

Cabinet Agenda

Date: Tuesday, 8th December, 2015
Time: 2.00 pm
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

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

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

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

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

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

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

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

4. **Questions to Cabinet Members**

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

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

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

To approve the minutes of the meeting held on 10th November 2015.

6. **Notice of Motion - Trade Union Membership** (Pages 11 - 14)

To consider and respond to the motion.

7. **Council Tax Support Scheme 2016/17** (Pages 15 - 98)

To consider proposed changes to the Council Tax Support Scheme for 2016/17.

8. **Council Tax Base 2016/17** (Pages 99 - 106)

To consider a report which sets out the tax base calculation for recommendation to Council.

9. **Implementing the Care Act - Moving to a Local and Personalised System of Care and Support** (Pages 107 - 116)

To consider a report on proposed changes to the Council's policy on care services in order to be fully compliant with the Care Act 2014.

10. **Adult Social Care Fee Rates** (Pages 117 - 186)

To consider a report on the review of the Council's adult social care fee structure undertaken by RedQuadrant, their recommendations, the impact of those recommendations in care terms, economic terms, financial and budgetary terms, and also on the providers and their sustainability.

11. **The Quality Assurance of Care Services in Adult Social Care** (Pages 187 - 196)

To consider an update on the work of the Contract Management and Quality Assurance Team over the last year and to seek approval for continued investment in this function.

12. **Revised Statement of Gambling Principles** (Pages 197 - 246)

To consider a report on a revised statement of gambling principles for recommendation to Council.

13. **Highway Asset Management Policy and Strategy** (Pages 247 - 268)

To consider a report proposing that Cheshire East Council formalise the use of Asset Management principles for the future management and maintenance of its adopted Highway Infrastructure.

14. **HS2 Update**

Report to follow.

THERE ARE NO PART 2 ITEMS

This page is intentionally left blank

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 10th November, 2015 at Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

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

Councillors A Arnold, Rachel Bailey, J Clowes, J P Findlow, S Gardner,
L Gilbert, P Groves and D Stockton

Members in Attendance

Councillors Rhoda Bailey, P Bates, S Corcoran, L Durham, S Edgar,
R Fletcher, G Hayes, S Hogben, L Jeuda, R Menlove, B Moran, H Murray,
D Newton, M Warren and G Williams

Officers in Attendance

Mike Suarez, Kath O'Dwyer, Peter Bates, Caroline Simpson, Heather
Grimbaldeston, Anita Bradley, Stephanie Cordon and Paul Mountford

51 DECLARATIONS OF INTEREST

There were no declarations of interest.

52 PUBLIC SPEAKING TIME/OPEN SESSION

John Scarrott referred to the maintaining of a derestricted area through Gilberts Cross, Elworth Park estate and Moss Lane between Salt Line Way and the entrance to the estates. He also referred to a decision that no street lighting would be erected and that the pavement on Moss Lane was not wide enough to accommodate a double buggy, which he said would be dangerous in the winter months when it was dark, especially if the derestriction were maintained. Work was supposed to be commencing on the Moss Lane closure and single lane working on the bridge but as yet nothing seemed to have happened. Mr Scarrott elaborated on both matters and undertook to provide copies of the relevant correspondence and documentation to Members.

Councillor D Brown, Cabinet Member for Highways, undertook to look into the matters raised by Mr Scarrott and provide him with a detailed reply.

Sylvia Dyke referred to the Leader's ordering of an investigation in March into breaches of management and lack of Council enforcement in relation to White Moss Quarry. In the seven months since the investigation was ordered, neither she nor the residents had received any further contact

from the Council regarding progress in dealing with the breaches. She had also written to the Council, asking that further liaison meetings be arranged but had been informed that no one from the Council or the quarry management and its agents was available to attend. She also referred to recommendations from the Ombudsman which had not been acted upon.

The Leader asked the Executive Director of Economic Growth and Prosperity to ensure that there was a robust response on the matter, including the arranging of any necessary meetings.

53 QUESTIONS TO CABINET MEMBERS

Councillor S Corcoran asked whether any payments had been made to former senior officers or any actuarial payments had been made in respect of senior officers since 31st March 2013, relating to officers who left prior to 31st March 2014 or who were in post at the time of Lyme Green.

The Leader replied that as far as he was aware, no such payments had been made. He asked the Chief Executive to look into the matter and provide confirmation.

Councillor R Fletcher referred to the conditions requiring regular liaison meetings with the owners of White Moss Quarry and asked when the Council would take action against officers who were in breach of the conditions.

The Leader asked the Executive Director of Economic Growth and Prosperity to send a reply to Councillor Fletcher.

54 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 13th October 2015 be approved as a correct record.

55 CHESHIRE EAST COUNCIL POSITION ON SUPPORT FOR SYRIAN REFUGEES AND ASYLUM SEEKERS

Cabinet considered the following motion which had been moved by Councillor S Corcoran and seconded by Councillor I Faseyi at the Council meeting on 22nd October 2015:

“This Council would welcome an appropriate number of Syrian refugees to Cheshire East.”

The report set out the current national arrangements for refugees and asylum seekers and what they might mean for local authorities.

The Leader advised that the Council was seeking advice on the possible implications for Cheshire East. The aim would be to take a measured and proportionate response to the issue, addressing need on a case by case basis.

RESOLVED

That Cabinet agrees to

- 1 thank all of those that have offered help and publicly recognise the great community spirit of Cheshire East;
- 2 inform the Government that the Council is committed to supporting Syrian Refugees and will consider its position regarding VPR once the outcomes of the CSR are known;
- 3 aim at the consideration of people on a case by case basis under VPR criteria and to learn from the examples of best practice elsewhere to ensure that the Council provides effective support which is measured and proportionate and which takes into account the needs of existing communities in Cheshire East;
- 4 to work with partner authorities in the sub-region to establish a robust operational mechanism to oversee the scheme in Cheshire;
- 5 await the announcement in the Autumn Statement on financial support and determine any further engagement and contribution at this stage;
- 6 work with the Council's partners to deliver the best possible outcomes for asylum seekers and refugees that are sensitive to their needs;
- 7 volunteer to participate in COMPASS on a voluntary basis, working with the Regional Strategic Migration Partnership to consider procurement requests from Serco on a one by one basis, up to 15-20 properties, before reviewing the scheme; and
- 8 support the motion "that this Council would welcome an appropriate number of Syrian refugees".

56 TOUR OF BRITAIN CYCLE RACE

Cabinet considered a proposal to attract the 'Tour of Britain' Cycle Race to Cheshire East, facilitating an opportunity to host the prestigious event and deliver the full potential of the Tour of Britain Cycle Race in September 2016. It was felt that the event could make a contribution of between £3M and £5M to the local economy as well as promote cycling and health benefits and raise the profile of the Borough. The aim would be

to cover the cost of the event through sponsorship although initially the cost would need to be underwritten by the Council.

