
- 9.10 Whilst it is difficult to give any precise figures, the Council does (This needs checking) have intelligence that 15% of those people presenting for Council funded care in 2011/12 were returning self funders – cost implication of this?
- 9.11 In terms of managing demand therefore, it is in the Council's interest to reduce the amount of self funders who are migrating to Council care. The Group spoke to Councillor Don Stockton who used to manage a residential care home to gain an insight on the possible strategies that the Council could use to mitigate this issue.
- 9.12 Councillor Stockton outlined two main issues:
 - i) That private care homes allow third party 'top ups' when an individual runs out of their own capital. It was asserted that this 'top up' skewed the market as it provides a Council subsidy to the family and keeps residents in a placement with an artificially high cost. If the 'top up' was restricted it would provide an incentive to private care homes to extend the resident's capital over a longer time period thereby reducing the burden on the Council.
 - ii) That it is in the interest of private care homes to accept residents before they are ready. It was explained that with Council funded care, residents are assessed and placed appropriately but with private care, homes were incentivised to accept 'healthier' residents as they would pay for care over a longer time period. The longer residents are in residential care, the more likely it is that their capital will be reduced to the extent that they will need to migrate to Council funded care. It was suggested that if there was a standardised assessment, it would prevent people from entering care prematurely.
- 9.13 Whilst the Group was concerned about these issues, it was queried what power the Council has to do something about it. Clamping down too harshly on care homes with clauses in contracts could potentially upset the market balance, possibly incurring significant consequences for the Council. Indeed,

there is no way the Council could fill the void left by a number of private care homes closing despite having a statutory obligation to do so.

- 9.14 The Group did conclude however that it is in the interest of both the private care homes and the Council to work together to extend the amount of time people self fund their care. This is because it keeps care homes receiving more money than the Council rate and for the Council; it reduces the burden of extra people needing funded care.
- 9.15 One way this could be achieved would be for the Council to open a dialogue with private care homes about information sharing. Providers are an important source of intelligence about the size and characteristics of the local self-funding market and therefore they could potentially take the following steps to improve the situation:
 - i. Flag up to the Council when an individual has presented for care so that intelligence can be gathered as to the potential size and characteristics of the self funders market.
 - ii. Refer an individual to the Council for independent financial advice in managing their resources both when they present for care and when they are already in receipt of care with depleting resources.
- 9.16 The Council could also take the following steps for improvement:
 - i. To help foster positive relationships with private care homes, there is a need to work with care providers to ensure that their cash flow is improved. Whilst the Council cannot afford to increase the money given to care homes, it could help in other ways such as reducing their administration costs by improving the efficiency of the payment process
 - ii. Ensure that customer facing staff are recording all contacts (and providing people with accessible, accurate and appropriate information and advice) so that the Council can monitor the current self defined needs of self-funders and the nature of these contacts.
 - iii. Improve the basic advice and information given to self funders so that it goes beyond simply a list of care homes. Self-funders often struggle to navigate the care pathway, and to understand the financial implications of different options. People need help to assess the suitability and quality of the care options available to them and it is important that local information and data are designed to meet these consumer requirements. The Group was pleased to note that the Council has developed a partnership with Age UK to provide independent financial advice and has established a website to offer further 'money management' advice. With reference to the earlier point, providing good quality financial advice should be something that is embedded in the practice of all customer facing staff. There is also

the opportunity to present the opportunities that extra care housing presents within this context.

- iv. Look to establish an extensive media campaign to try and get people of all ages but particularly those 50+ thinking about how they will fund their future care. It was noted that there needed to be a considerable shift in culture in terms of getting people to understand that the Council will not fund social care for a number of people in their old age. This could be targeted at those residents who were not asset rich.
- v. Explore providing an annuity product that would help people to provide for their care in old age.
- vi. Explore helping residents to rent out their home so that the rental income could be used to offset care costs whilst maintaining a capital asset for the family. In doing so the Council would need to ensure that the rental agreements were short term so that a deferred charge agreement²¹ could be paid off within an adequate timescale. This could also be achieved through the Council's leasing scheme for empty homes (in development), in which a management company (e.g. Registered Provider) would take on the management of the property, with a guaranteed rental income for the owner for the duration of the agreement. As the Council is not a stock-holding authority this would need to be in partnership.
- vii. Making sure that the deferred charge scheme is robust by firstly establishing a framework for when people have to liquidate an asset in order to pay off a deferred charge agreement and secondly ensuring that people sign up to the agreement before it is granted. The Group was informed that this had not always been the case in the past.
- viii. Work with Age UK by possibly joint funding a welfare advisor in order to ensure that people are receiving the benefits to which they are entitled. This will improve people's cash flow and possibly help them to remain a self funder for longer. The importance of this was demonstrated by the fact that there is a 40% under claim figure for some parts of Cheshire East – one of the worst figures in the country. The benefits of helping people to claim benefits was demonstrated by Age UK Cheshire East as it was noted that they had helped older people gain over £1 million in previously unclaimed benefits in 2010.