RESOLVED

That

1. the Executive Director Economic Growth & Prosperity (and those duly appointed by the same) be authorised, in consultation with the Portfolio Holder for Communities, to take all reasonable and prudent steps required to attract the Aviva Tour of Britain to Cheshire East, host a full stage of the event, facilitate its delivery and take steps to attract sponsorship to off set costs incurred in connection with or arising from the provision of the event; and
2. it be noted that:
 - (a) funds within the Council's Investment (Sustainability) Earmarked Reserve will be made available, in accordance with the Reserves Strategy (part of the Medium Term Financial Strategy approved at Council on 26th February 2015), to underwrite the costs of this proposal;
 - (b) the project will target the generation of funds through sponsorship to off-set costs where possible, and the reserve may then be replenished;
 - (c) whilst there is a risk that the costs are not off-set, in part or in full, the project should nevertheless proceed based on the significant economic and well being benefits that hosting the event would bring.

57 SCHOOL 20 MPH ZONES - DELIVERY PROGRAMME

Cabinet considered a proposed three year programme for the implementation of advisory 20 mph zones outside all Cheshire East schools. This followed the results of a local community road safety consultation earlier in the year in which a significant number of responses had related to speeding outside schools. The lists of sites appended to the report were indicative at this stage and the Council would assess priorities in consultation with local communities.

The Cabinet Member for Highways agreed to consider other possible measures such as engineering and mandatory speed limit zones.

RESOLVED

That the proposed 3 year programme, running from 2015/16 to 2017/18, for the introduction of advisory 20mph zones outside all schools in the Borough be supported.

58 DISTRICT HEATING JOINT VENTURE PARTNER PROCUREMENT

Cabinet considered the appointment of a partner to enter into a contract with the Council to establish a joint venture company to deliver district heating fuelled by a range of renewable energy including, but not limited to, biomass, solar thermal, solar PV, and geothermal energy.

RESOLVED

That Cabinet

- 1 confirms the appointment of the preferred bidder to take forward the development of heat networks to deliver heating which maximises renewable energy such as gas CHP, biomass, solar thermal, solar PV, anaerobic digestion and in particular geothermal energy;
- 2 approves the formation of a joint venture company with the preferred tenderer selected through the procurement exercise for a joint venture partner; and
- 3 authorises the Chief Operating Officer as Section 151 Officer, in consultation with the Executive Director of Economic Growth and Prosperity, Portfolio Holder for Regeneration and Assets, and Head of Legal Services and Monitoring Officer, to take all necessary and consequential actions arising out of the above recommendations.

59 GREATER MANCHESTER AND CHESHIRE LIFE SCIENCE INVESTMENT FUND - APPROVAL OF REPRESENTATIVE TO THE INVESTMENT ADVISORY PANEL

Cabinet considered the appointment of a Council representative to the Investment Advisory Panel.

As part of the Council's wider efforts to support the long term growth and sustainability of Alderley Park and wider life science activity in the Borough, the Council had worked closely with partners in Greater Manchester and Cheshire and Warrington to create an innovative life science investment fund which would provide critical investment funding to SMEs. As part of the set-up process, an Investment Advisory Panel had to be created, comprising representatives of the initial investors, and two independent, non-voting specialists with broad experience of the life science sector. It was proposed that the Portfolio Holder for Finance be appointed as Cheshire East Council's representative on the Investment Advisory Panel.

RESOLVED

That

- 1 the role of the Investment Advisory Panel and its proposed membership be noted; and
- 2 the appointment of the Portfolio Holder for Finance as the Council's representative on the Investment Advisory Panel be confirmed, with support from the Inward Investment and Business Engagement Manager.

60 PRIORITY PLANNING APPLICATIONS TEAM

Cabinet considered a new initiative in the Development Management Service to fast-track certain key planning applications from initial enquiry to planning decision by providing a seamless service and cutting through unnecessary delays. The initiative would develop a new revenue stream that would enable resources to be provided to deal with the most significant planning applications received by the Council.

The Leader stressed that the initiative would not affect the decision-making role of Members.

RESOLVED

That the content of the report and the progress made in setting up the Priority Planning Applications Team be noted.

61 NEIGHBOURHOOD PLANNING UPDATE REPORT

Cabinet considered a report on the progress made in enabling communities across the Borough to prepare neighbourhood plans.

The Council was actively supporting local communities in the development of neighbourhood plans which would help local residents to identify opportunities for future development and those assets that should be given protection through the planning process. Since last summer, a further 15 town and parish councils had joined the initial group resulting in a total of 29 active neighbourhood plan groups. Four communities had now reached the later stages of the process and had submitted proposed plans for examination. Beyond those four communities, strong progress was being made across the group with a series of draft plans expected to be completed throughout 2015 and 2016.

The Leader advised that consideration was being given to ways of speeding up the process.

For the record, it was reported that a figure of 10 parishes referred to in paragraph 11.4 of the report should have read '4 parishes'.

RESOLVED

That the content of the report, and the progress made in enabling communities across the Borough to prepare neighbourhood plans, be noted.

62 SHROPSHIRE UNION CANAL (NANTWICH TO ELLESMERE PORT): CONSERVATION AREA CHARACTER APPRAISAL

Cabinet considered arrangements for public consultation on a proposal to designate a conservation area for the historic Chester Canal along a section of the present day Shropshire Union Canal within the boundary of Cheshire East.

The Conservation Area Character Appraisal for the Chester Canal section of the Shropshire Union Canal set out those aspects of the canal's architectural and historic interest which made it special, proposed that it be designated as a conservation area by Chester West & Chester and Cheshire East Borough Councils and identified its proposed boundary. It included a set of recommended management proposals which sought to balance environmental issues, social progress and economic development in order to sustain, preserve, protect and enhance its character and appearance. The Appraisal had been drafted by The Chester Canal Heritage Trust and would form the basis of the consultation which would be carried out by the Trust. Following the consultation, a report setting out recommendations would be submitted to the Portfolio Holder for Housing and Planning.

RESOLVED

That

1. the Chester Canal Heritage Trust be authorised to consult residents, relevant parish and town councils within the Cheshire East parts of the canal and those with an interest in the canal and its corridor, on the proposal to designate a canal conservation area, its proposed boundary and recommended management proposals to sustain, preserve, protect and enhance its character and appearance, based on the recommendations in the Appraisal in Appendix 1 to the report;
2. those consulted be sent a copy of the explanatory leaflet in Appendix 4 summarising the history of the canal and the effects of the proposed designation, to ease understanding of its context and implications;
3. those consulted also be sent a copy of the questionnaire in Appendix 5 to facilitate the submission of clear written comments for consideration; and
4. officers subsequently submit a report to the Portfolio Holder setting out their recommendations on the feedback on the consultation, and if

proposing the designation of this canal conservation area, its proposed boundary and recommended management proposals to sustain, preserve, protect and enhance its character and appearance as set out in an attached appraisal, for consideration and approval; it being noted that any decision to be made by the Portfolio Holder to consider an officer recommendation to designate the conservation area will then become a key decision and will need to be added to the Forward Plan at that stage.

63 2015/16 MID-YEAR REVIEW OF PERFORMANCE

Cabinet considered a report on the Council's financial and non-financial performance at the mid-year stage of 2015/16. The report highlighted the latest progress towards achieving the Council's Residents First Outcomes as described in the Council's three year plan 2013 to 2016.

The mid-year review showed how the Council was continuing to build on the positions achieved in the last two years, which demonstrated that the overall financial health, performance, resilience and value for money at Cheshire East Council was strong despite taking £70m out of its cost base since 2011 and freezing Council Tax for the fifth consecutive year. Savings had been consistently achieved through efficiency, reductions in management costs, and a planned programme of asset disposals. This approach had protected funding provided to front line services.