9.17 Exploring and understanding the issue of returning self funders has been a frustrating exercise for the Group as it has been difficult to gain access to the numbers involved. It is understood that this intelligence is not readily available as it is difficult to accurately predict the 'known unknowns'. However, there are ways in which the Council could improve this and some of these have been outlined in the points noted above – including trying to get information from private care homes and training customer facing staff to report on contacts. There are also examples of academic work which has

²¹ Under this scheme the difference between the resident's assessed contribution and the accommodation charge would be paid by Cheshire East Council. This "deferred contribution" would then be secured by a charge on the resident's property. The resident would still be required to contribute income and other assets towards their fees (assessed contribution).

been completed by the Institute of Public Care at Oxford Brookes University²² to estimate the number of self funders in England.

- 9.18 The Group would assert that it is vital that the Council has better intelligence on the numbers of self funders in Cheshire East. Without this, the Council will find it difficult to plan strategically to mitigate the potential demand that returning self funders might bring. Indeed, it is suggested that the Council look to commissioning a piece of research, perhaps in conjunction with a local university, to map the number and characteristics of self funders in Cheshire East.

²² Estimating the number and distribution of self-funders of care in England - a quantitative study from the Institute of Public Care at Oxford Brookes University – December 2010.

Appendix 1:

Supporting Carers: The Case for Change
Analysis of the document and how it affects Cheshire East.
(Job: PSI SR 0187)

Introduction

The Princess Royal Trust for Carers and Crossroads Care produced a joint document entitled **Supporting Carers. The Case for Change** which was accompanied by a presentation from the report author Gordon Conochie to Lucia Scally on 2 December 2011.

This paper

- provides an analysis of the financial side of the document, including
- updating some of the quoted figures to incorporate 2010/2011 statutory returns and
- provides some modelling around alternative conversion rates of residential usage to Care at Home
- considers whether the consequent increase in Care at Home is reasonable
- considers the impact on the market of such a transformation of residential usage versus Care At Home

Analysis

The original document suggested the following costs and savings for Cheshire East (in appendix 5 of the document).

Table 1

Increased expenditure on carers	Increased expenditure on Care at Home	Decreased expenditure on residential care	Overall savings
£926,020.00	£3,766,612.18	£8,634,200.00	£3,941,567.82

However, there was an error in the calculation of the second column (explained below) and the revised figures as supplied by Gordon Conochie (email to Louisa Ingham on 18 January 2012) are as follows.

Table 2

Increased expenditure on carers	Increased expenditure on Care at Home	Decreased expenditure on residential care	Overall savings
£926,020.00	£4,708,265	£8,634,200.00	£2,999,915

This was based on three factors –

1. A reduction in residential weeks based on the balance of each Local Authority's ratio of residential to home care provision
2. These weeks were then provided as home care at an above-average rate
3. These weeks were additionally funded at £50 per week of support to carers.

In Cheshire East, the calculations were worked as follows.

- a) A reduction of 20% in residential weeks was considered possible. This is based on a ratio of residential weeks to Care at Home weeks. As Cheshire East had a ratio between 70% and 95% (in fact 90.63%), the 20% figure has been applied.

Total number of residential weeks for year 2009/10 (reported in PSS EX1 return) = 92,602. Therefore, 20% of these weeks would be 18,520.4 weeks. The unit cost from PSS EX1 for Residential / Nursing Care was £466.20 per week. Savings on Residential Care would thus be 18,520.4 weeks x £466.20 per week = £8,634,200 (approx.)

- b) Increased home care costs are calculated as 25% above the average weekly cost. The figures for home care costs were taken from the RAP P2S home care as at 31 March (number of clients), multiplying it by 52 to give an annual number of client weeks and then dividing that into the expenditure for home care in 2009/10 from PSS EX1. For Cheshire East, these figures were 1965 recipients x 52 weeks = 102,180 client weeks against £20,781,000 expenditure giving a unit cost of approximately £203.38 per week.

In the 2009/10 PSS EX1, Cheshire East did not give a unit cost figure for Home Care (the total number of home care hours in the year was a voluntary item and one quarter of councils did not complete a figure). Therefore, the method used by the author of the paper was to use the RAP figures for one week and extrapolate. This seems a reasonable basis to use.

However, the unit cost that had been calculated (£203.38 per week) was then inflated by 25%, giving (rounded) £254.22 per week. When this is applied to the 18,520.4 weeks, a figure for increased home care of £4,708,265 is reached. **(Note that in the first cut of figures the 25% increase in home care costs had not been applied – for any LA not just Cheshire East and hence the savings were overstated. This was corrected in the email sent to Louisa Ingham on 18 January 2012).**

- c) Allowing £50 per week for each of these weeks gives £926,020 increased expenditure on carers.

2010/11 PSS EX1

Since the document was produced, the NHS Information Centre has published the 2010/11 figures for PSS EX1 (as a provisional release at this stage). It is therefore possible to update the figures in the document with more recent information than had been available at the time it was written.

Updating the Cheshire East figures using 2010-11 PSS EX1 information gives the following.

Table 3

Residential weeks decreased by	Increased expenditure on carers	Increased expenditure on Care at Home	Decreased expenditure on residential care	Overall savings
21,841	£1,092,038	£7,726,341	£11,469,250.00	£2,650,871

As the ratio of residential care weeks to home care weeks was 134% for 2010/11 (compared to 91% in 2009/10), the calculation in the spreadsheet tells us to use a potential 25% rather than 20% for the number of residential weeks that can be converted to home care weeks. Hence, this would equate to 21,841 weeks.