Following the mid-year review, the Council's reserves strategy remained effective, with a modest overspend of £0.5m being forecast.

Annex 1 to the report set out further details of how the Council was performing in 2015/16 and was structured into three sections:

1. Summary of Council Performance
2. Financial Stability
3. Workforce Development

RESOLVED

That

1. Cabinet notes the mid-year review of 2015/16 performance in relation to the following issues:
 - the summary of performance against the Council's 5 Residents First Outcomes (Section 1);
 - the projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (Section 2);
 - the delivery of the overall capital programme (Section 2, paragraphs 196 to 208 and Appendix 4);

- fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (Appendix 5);
- changes to Capital Budgets made in accordance with the Finance Procedure Rules (Appendix 8);
- treasury management investments and performance (Appendix 9);
- management of invoiced debt (Appendix 11);
- use of earmarked reserves (Appendix 12);
- update on workforce development and staffing (Section 3).

2. Cabinet approves

- fully funded supplementary capital estimates and virements above £250,000 in accordance with Finance Procedure Rules (Appendix 6);
- supplementary revenue estimates to be funded by additional specific grant (Appendix 10).

3. Cabinet recommends that Council approve:

- fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Finance Procedure Rules (Appendix 7).

The meeting commenced at 2.10 pm and concluded at 3.45 pm

Councillor M Jones (Chairman)

This page is intentionally left blank

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	8 th December 2015
Report of:	Peter Bates
Subject/Title:	Notice of Motion – Trade Union Membership
Portfolio Holder:	Paul Findlow, Performance

1.0 Report Summary

- 1.1 The purpose of this report is to consider and respond to the following motion which had been moved by Councillor Damian Bailey and seconded by Councillor Nick Mannion at the Council meeting on 22nd October 2015 and referred to Cabinet for consideration:

"That this Council recognises the positive contribution that trade union members make in our workplaces. This Council values the constructive relationship that we have with our trade unions and we recognise their commitment, and the commitment of all of our staff, to the delivery of good quality public services.

This Council notes with concern the Trade Union Bill which is currently being proposed by the Government which would affect this Council's relationship with our trade unions and workforce as a whole. This Council rejects this Bill's attack on local democracy and the attack on the right to manage our own affairs.

This Council is clear that facility time, negotiated and agreed by us and our trade unions to suit our own specific needs has a valuable role to play in the creation of good quality, responsive local services that truly puts our residents first. Facility time should not be determined or controlled by the Government in London.

This Council is happy with the arrangements we currently have in place for deducting trade union membership subscriptions through the payroll. We see this as an important part of our positive industrial relations and a cheap and easy way to administer a system that supports our staff. This system is an administrative matter for this Council and it should not be interfered with.

This Council further resolves to seek to continue its own locally agreed industrial relations strategy and will take every measure possible to maintain its autonomy with regard to facility time and the continuing use of check-off."

2.0 Recommendations

That for the reasons set out in this report, Cabinet reject the motion referred to in paragraph 1.1

3.0 Reasons for Recommendations

- 3.1 The full implications of the final Act are as yet unclear. The Council is therefore monitoring the progression of the Trade Union Bill through Parliament to its potential royal assent as an Act of parliament and will consider the implications of the Act once it is published and the details are finalised. It will then work with the unions to assess the impact of the Act on the Council's current policies and procedures to maintain strong and positive industrial relations.
- 3.2 The Council has established a collective agreement with the Trade Unions for the purposes of local consultation and negotiation on pay and conditions of service as well as representation of trade union members at internal hearings and appeals. This agreement is known as the Trade Union Facilities Agreement and is reviewed regularly with the Trade Unions to engender positive industrial relations. This agreement recognises the positive role played by the Trade Unions in assisting the Council and its employees in meeting the Council's values of putting residents first. It also includes time off for Trade Union activities and facilities which are detailed in section 11 of this report.
- 3.3 The Council also currently has an arrangement with the Trade Unions for subscription deduction through payroll which is also known as "check-off" and this will continue until the Council is required to review this arrangement.

4.0 Wards Affected

- 4.1 This report does not have a major effect on Council Wards

5.0 Local Ward Members

- 5.1 This report has no effect on Ward Members

6.0 Policy Implications

- 6.1 As mentioned in detail elsewhere in the report the Council does have a Trade Union Facilities Agreement with the Trade Unions which is reviewed on an annual basis. Currently this Agreement is still operational and it is likely to be needed to be reviewed when the Trade Union Bill becomes an Act and the implications of this are considered with the unions.

7.0 Implications for Rural Communities

- 7.1 There are no implications for rural communities.

8.0 Financial Implications

- 8.1 There are no immediate financial implications arising from this report and it is recommended that status quo is continued. The impact of the Trade Union Bill and any resulting financial implications will be considered when the Act receives Royal ascent and is required to be implemented by the Council.

9.0 Legal Implications

- 9.1 There are no legal implications at this stage as no change to the current Council policies and procedures are proposed at this stage.

10.0 Risk Management

- 10.1 Positive employee relations and good industrial relations with the Trade Unions are essential to help the Council move forward with its current and future plans and objectives.
It is too early to risk assess at this stage the implications of the Trade Union Bill and the effect on Council policies and procedures. Once the Act is published an assessment of the implications will be done and whether current policies and procedures require amendment. This will be done in consultation with the Trade Unions.

11.0 Background and Options

- 11.1 This report addresses the issues raised by the motion referred to in paragraph 1.1 as outlined below.
- 11.2 The Council currently recognises a wide range of Trade Unions for the purposes of consultation and representation of employees. It has agreed a Trade Union Facilities Agreement which is a collective agreement which covers those trade unions who are recognised by the Council for the purpose of local consultation and negotiation on pay and conditions of service and for representation of their members at internal hearings and appeals.
- 11.3 The collective agreement aims to;-
- Provide a framework arrangement between the Council and recognised trade unions.
 - Provide managers, TU reps and members with clear guidelines, under which time off for TU activities and facilities are determined.
 - Avoid or minimise misunderstandings, ensure fair and consistent treatment and facilitate better planning for managers and TU officials, reps and stewards.
 - Facilitate and improve consultation, enhance collective bargaining and employee relations with the Council.
- 11.4 The agreement and its principles has been drawn up in accordance with existing legislation and covers Health and Safety requirements as well. The agreement is reviewed annually with the Trade Unions and any implications arising from new legislation or changes in Council practice are

reviewed and agreed with the Trade Unions and included in the agreement.

11.5 The current agreement in summary covers:-

- Definitions of trade unions and health & safety reps.
- Time off for Trade Union duties and procedures and recording
- Trade Union Learning reps
- Training for Trade Union officials
- Time off and payment for Trade Union activities
- Trade Union facilities and expenses
- Dispute resolution
- Additional arrangements for UNISON only in relation to secondment of reps.

This agreement is also supported by procedures on recording facilities time for Trade Union duties and activities and time off request procedures. Statistics on Trade Union time off is also recorded and published publically as part of the Transparency Code regulations.