The number of weeks we report in the PSS EX1 return is a total of residential and nursing for both temporary and permanent provision. It is assumed that this proposal could save temporary (respite) and permanent admissions and the figures have therefore not been disaggregated any further. Around 11% of the residential and nursing weeks in 2010/11 were for temporary stays.

Given there a number of assumptions in the spreadsheet, it is appropriate that we model some of these assumptions and consider the impact and the potential savings with some alternative scenarios.

Modelling.

Let us assume that, rather than the 25% conversion of residential weeks to home care suggested by the 2010/11 ratio, only 10% / 15% / 20% is possible.

At 10% reduction in residential usage

Table 4

Residential weeks decreased by	Increased expenditure on carers	Increased expenditure on Care at Home	Decreased expenditure on residential care	Overall savings
8736	£436,815	£3,090,536	£4,587,700.00	£1,060,349

At 15% reduction in residential usage

Table 5

Residential weeks decreased by	Increased expenditure on carers	Increased expenditure on Care at Home	Decreased expenditure on residential care	Overall savings
13,104	£655,223	£4,635,805	£6,881,550	£1,590,523

At 20% reduction in residential usage

Table 6

Residential weeks decreased by	Increased expenditure on carers	Increased expenditure on Care at Home	Decreased expenditure on residential care	Overall savings
17,473	£873,630	£6,181,073	£9,175,400	£2,120,697

The next assumption is around home care. A unit cost figure has been taken and inflated by 25% “because needs are likely to be greater than average” (Appendix 4). However, it is likely that this is a conservative estimate as a person coming from residential care or being likely to have gone into residential care were it not for this scheme is likely to have a large care package, not just one that is 25% above the average.

What is an average care package? Here are three measures.

(i) We know from PSS EX1 that our unit cost per hour was £23.10 for home care. Worked against a weekly unit cost of £282, this equates to an average package of 12.2 hours.

(ii) This seems in line with industry averages. The UK Home Care Association has quoted an average of 12.4 hours across England.

(iii) Finally, PSS EX1 total home care in 2010/11 for all councils (totals of columns CX + CY) gives 197,744,245 hours in the year. Meanwhile, the RAP P2S total clients for the last week in the year extrapolated (Page1, row 11, column 2 + page 3, row 11, column 2) = $319,315 \times 52 = 16,604,380$ hours. This gives an average of 11.91 hours per client. (The equivalent figures for Cheshire East are 798,280 divided by $(1260 \times 52) = 798,280 / 65,520$. Average = 12.18 hours).

Therefore, this model proposes that a person could be supported at home on 25% above the average of 12 hours – thus a package of 15 hours (2¼ hours per day). We must assume that these will be large care packages and these may typically require four home care calls per day - 21 or 28 hours per week may be more likely. Thus, we should perhaps consider that these packages would need 30%, 40%, 50% increases in home care costs rather than 25%. This is a modest assumption as these increases would assume packages of 15.6, 16.8 and 18 hours per week respectively. Expanding the tables from above

At 10% reduction in residential usage

Table 7

	Increased expenditure on Care at Home at 25% above unit cost	At 30% above unit cost	At 40% above unit cost	At 50% above unit cost
Increased expenditure on carers	£436,815	£436,815	£436,815	£436,815
Increased expenditure on Care at Home	£3,090,536	£3,214,158	£3,461,401	£3,708,644
Decreased expenditure on residential care	£4,587,700	£4,587,700	£4,587,700	£4,587,700
Overall savings	£1,060,349	£936,727	£689,484	£442,241

At 15% reduction in residential usage

Table 8

	Increased expenditure on Care at Home at 25% above unit cost	At 30% above unit cost	At 40% above unit cost	At 50% above unit cost
Increased expenditure on carers	£655,223	£655,223	£655,223	£655,223
Increased expenditure on Care at Home	£4,635,805	£4,821,237	£5,192,101	£5,562,966
Decreased expenditure on residential care	£6,881,550	£6,881,550	£6,881,550	£6,881,550
Overall savings	£1,590,523	£1,405,091	£1,034,226	£663,362

At 20% reduction in residential usage

Table 9

	Increased expenditure on Care at Home at 25% above unit cost	At 30% above unit cost	At 40% above unit cost	At 50% above unit cost
Increased expenditure on carers	£873,630	£873,630	£873,630	£873,630
Increased expenditure on Care at Home	£6,181,073	£6,428,316	£6,922,802	£7,417,287
Decreased expenditure on residential care	£9,175,400	£9,175,400	£9,175,400	£9,175,400
Overall savings	£2,120,697	£1,873,454	£1,378,968	£884,483

At Gordon's 25% reduction in residential usage.

Table 10

	Increased expenditure on Care at Home at 25% above unit cost	At 30% above unit cost	At 40% above unit cost	At 50% above unit cost
Increased expenditure on carers	£1,092,038	£1,092,038	£1,092,038	£1,092,038
Increased expenditure on Care at Home	£7,726,341	£8,035,395	£8,653,502	£9,271,609
Decreased expenditure on residential care	£11,469,250	£11,469,250	£11,469,250	£11,469,250
Overall savings	£2,650,871	£2,341,818	£1,723,711	£1,105,603

Therefore, in all the above scenarios, we have looked to consider where the costs / savings may be different to those envisaged in the paper. Using a range of 10% -

25% for the reduction in residential usage and a range of 25% - 50% for the increase in home care costs, the savings are as follows.

Table 11

	INCREASED HOME CARE EXPENDITURE			
DECREASE IN RESIDENTIAL USAGE	25%	30%	40%	50%
10%	£1,060,349	£936,727	£689,484	£442,241
15%	£1,590,523	£1,405,091	£1,034,226	£663,362
20%	£2,120,697	£1,873,454	£1,378,968	£884,483
25%	£2,650,871	£2,341,818	£1,723,711	£1,105,603

These range from £442,000 to £2.65 million. Thus, the proportion of weeks that can be converted from residential to home care and the increase in home care costs these would bring are crucial in ascertaining what savings could accrue to Cheshire East.

The issue of “Year 1”

It has been assumed here that we will not seek to take residents **from** care homes to support them at home. We would not presently be identifying a “carer” when the person is in a care home and the assumption in the original paper is that a proportion of **admissions** to residential and nursing care can be prevented. In 2010/2011, Cheshire East admitted 560 clients to permanent residential and nursing establishments over the course of the year. If, in the future, we continue to place at that same rate (around 11 clients every week), we will not be converting the full set of residential weeks to home care weeks from week 1. Rather, in Year 1, we will see a gradual implementation of the process as small numbers of persons who would have otherwise gone in to residential care are then supported at home. Let us consider the following theoretical example using some very average numbers.

Table 12

Week	Number of persons considered for residential care	20% supported at home instead	Number of residential weeks saved from then to Year End	Number of residential weeks saved (YTD)
1	11	2 persons	$52 \times 2 = 104$	104
2	11	2 persons	$51 \times 2 = 102$	206
3	11	2 persons	$50 \times 2 = 100$	306
4	11	2 persons	$49 \times 2 = 98$	404
5	11	2 persons	$48 \times 2 = 96$	500
And so on up to the Year End....				
52	11	2 persons	$1 \times 2 = 2$	2756

This shows that in the first year, we would only be saving around 2000 – 3000 weeks (and not the 8000 – 21,000 envisaged in the models above). In the second year, we would save 52 weeks for each of these 100+ clients from the first year which would be 5200+ weeks, together with a new cohort of clients for whom we would save 2000 – 3000 weeks. Thus, even by the end of Year 2, we are only just reaching the low estimate of the weeks that we could save.

Indeed, we have calculated that, if we have 560 new admissions in a year, if these clients are admitted at a steady rate through the year and they all stay in care from then to the end of the year, they would account for 14,840 weeks. If we only looked for clients eligible for this process from that group of people, we would either need to be converting a very large percentage of the 560 people to Care at Home (which is of course impractical as many admissions will not be preventable e.g. due to their needs or clients may have no suitable carer by whom they could be supported) or we would be achieving far fewer weeks saving than first thought.

Thus, a point for consideration is the assumption above that we would not be taking residents **from** care homes. If substantial savings are to be made in a shorter time scale, then effort will need to be put into identifying residents in care homes who could be supported at home after all.

The costing model assumes a payment to a carer of £50 per week which is acknowledged to be generous and above any known carer's personal budget (covering email from Gordon Conochie to Lucia Scally 7 December 2011). However, as the costing includes training for the carer together with respite, it does not seem unreasonable and no attempt has been made here to model a lower figure for that item. Further considerations around carers can be found later in this analysis.

Impact on the market for residential care.

The 2010/11 PSS EX1 return shows us that residential and nursing weeks total as follows (all age groups):

Table 13

All Nursing Care	34,715	45% of all Res / Nursing
Residential Care provided by Local Authority	4245	5% of all Res / Nursing
Residential Care provided by Others	38,905	50% of all Res / Nursing

Therefore, 95% of the Residential and Nursing Care is provided by the independent sector. This is 73,620 weeks in 2010/11. It is not measured here as to how many of these weeks are bought as Out of County placements and, conversely, what proportion of residents in Care homes in Cheshire East are from either non-Cheshire East locations or are privately funded placements without any involvement of Cheshire East in the assessment.

It seems reasonable to assume, however, that the 73,620 weeks above is a good estimate of the level of business of the care homes in this local authority. The proposal in the paper by the Princess Royal Trust and Crossroads Care envisages a

transfer of 15% - 25% of the total weeks from the residential sector to Care at Home. This is 2.4 million weeks (or £14.9 billion) across England and, for Cheshire East, it has been calculated at 18,520 weeks in the appendix (£8.6 million). Updating the Cheshire East figure for 2010/11 returns, we would be assuming £11.469 million taken out of the residential sector at 25% conversion rate (21,841 weeks i.e. more than 150,000 bed nights in the year). Using the lowest conversion rate of 10% we have considered in our modelling, we would still have £4.858 million less paid to the residential sector, being 8736 weeks (more than 60,000 bed nights in the year). While the private and voluntary sectors have enjoyed growth over recent years through the shift away from internally-provided residential care and the expansion in the social care market in general, this would be a significant reversal of their business and would need to be carefully discussed with Strategic Commissioning due to the impact it could have.