11.6 As mentioned in this report the Government is progressing through its Parliamentary procedures a Bill to reform the law governing trade unions and in particular industrial action. The Bill is likely to be wide ranging with further restrictions on picketing, use of agency workers as cover for striking employees, introduction of "shelf life" for industrial action, changes to ballot thresholds for industrial action and changes to the "check off" scheme.

The Council will continue with current arrangements until the legislation is issued and will be in a position to consider the implications with the Unions and the impact on its policies and procedures.

12.0 Access to Information

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

Name: Rosie Ottewill
Designation: Organisational Development Manager
Tel No: 01270 685883
Email: Rosie.Ottewill@cheshireeast.gov.uk

Cabinet Paper

Date of Meeting:	8 th December 2015
Report of:	Peter Bates
Subject/Title:	Council Tax Support Scheme 2016/17
Portfolio Holder:	Cllr Peter Groves, Finance and Assets

1. Report Summary

- 1.1. Further to Central Government's welfare reform changes, Council Tax Benefit was abolished and from April 2013 has been replaced by a localised Council Tax Support Scheme. The scheme must be approved by full Council each year.
- 1.2. The Council's scheme only affects those of working age; pensioners are protected and CLG maintain this scheme, which mirrors the former Council Tax Benefit. Details of the current scheme can be found at:
www.cheshireeast.gov.uk/benefits_housing_council_tax/council_tax_support_scheme.aspx
- 1.3. As it is now into the third year of the scheme a public consultation has been undertaken on proposed changes to the Council Tax Support Scheme for 2016/17. This review is being undertaken to identify additional savings to contribute to the Council's medium term financial challenge, whilst ensuring the scheme remains fair to residents, continues to support vulnerable people and encourages those who can work to do so, or to increase their hours and/or pay to reduce welfare dependency.
- 1.4. The Council Tax Support Scheme is intended to help those on low income/low earnings meet their Council Tax liability, reducing debt and poverty. The Council's current scheme is designed:
 - To incentivise those who can work to do so
 - To reward those who are in work, on a low wage
 - For those with capital to meet the liability
 - Encourage those on low income to downsize and move to more affordable housing (lower banded)
- 1.5. These principles are reflected in the Council's ambition to support and focus people into work, with unemployment rates dropping and the broader strategies supporting economic growth, ensuring every resident has the opportunity to work, and every business has the opportunity to thrive.

- 1.6. More and more residents are taking responsibility for their own welfare. Only 0.7% of working age residents are in receipt of Job Seekers Allowance. 1.2% of the working age population is receiving Job Seekers Allowance or is receiving Universal Credit whilst out of work¹. This is much lower than the combined rate of 1.9% for the Country as a whole, reflecting the success of the economic growth initiatives.
- 1.7. This report outlines the results of the consultation on the proposals and recommendations for changes to the Council Tax Scheme for 2016/17. The responses were mainly in support of all the recommended changes to the scheme but were very close as outlined at 5.11.
- 1.8. The responses to the questions were close with the majority not disagreeing with all of the proposals or not expressing an opinion. This would result in a saving of £900k per annum (based upon current Council Tax levels and allowances).

2. Recommendations

- 2.1. The proposed changes to the scheme for 2016/17 are:
 - a. Restrict the maximum support available to Band B (currently restricted to Band D)
 - b. Increase the minimum contribution from the current 20% to 25%
 - c. Increase the minimum award from 50p to £2 per week
 - d. Increase non-dependent deductions from £5 to £7 per week
 - e. Capital limit reduced from £10,000 to £6,000
 - f. Each year the allowances used within the calculation are increased in line with those used for Housing Benefit
 - g. Reduce the period of additional support awarded when starting work from 8 weeks back to the standard 4 weeks in Housing Benefit
 - h. Remove backdating of claims, currently a maximum of 13 weeks
- 2.2. Cabinet is requested to support these changes and recommend to Council that it approves the amendments at 2.1.

3. Other Options Considered

- 3.1. Apart from the recommended changes to the scheme outlined in Section 2, another option is to leave the scheme unchanged for 2016/17 apart from reviewing the level of allowances used in the calculation. This would not result in any additional savings.
- 3.2. A further option for Council to consider is to only implement some of the changes outlined in 2.1 resulting in less savings.

¹ www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?theme=72

4. Reasons for Recommendations

- 4.1. A summary on the results of the consultation is detailed at 5.11 to support the recommendations, with the full responses attached as **Appendix A**.

5. Background/Chronology

- 5.1. Further to Section 1, the Council Tax Support Scheme is intended to help those on low income/low earnings meet their Council Tax liability, reducing debt and poverty. The Council's current scheme is designed:

- To incentivise those who can work to do so
- To reward those who are in work, on a low wage
- For those with capital to meet the liability
- Encourage those on low income to downsize and move to more affordable housing (lower banded)

- 5.2. The main changes introduced when the Council's current scheme was introduced were:

- All working age customers responsible for a minimum contribution of 20% of their Council Tax liability.
- Upper Capital limit reduced to £10,000 and £10 per week income assumed for every £1,000 over the £6,000 lower limit
- Awards capped to the maximum for a Band D in the area for those living in Bands E-H. A claimant living in a Band F would only receive the maximum payable to someone in Band D.
- Non-dependent deductions set to a standard £5 per week
- Minimum award of 50p per week

- 5.3. The calculation of Council Tax Support already includes additional allowances to support those households with additional requirements (pensioners are already protected – see 1.2):

- Families
- Disabled
- Carers

- 5.4. Additional protections and assistance are available to reduce Council Tax for those living in a property², including the following:

- Foster Carers
- Disabled Band Reduction³
- Severe Mental Impairment
- Carers
- Students

- 5.5. The Council also has powers to reduce liability on a case by case basis, under Section 13A⁴ of the Local Government Finance Act 1992.

² www.cheshireeast.gov.uk/council_tax/discounts_and_exemptions/occupied_property_discounts.aspx

³ www.cheshireeast.gov.uk/council_tax/discounts_and_exemptions/disabled_reduction.aspx

⁴ www.cheshireeast.gov.uk/council_tax/discounts_and_exemptions/council-tax-reductions.aspx

- 5.6. Expenditure over recent years is shown below (total covers Working Age and Pension Age claims). Following the abolition of Council Tax Benefit, from April 2013 funding received by CLG was reduced by 10% although those of pension age remain protected. Within Cheshire East, half of the current caseload are of pension age and therefore protected (currently supporting 21,025 households of which 10,610 are of working age).

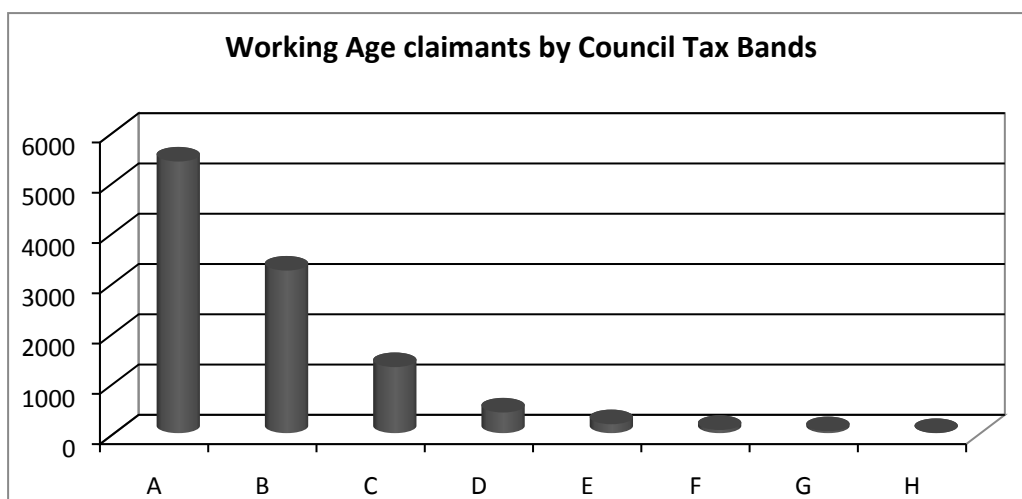
2012/13	£20,766,029
2013/14	£17,735,878
2014/15	£16,272,495
2015/16	£15,360,916 (as at 23 October 2015)

- 5.7. The New Policy Institute have recently issued a report 'Managing the challenges of localised Council Tax Support'⁵ raising the following key points:

- Schemes varied in type and the minimum payments expected of claimants. There were no obvious patterns by political control, demography or location.
- Among those local authorities choosing to bring in a new system rather than absorb the cost of their 10 per cent cut in funding for CTS, approaches varied significantly. Some opted for a transition scheme in the first year. Others felt that the schemes they had devised were the best available.
- Some councils had opportunities to recoup costs by, for instance, removing exemptions on second homes. These options are not available to all councils, but should be pursued where possible.
- There were several examples of innovative working both within councils and with the third sector to ensure that residents were informed of changes and made aware of how they would be affected.
- While many councils have so far resisted using enforcement agents or court summons for CTS debts, many now have residents with two or more years' outstanding payments. The sustainability of the current mix of scheme design on the one hand and collection and enforcement policy on the other is therefore under question.
- As it stands, it is hard to see how the many different CTS schemes can be integrated with Universal Credit

- 5.8. The following shows the number of working age households in receipt of Council Tax Support by Council Tax band:

⁵ www.jrf.org.uk/publications/council-tax-best-practice

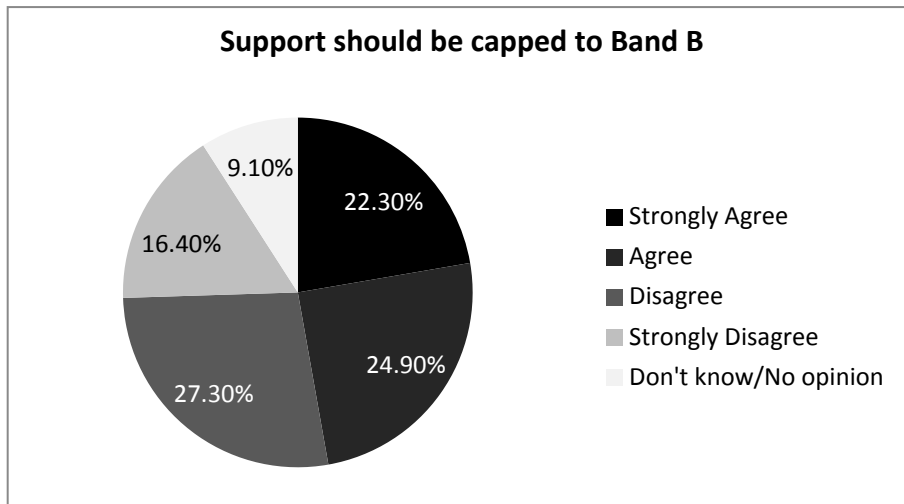


5.9. The Council consulted with the Fire Service and the Police Authority (major precepting authorities) on the proposed changes to the Scheme in August 2015. The proposed draft scheme was published on the Council's web site. The consultation was promoted on the Council's web site, press releases issued and a mail shot seeking views was sent to all current Council Tax Support recipients. Key Stakeholders such as Registered Social Landlords and representatives of Cheshire East Welfare Rights Group were also consulted.

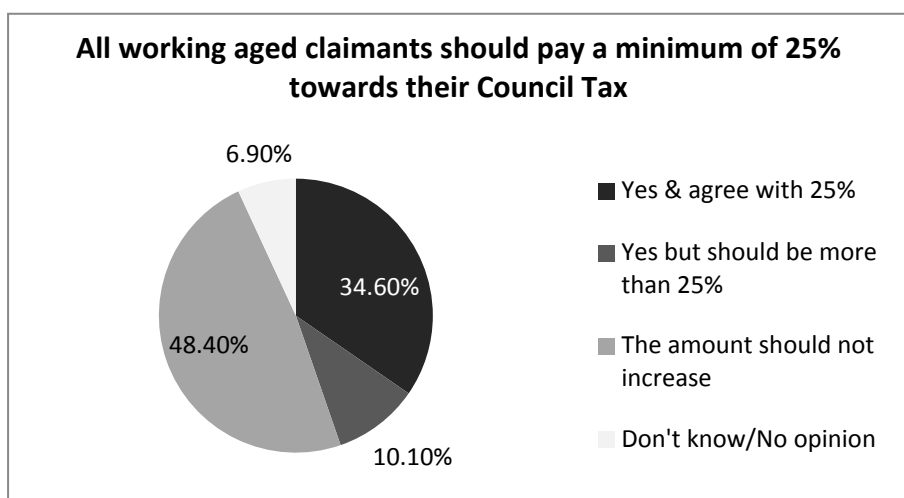
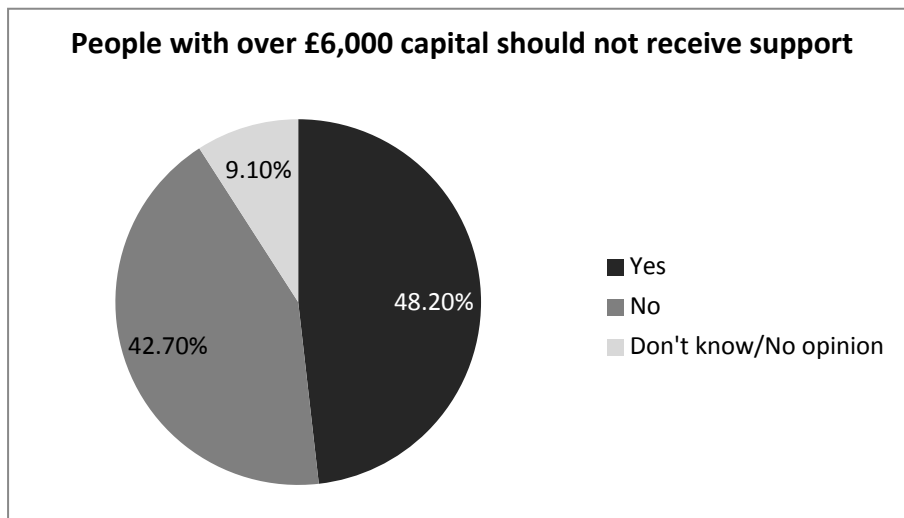
5.10. A public consultation ran from 7 September to 25 October 2015 to seek views on the following proposed changes (affecting working age claimants only) providing details on the draft scheme.