Impact on the market for domiciliary care.

The converse to the above is that there will be an increase in the provision of domiciliary care of which the private and voluntary sectors will be the beneficiaries. The forecast is that £567.3 million of increased domiciliary care would be commissioned across England and that, in Cheshire East, this would be an increase of £4.7 million in the domiciliary sector. Updating the Cheshire East figure for 2010/11 returns at the same percentages as in the original paper, we would be assuming £7.7 million. Using the various modelling figures, it ranges from £3.1 million to £9.3 million additional domiciliary spend. This is on a budget of £20.78 million at 2009/10 figures (or £18.47 million at 2010/11 figures). Again, this is envisaging a significant impact on the market that would need to be discussed with Strategic Commissioning.

Important factors to consider would be around the availability of the home care workforce and potential bottlenecks around popular times of delivery of care. These issues inevitably arise from such a large increase in hours and it would need to be explored with providers as to whether they believed there was the possibility of sufficient recruitment to meet the demand. (See forecasts from Personal Social Services Research Unit).

Carers.

Underlying the proposal in the paper is the recognition that some service users will be able to remain at home due to the presence of a carer. It is assumed that, in Cheshire East, there is a cohort of service users supported by carers who would be able to benefit from increased support, training and funding such that the service user will be able to remain at home and that the carer will be capable of providing this support.

In Cheshire East, we reported in 2010/11 that there were 1295 carers who had been offered an assessment or review. 305 of these were themselves aged 75 or over. Based on national trends, three-quarters of carers live with the cared-for person and one-third of carers spend 100 or more hours per week caring for a person. In recent

years, we have had a high proportion of carers who declined an assessment or review (around 20%).

However, the performance in 2011/12 has been such that there has been a large increase in the number of carers who have been offered an assessment. By Quarter 3, 2964 carers had been offered an assessment, suggesting that in the full year, the numbers involved will be substantially greater than in previous years. Also, the number of those who declined an assessment has fallen to 10% which provides a better basis for identifying carers and their needs, including those who may be able to support an initiative such as this.

We identified in
Table 4 to

Table 6 that 8736 to 21,841 weeks would be converted to Care at Home. In a full year, this would be from approximately 160 to 420 carers (but noticing the Year 1 scenario outlined above, the numbers would be smaller than this at first). Once we have a full cohort of perhaps 300-400 carers receiving this support, this will be only a subset of the 2964 or more carers that we have identified. Therefore, we may encounter issues over differential support for carers. Note that there may be carers providing high levels of care for persons who **do not** satisfy either the criteria for residential care admission or the criteria by which they would have been admitted had it not been for this scheme. The support given by these carers is likely to be no less in terms of quality, quantity or importance to the service user's wellbeing than those we have identified for this enhanced carer payment and there may be issues over fairness and differentials in financial support.

It has been found through the Adult Social Care Survey that nationally more than 80% of carers are satisfied with breaks (whether short breaks of up to 24 hours or longer breaks) and the increased support for carer respite this proposal envisages would certainly appear to be a welcome development. It is also necessary to consider what the impact would be on respite provision for an increased group of carers or cared-for persons.

Similarly, the proposal presumes a large increase in training provided to carers. Practicalities that would need to be considered include

- what types of training will be required
- who will identify what training for what carers as there will be different competencies, circumstances and requirements
- what capacity there is among training organisations for a large-scale increase in carer training,
- how this training would be funded (direct funding of providers versus funding through Carer Direct Payments),
- possible increased respite of the cared-for person during carer training periods

The proposal also seems to bring an extra process for Assessment and Care Management staff around identifying a class of eligible client who would meet these criteria. Where we would previously have considered

“need this person go into residential care or can they be supported at home through a package of care?”

We would now consider

“if this person can be supported at home through a package of care, would they have gone into residential care had this additional funding for the carer not been available?”

Thus, we would need to know which client has a carer for which we would be offering this package of care including the enhanced carer payment. How do we identify the carers in question e.g. would the number of hours of care provided be a factor, would we have to build a matrix to assess the threshold or do existing processes suffice?

A further consideration would be whether some existing carers qualify or whether this is only applicable to new assessments.

Sources - research

Supporting Carers. The Case for Change (The Princess Royal Trust for Carers and Crossroads Care, 2011)

http://www.carers.org/sites/default/files/supporting_carers_the_case_for_change.pdf

Care of Elderly People. UK Market Survey 2011/12 (Laing & Buisson 2012)

<http://www.laingbuisson.co.uk/MarketReports/AvailableReports/tabid/570/CategoryID/7/List/1/Level/1/ProductID/511/Default.aspx?SortField=DateCreated+DESC%2cProductName>

Projections of demand for residential care for older people in England to 2020

(Adelina Comas-Herrera, Raphael Wittenberg and Linda Pickard, PSSRU, 2001)

<http://www.pssru.ac.uk/pdf/dp1719.pdf>

Projections of demand for residential care for older people in England (Derek King, Juliette Malley, Raphael Wittenberg, Robin Darton and Adelina Comas-Herrera, PSSRU, 2010)

<http://www.pssru.ac.uk/pdf/dp2624.pdf>

An overview of the UK domiciliary care sector (UK Home Care Association Summary Paper, January 2012)

<http://www.ukhca.co.uk/pdfs/domiciliarycaresectoroverview.pdf>

Sources – statutory returns.