- Restrict the maximum support available to Band B (currently restricted to Band D)
- Increase the minimum contribution from the current 20% to 25%
- Increase the minimum award from 50p to £2 per week
- Increase non-dependent deductions from £5 to £7 per week
- Capital limit reduced from £10,000 to £6,000
- Each year the allowances used within the calculation are increased in line with those used for Housing Benefit
- Reduce the period of additional support awarded when starting work from 8 weeks back to the standard 4 weeks in Housing Benefit
- Remove backdating of claims, currently a maximum of 13 weeks

5.11. A total of 673 responses were received, 72 of which were partially completed. **Appendix A** is a summary of all of the responses and comments received.

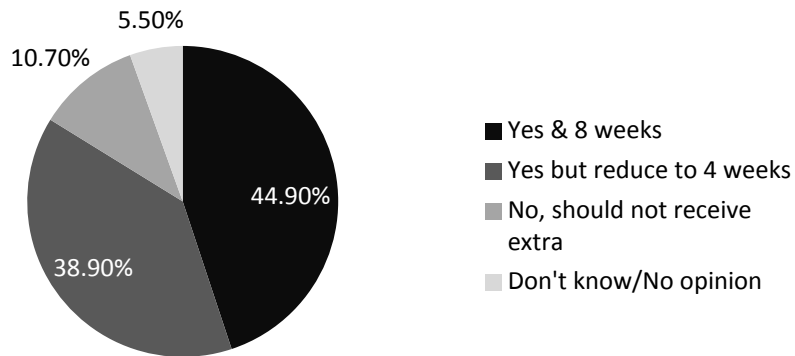


Strongly Agree/Agree: 47.2%
 Strongly Disagree/Disagree: 43.7%

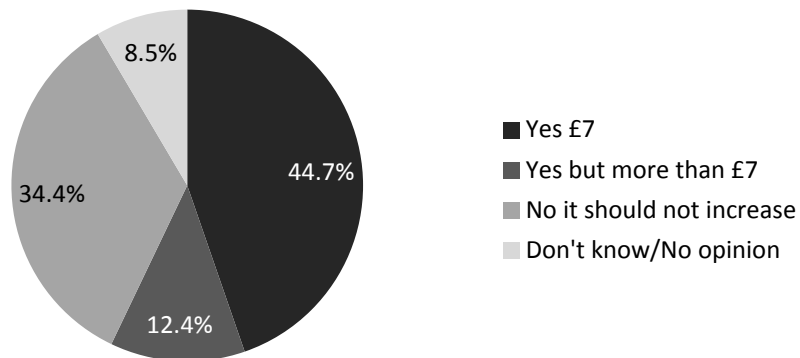


Increase to 25% or more: 44.7%
 Do not increase: 48.4%

Continue to award an extra 8 weeks support when starting work

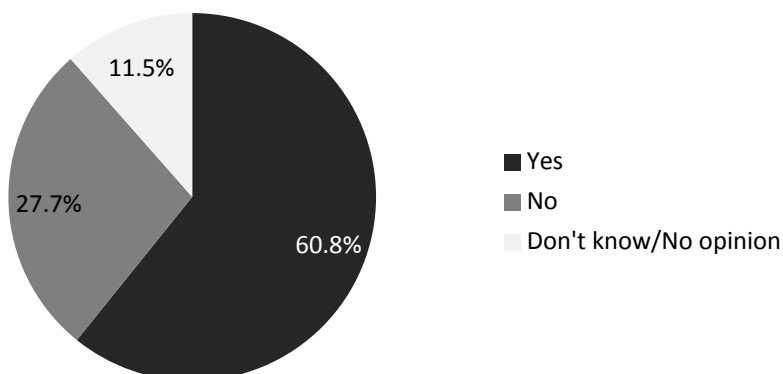


Should the non-dependant deduction increase to £7 per week?

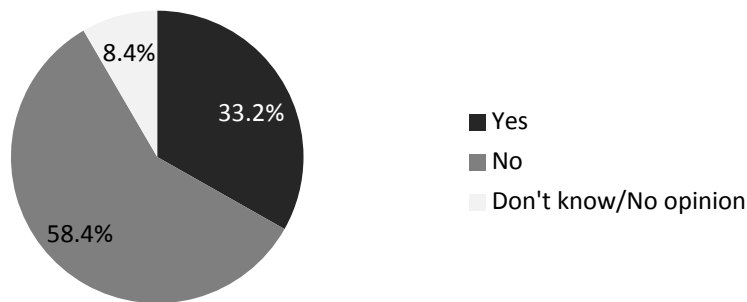


Increase to £7 or more: 57.1%
Do not increase: 34.4%

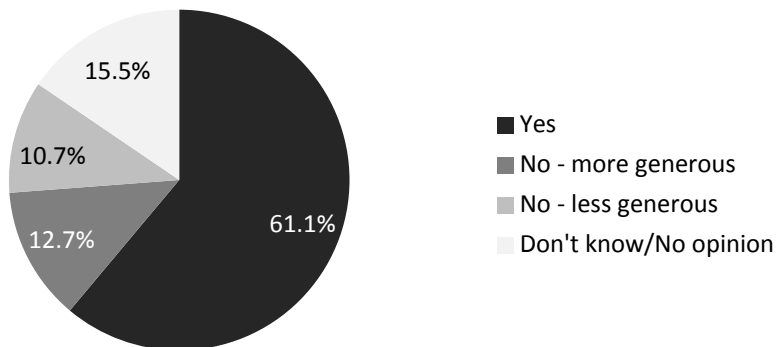
Minimum weekly award should increase from 50p to £2



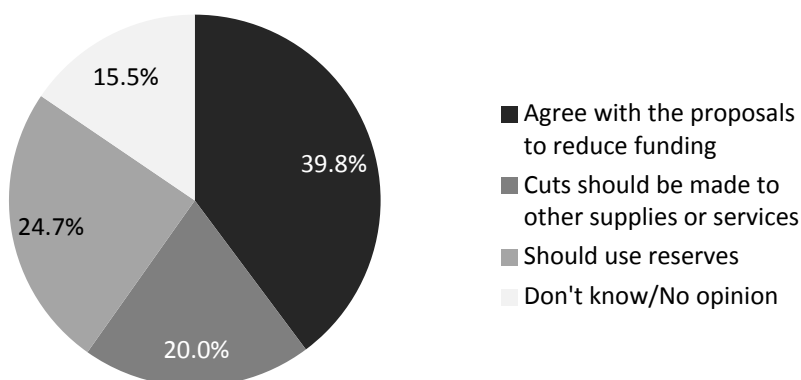
Stop backdating claims for 13 weeks where the claimant has a good reason for not claiming on time



The allowances for calculating Support should be the same levels used for calculating Housing Benefit



Views on funding the Council Tax Support Scheme



5.12. Respondents were asked for their views on which groups would be most affected by the proposed changes to the scheme. The following is a summary of the feedback of the groups raised:

- Disabled
- Mental health condition, learning disability or acquired brain injury
- Families
- Lone parents
- Vulnerable
- Unemployed
- Elderly (N.B. *not affected as the scheme is for working age only*)

5.13. The consultation invited respondents to add any other general comments concerning the proposals or any other issues. The full response will be added to the Council's website with all the results of the consultation, but the following comments were raised numerous times:

- Consider increasing Council Tax for everyone rather than targeting the poorest/most vulnerable
- Any increases should be linked to inflation

6. Wards Affected and Local Ward Members

6.1. All Wards and local Ward Members are affected

7. Implications of Recommendation

7.1. Policy Implications

7.1.1. The proposed reduction in funding of the Council Tax Support Scheme is supporting the Council's Outcomes:

- **Outcome 1** - Our local communities are strong and supportive
 - Reducing welfare dependency
- **Outcome 2** - Cheshire East has a strong and resilient economy
 - Encouraging business growth and tourism to enable those who can work to do so

7.2. Legal Implications

7.2.1. Section 13A of the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012, places a duty on the Council to make a scheme specifying the reductions to council tax for those:

- persons whom the authority considers to be in financial need, or
- persons in classes consisting of persons whom the authority considers to be, in general, in financial need

7.2.2. The Scheme must be approved by full Council by 31 January preceding the start of the financial year it relates to.

7.2.3. The Local Government Finance Act 1992 (amended) states that before making, revising or replacing a scheme the authority must (in the following order):

7.2.3.1. Consult any major precepting authority which has power to issue a precept to it,

7.2.3.2. Publish a draft scheme in such a manner as it thinks fit, and

7.2.3.3. Consult with such other persons as it considers are likely to have an interest in the operation of the scheme.

7.2.4. In exercising its decision making powers Cabinet must be satisfy its public law duties. This means that in making the decision Cabinet must take into account only relevant considerations, follow procedural requirements, act for proper motives and not act unreasonably.

7.2.5. Consultation has been undertaken in respect of these proposals. The general legal principles that must be followed when carrying out a consultation and when making a decision where consultation has taken place are well established and can be summarised as follows:

7.2.5.1. The consultation must be at a time when proposals are still at a formative stage.

7.2.5.2. The proposer must give sufficient reasons for any proposal to enable intelligent consideration and response. Those consulted should be aware of the criteria that will be applied when considering proposals and which factors will be considered decisive or of substantial importance at the end of the Consultation process

7.2.5.3. Adequate time must be given for consideration and response.

7.2.5.4. The product of consultation must be conscientiously taken into account in finalising any proposals.

7.2.6. Cabinet must satisfy itself that the consultation has been properly conducted in line with the principles above. In addition, Cabinet must ensure that it is clear of the outcomes of that consultation and therefore, as decision maker, is able to take the results fully into account when making its decision on the proposals contained in this report.

7.2.7. Whilst there is an obligation to take into account the product of consultation, the outcome of the consultation is one of a number of factors to be taken into account in making the decision. In making its decision Cabinet must both look at the outcome of the consultation was looked at and also set out the weight that was attached to it in relation to/balanced with other factors (which must be recorded as part of its decision).

7.2.8. In making its decision, Cabinet must have due regard to the Public Sector Equality Duty as set out at S149 of the Equality Act 2010, which states:

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

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

7.2.9. To assist Cabinet in respect of the Public Sector Equality Duty, an equality impact assessment (7.4.1) and full health impact assessment (7.7.1) have been carried out. Cabinet must conscientiously take into account the outcome of the assessments in reaching its decision.

7.3. Financial Implications

7.3.1. The cost of the Council Tax Support Scheme has an impact on the Council Tax base. A separate report to Cabinet provides the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2016/17, for consideration and recommendation to Council.

7.3.2. The following shows the impact on Council Tax collection rates following the introduction of the Council tax Support Scheme. A change of 0.1% is broadly equivalent to £200k.

2012/13	98.23%
2013/14	98.09%
2014/15	97.92%

7.3.3. Whilst In year collection for Cheshire East has reduced marginally, collection over the longer term (2 and 3 years) is strong and in line with budget expectations which forecast collection for Council Tax to achieve 98.75% within 2 years. The table below shows the position to March 2015:

Financial Year	Total Council Tax due £M	Collection Rate 'in year' %	Current collection rate %
2009/2010	187.0	97.9	99.6
2010/2011	193.8	97.3	99.4
2011/2012	193.0	97.9	99.5
2012/2013	195.5	98.2	99.4
2013/2014	203.7	98.1	98.9

7.3.4. The tax base reflects assumptions around the Council Tax Support Scheme. Since it was introduced the cost has been monitored and an allowance for risk was added. The risks included uncertainty over the economy, the potential for a major employer to leave the area (with no alternative employment available) and lack of experience of operating the new scheme.

7.3.5. For the third year of the Scheme it was appropriate to adjust the level of payments built into the tax base calculation. At December 2014 the tax base was amended to acknowledge the original payment forecast of £17.7m plus a 33% reduction in the risk factor to £0.9m (5%) to give a CTS position of £18.6m.

7.3.6. At the end of September 2015 the forecast level of payments for the current financial year is expected to be £15.4m. Therefore, a further £1m reduction in Council Tax Support payments has been factored into the 2016/17 taxbase to reflect this decreased trend in payments being made. This gives a budget of £17.6m being estimated payments of £15.7m and a risk factor of £1.9m (assuming no change to the scheme for this purpose).

Taxbase Year	CTS Payments £m	Risk Allowance £m	Resulting CTS Budget £m
2013/14	18.2	0.7	18.9
2014/15	17.7	1.4	19.1
2015/16	17.7	0.9	18.6
2016/17 (assuming no change to CTS scheme)	15.7	1.9	17.6

Table 1 Council Tax Support Budget since the introduction of the Scheme

7.4. Equality Implications

7.4.1. A full equality impact assessment is attached at **Appendix B**.

7.5. Rural Community Implications

7.5.1. None directly identified at this stage

7.6. Human Resources Implications

7.6.1. Minimal identified at this stage. The changes can all be incorporated within the existing software and will only require an update to officers on the changes. The changes will not result in any changes to staffing levels.

7.7. Public Health Implications

7.7.1. A full health impact assessment has been completed as the health and wellbeing of Council Tax Support recipients may be affected by reducing the lower disposable family income. This is attached at **Appendix C**.

7.8. Other Implications (Please Specify)

7.8.1. The Government has announced plans for an additional £12bn reduction in welfare costs. It is therefore envisaged that many working age people in receipt of Council Tax Support will also be affected by the wider welfare cuts.

8. Risk Management

8.1. The following are the key risks identified and actions to be taken:

Council Tax Support Scheme:	
Risks	Mitigating actions
Scheme is challenged	Effective consultation undertaken and considered to inform the decision making process
Non payment where contributions are increased	Publicity and awareness of the changes in advance Clear guidance produced on the scheme Prompt recovery action before debts increase
Negative publicity – targeting those with the lowest disposable income	Advice and support offered Instalments can be spread over 12 months
Reducing disposable income may mean some people are unable to afford to rent	Scheme is an incentive to start work or increase hours/pay
Increased caseload resulting in increased cost of the scheme	Monitoring of caseload trends and liaison over potential redundancies
Increasing pensioner caseload (become eligible for maximum support of 100%) again resulting in an increased cost to the scheme	Monitoring of caseload and reporting of increasing budget
Challenge that different groups are affected disproportionately	A full equality impact assessment completed Certain groups are already protected within Council Tax administration Discretionary powers available to reduce liability on a case by case basis
The resulting changes implemented by the Welfare	The Corporate Welfare Reform Working group will co-ordinate support to vulnerable claimants

Reform and Work Bill 2015-16 ⁶ will impact on income levels for those who are low paid or dependent on Benefits. This will reduce capacity to meet Council Tax liability and also, where income reduces Council Tax Support increases (means tested) reducing the identified savings in the scheme.	and expenditure will be monitored throughout the year against the budget. Those who are able to work will be supported and encouraged to do so.
--	--

9. Access to Information/Bibliography

- 9.1. Links to all reports and information considered are included within the report and all are in the public domain.