2009-10 ASC-CAR and RAP figures

<http://www.ic.nhs.uk/statistics-and-data-collections/social-care/adult-social-care-information/community-care-statistics-social-services-activity-england-2009-10-further-release>

2010-11 ASC-CAR and RAP figures

<http://www.ic.nhs.uk/statistics-and-data-collections/social-care/adult-social-care-information/community-care-statistics-social-services-activity-england--2010-11--provisional-release>

2009-10 PSS EX1

<http://www.ic.nhs.uk/pubs/pss0910exp>

2010-11 PSS EX1

<http://www.ic.nhs.uk/statistics-and-data-collections/social-care/adult-social-care-information/personal-social-services-expenditure-and-unit-costs-2010-11-provisional-release>

2009-10 Adult Social Care Survey

http://www.ic.nhs.uk/webfiles/publications/Social%20Care/psscarersurvey0910/Personal_Social_Services_Survey_of_Adult_Carers_in_England_2009_10_v1.2.pdf

Overview and Scrutiny Review
Adult Social Care Scrutiny Committee
November 2011 – May 2012



For further information, please contact
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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	23 July 2012
Report of:	Arthur Pritchard – Assets Manager
Subject/Title:	Centenary of the First World War and War Memorials Cheshire East
Portfolio Holder:	Cllr Jamie Macrae – Portfolio Holder for Prosperity and Economic Regeneration

1.0 Report Summary

- 1.1 To consider a notice of motion submitted by Cllr D Flude and Cllr C Thorley at the meeting of full Council held on 23rd February 2012. The notice of motion stated that:

'In 2014 the nation will commemorate the centenary of the First World War can this council be assured that any war memorials that the borough has responsibility for are being conserved to the high standard that the public expect?

Is there a comprehensive list of all memorials in the borough's keeping?

Are all memorials in good repair?

Is the budget sufficient for the conservation of the memorials for generations to come?

A report to the relevant Scrutiny committee is prepared to inform members in relation to the points above.

Can this council consider how it will plan for the centenary events in 2014 to include the Cheshire Archives, the museum of Cheshire Regiment, other military, Cheshire's many history societies our libraries, schools and residents?'

- 1.2 The report sets out the current situation with regard to war memorials and the recommended actions that are proposed to understand and address the issues identified in the Notice of Motion.

2.0 Decision Requested

- 2.1 To endorse the notice of motion.

2.2 To note the report and comment on the current position in relation to those war memorials in the Borough's keeping.

2.3 To agree the recommended actions set out in Section 10 of the report.

3.0 Reasons for Recommendations

3.1 Maintaining war memorials and commissioning new facilities in respect of current conflicts is an important discretionary local authority responsibility. Under the War Memorials (Local Authorities' Powers) Act 1923 and its later amendments, local authorities have the power to maintain, repair and protect war memorials in their district. They also have a separate power to correct inscriptions and add additional names to existing memorials in respect of more recent conflicts. There is no statutory duty to do so.

3.2 The definition of Local Authority for the purposes of this act includes both town and parish councils. Consequently, the custodianship of Cheshire East's War Memorials is a shared responsibility requiring the support of all those with an interest in ensuring that they are maintained and protected in the manner expected by the community.

3.3 With the centenary of World War 1 in 2014, interest in the country's war memorial heritage, stimulated by current conflict and family history research, is growing

4.0 Wards Affected

4.1 All Wards are affected.

5.0 Local Ward Members

5.1 None

6.0 Policy Implications including - Carbon reduction - Health

6.1 None

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

7.1 There are no immediate direct financial implications arising from this report. However, it should be noted that the adoption of recommendations arising from the actions proposed in Section 10 of this report may ultimately result in the Council incurring additional costs as a result of its shared role in the custodianship of the Borough's war memorials.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The War Memorials (Local Authorities' Powers) Act 1923 (as amended by the Local Authorities Act 1948 and the Local Government Act 1948) contains provisions enabling local authorities to incur reasonable expenditure in maintaining, repairing, or protecting any war memorial within their district, whether or not that war memorial is vested in the council.
- 8.2 The definition of Local Authority for the purposes of this act includes the district (town) council, parish council, and a parish meeting of a rural parish with no parish council.
- 8.3 This act does not apply to a war memorial provided or maintained by a local authority in exercise of any other statutory power.
- 8.4 In order to address the notice of motion it is necessary to establish which memorials are:
 - 8.4.1 owned by the Council and or the parish council because they are on Council land or have been transferred by a formal transfer of responsibility and therefore are the Council's or parish council's responsibility;
 - 8.4.2 not owned by the Council but maintained by the Council informally;
 - 8.4.3 not owned or maintained by the Council but in need of preservation.
- 8.5 With regard to those memorials referred to in 8.4.3 a decision would then need to be made as to whether the Council exercises its statutory power to maintain or repair.
- 8.6 It will also be necessary before any works are carried out to establish if any of the monuments are within a conservation area, are listed or are scheduled monuments as additional consents may be required for works. In addition consideration should be given to the need for planning permission depending on the nature of the work required.

9.0 Risk Management

- 9.1 Although a discretionary responsibility, any failure by the Council to fulfil its responsibilities in respect of those war memorials for which it is directly responsible for could lead to significant reputational damage

10.0 Background and Options

- 10.1 Maintaining war memorials and commissioning new facilities in respect of current conflicts is an important discretionary local authority

responsibility. Under the War Memorials (Local Authorities' Powers) Act 1923 and its later amendments, local authorities have the power to maintain, repair and protect war memorials in their district. They also have a separate power to correct inscriptions and add additional names to existing memorials in respect of more recent conflicts. There is no statutory duty to do so.

- 10.2 The definition of Local Authority for the purposes of this act includes both town and parish councils. Consequently, the custodianship of Cheshire East's War Memorials is a shared responsibility requiring the support of all those with an interest in ensuring that they are maintained and protected in the manner expected by the wider community..
- 10.3 In response to an approach from the War Memorials Trust, the Assets Manager was identified as the Council's War Memorials Officer to act as a focal point within the Council for war memorial matters and liaise with the War Memorials Trust for support and advice.
- 10.4 With the centenary of World War 1 in 2014, interest in the country's war memorial heritage, stimulated by current conflict and family history research, is growing.
- 10.5 A War Memorial is defined as any physical object erected or dedicated to commemorate those killed as a result of armed conflict. War memorials to those who served and returned alive as well as civilian casualties and animals should be included. Most, but not all war memorials, relate to the First and Second World Wars.
- 10.6 All entries regarding war memorials in their broadest sense and relating to Cheshire East have been extracted from information provided by the United Kingdom National Inventory of War Memorials (UKNIWM). Links provided in Appendix 1 to this report provide a full list of all memorials located within the boundaries of Cheshire East.
- 10.7 An examination of the information provided by the UKNIWM reveals a complicated picture in terms of clearly identifying responsibility for the maintenance of individual memorials. Whilst ownership of the land and/or the structure itself can be a determining factor in terms of the responsibility for upkeep, the custodianship may lie elsewhere. In general, however, the following assumptions can be made:
 - 10.7.1 Any memorials in churches, chapels or church yards are the responsibility of Church Authorities (unless the UKNIWM specifies otherwise).
 - 10.7.2 Similarly, any memorials in private ownership, for example independent schools, clubs etc, are the responsibility of the owner.

- 10.7.3 The UKNIWM specifies a number of memorials that are maintained by Town and Parish Councils.
- 10.8 Cheshire East Council is currently responsible for the maintenance of a number of war memorials throughout the Borough. Whilst in some instances, for example the memorial in Municipal Square Crewe, responsibility is clear as the memorial is within the Council's ownership, there are others where the position is less clear.
- 10.9 There is a need for greater clarity and certainty in terms of the responsibility for all war memorials in the Borough. The Council has specific responsibility for those memorials within its ownership, but there is a wider, albeit discretionary, obligation in conjunction with both town and parish councils to ensure that memorials in general are maintained in the manner expected by the wider community.
- 10.10 In accordance with the recommendations contained in the Guidance for Custodians published by the Department for Constitutional Affairs, the War Memorials Officer is currently compiling a consistent record of those war memorials known to be in the custodianship of the Council. The final document will address the following specific issues:
- 10.10.1 Identification and recording – location and description.
 - 10.10.2 Condition Survey – identification of immediate action required to preserve, protect and repair the memorial.
 - 10.10.3 Maintenance – introduction of an annual inspection programme to ensure their effective upkeep.
- 10.11 By implication, such a record will identify the scale of the financial commitment required by the Council to maintain, repair and protect those memorials for which it is directly responsible.
- 10.12 As referred to elsewhere in this report, responsibility for the custodianship of an individual memorial is not always clear. Whilst a review of the available information may allow the Council to clearly attribute responsibility to a third party, there will undoubtedly be a number of memorials where the responsibility is unknown or cannot be established with any certainty.
- 10.13 Any decision to assume responsibility (as permitted under War Memorials (Local Authorities' Powers) Act 1923 and its later amendments) for the upkeep of those memorials for which a custodian cannot be established will bring with it potentially significant financial implications.
- 10.14 The establishment of a comprehensive record in terms of both detail and ongoing cost implications will enable individual authorities to make informed decisions in relation to those war memorials for which they

have a direct obligation to maintain and protect. In addition, it will facilitate a wider discussion in respect of those memorials where the responsibility is unknown or cannot be established with any certainty.

10.15 It is important to stress that custodianship is a shared responsibility. Town and Parish Councils, together with the Council, have a responsibility, albeit discretionary, to maintain and protect war memorials within the area that they control..

10.16 To summarise, it is proposed that the following pieces of work are undertaken and that they form the basis of a future report to Cabinet:

10.16.1 that the Council work with Town and Parish Councils in order to compile a database in respect of all war memorials within the Borough of Cheshire East and that, as part of this process, the responsible authorities work together to clearly establish ongoing responsibilities.

10.16.2 that consideration be given to the Council's role in the planning and implementation of events to mark the centenary of World War 1 in 2014. Such consideration to include full consultation with all those likely to be involved at a local, regional and national level.

11.0 Access to Information

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

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Designation: Assets Manager

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Appendix 1 – War Memorials Schedule, Cheshire East

War Memorials in Cheshire East

APPENDIX

WWI and WWII War Memorials in Cheshire East

[PCDOCSLIB1-#819925-WWI and WWII Memorials on Cheshire East property or in close proximity](#)

All War Memorials in Cheshire East

[PCDOCSLIB1-#815326-War memorials Cheshire East](#)

War Memorials currently maintained by FM (list supplied by Richard Jones)

[PCDOCSLIB1-#820014-Cenotaphs and Memorials maintained by Cheshire East FM - list supplied by F](#)

Link to CE Facilities Management Information

[O:\East\Assets\FacilitiesManagement\Cenotaphs and Memorials 88863](#)

Links to useful websites

UK National Inventory of War Memorials

<http://www.ukniwm.org.uk/>

War Memorials Trust

<http://www.warmemorials.org/>

Carl's Cam

<http://www.carlscam.com/>

Definitions and Guidance

Definition of a War Memorial

<http://www.warmemorials.org/uploads/publications/53.pdf>

War Memorials in England and Wales: Guidance for Custodians

<http://www.justice.gov.uk/downloads/burials-and-coroners/war-memorial-guidance.pdf>

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[Richard Jones](#)

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	23 July 2012
Report of:	Borough Solicitor
Subject/Title:	Notice of Motion on the introduction of a Policy of Responding to Elected Member Enquiries
Portfolio Holder	Strategic Communities

1.0 Report Summary

- 1.1 This report invites the Cabinet to consider the following Motion, proposed by Councillor Boston, which has been referred by Council to the Cabinet for consideration:

“That Cheshire East Council adopt a policy of responding to elected member enquiries within 2 working days even if that response is a holding reply pending the collection of further information”

2.0 Recommendation

- 2.1 That Cabinet consider the Motion and offer its advice to Council.

3.0 Reasons for Recommendations

- 3.1 To enable Council to consider the Cabinets views on the matter.

4.0 Wards Affected

- 4.1 None

5.0 Local Ward Members

- 5.1 All Members are affected by this matter.

6.0 Policy Implications

- 6.1 None identified.

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

- 7.1 None identified.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 None identified.

9.0 Risk Management

9.1 None identified.

10.0 Background and Options

10.1 On 19th April 2012 Council considered a Notice of Motion submitted by Councillor Boston on a policy of responding to elected member enquiries with two working days. The Notice of Motion is attached at Appendix1.

10.2 The Member Officer/Relations Protocol contained in the Constitution (Paragraph 4.4 refers) states that officers should respond to enquiries and complaints in accordance with the Council's standards.

10.3 The Council has published a Customer Charter which sets out the service standards that the public can expect when they contact the Council.

10.4 Amongst other things it states:-

If you telephone us:

- we will aim to answer your call within 20 seconds
- we will phone you back within one working day if you leave a message
- when the offices are closed we will inform you of our out-of-hours service, together with when the offices will next be open
- your call will be answered by a member of staff, who gives their name and who will take responsibility to ensure that your call is dealt with efficiently.

If you write or send us an email:

- we aim to respond to all letters within ten working days. If this is not possible we will tell you why and give you a response date
- we will respond to your email in full within five working days.

10.5 Within the Council there is a culture of responsiveness, and this is supported by the statistics used to monitor compliance with the Charter.

10.6 If Cabinet Members believe that there could have been unacceptable delays and that the existing requirements set out in the Member Officer/Relations Protocol Cabinet should be reviewed then Cabinet might wish to invite officers to review the approaches in other local authorities and consult further with all members of the Council on this matter before submitting a comprehensive report on the matter to Cabinet.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer. There are no specific background documents.

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Appendix 1

NOTICE OF MOTION TO COUNCIL 19 APRIL 2012

MINUTE 106

Consideration was given to the following Notices of Motion :-

5. Submitted by Councillor G Boston

Response Time for Elected Members Enquires

Elected Members as the representatives of local people often need to contact Cheshire East staff for information/explanation of particular actions, or as is more often the case inactions.

Recent experience is that officers are sometimes taking as long as three weeks to respond to enquiries made by Elected Members. Whilst that timescale is clearly unacceptable there isn't actually a protocol laid down for what is an acceptable response time to Elected Members. Following discussion with senior officers of this Authority we are told that the acceptable timescale for a response to an Elected Member is the same as the general public which is five days.

The Labour Group's view is that we are not members of the public but their elected representatives; furthermore we are almost always making an enquiry when for whatever reason the customer response protocols have broken down.

Other authorities have specific response times for elected member enquiries for example Manchester City Council has 24hrs with a clear expectation on officers that responding to elected members is a top priority.

On behalf of the Labour group I move that Cheshire East Council adopt a policy of responding to elected member enquiries within 2 working days even if that response is a holding reply pending the collection of further information.

RESOLVED

That the motion stands referred to Cabinet for consideration.

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