10. Contact Information

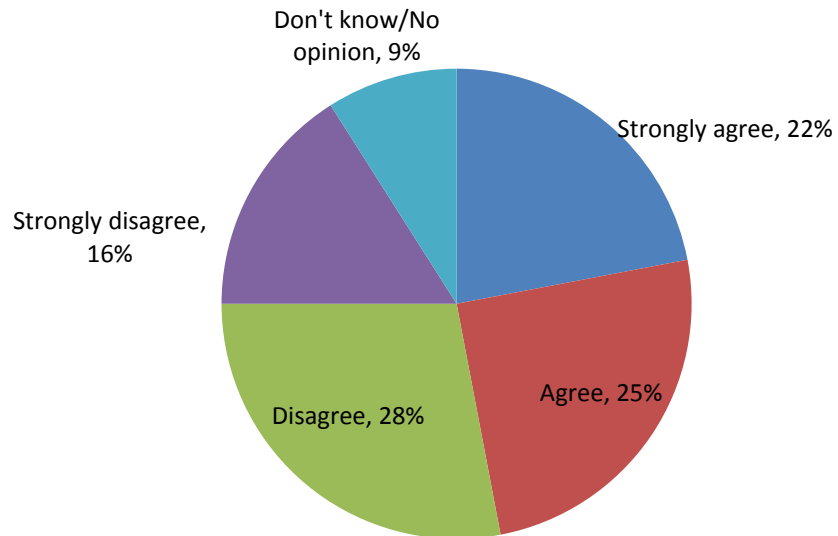
Contact details for this report are as follows:-

Name: Peter Bates
Designation: Chief Operating Officer
Tel. No.: 01270 686013
Email: peter.bates@cheshireeast.gov.uk

⁶ <http://services.parliament.uk/bills/2015-16/welfarereformandwork/documents.html>

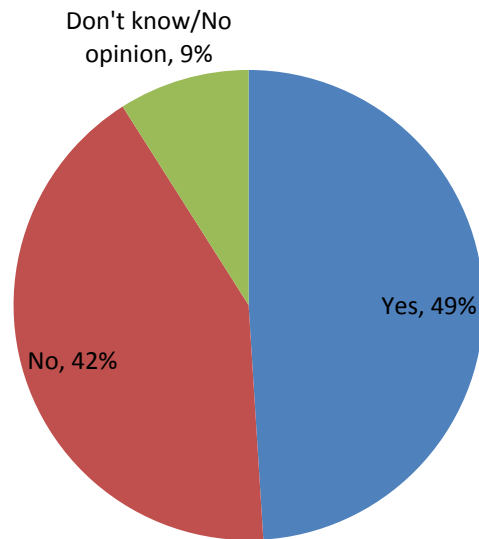
Appendix A – results of the consultation

1. Do you think that those who currently receive Council Tax Support and live in properties with a higher valuation band than B (bands C to H) should receive less support?



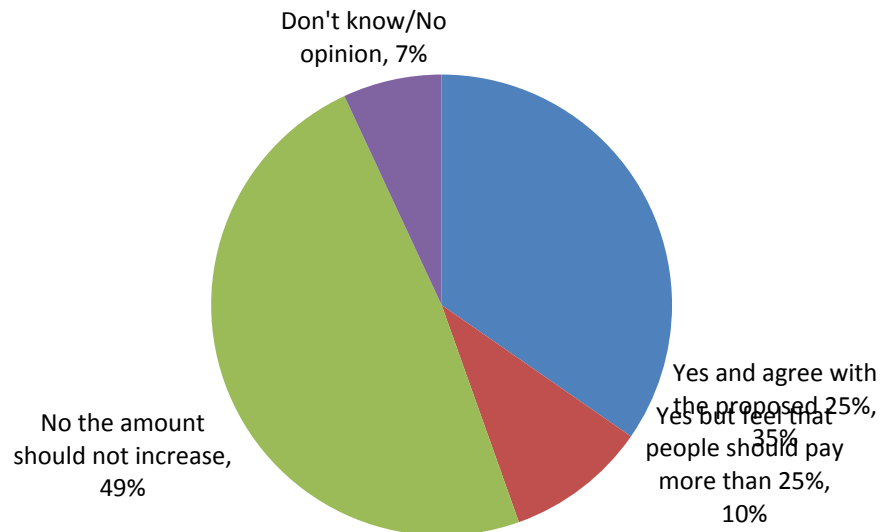
Value	Percent	Count
Strongly agree	22.4%	133
Agree	24.5%	146
Disagree	27.6%	164
Strongly disagree	16.3%	97
Don't know/No opinion	9.2%	55
Total		595

2. Do you agree that people with over £6,000 should no longer receive Council Tax Support?



Value	Percent	Count
Yes	48.7%	288
No	42.0%	248
Don't know/No opinion	9.3%	55
Total		591

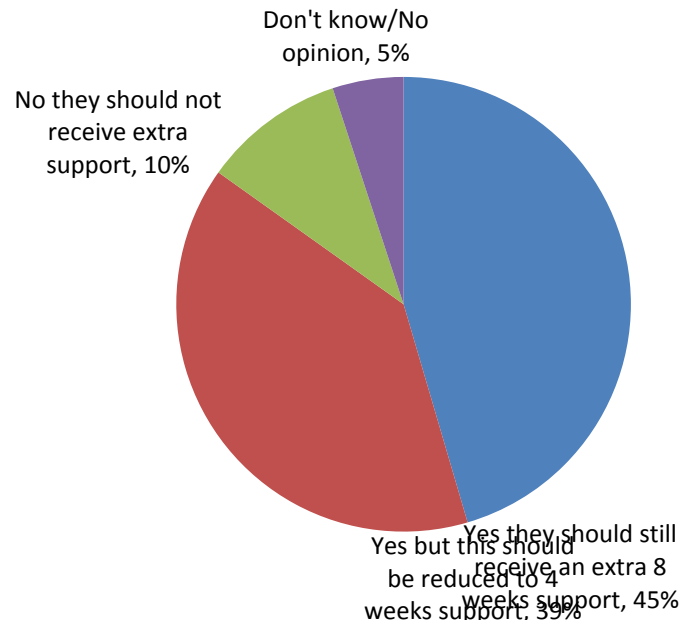
3. Do you think all residents of working age should make an increased contribution towards their Council Tax?



Value	Percent	Count
Yes and agree with the proposed 25%	34.6%	205
Yes but feel that people should pay more than 25%	10.0%	59
No the amount should not increase	48.6%	288
Don't know/No opinion	6.9%	41
Total		593

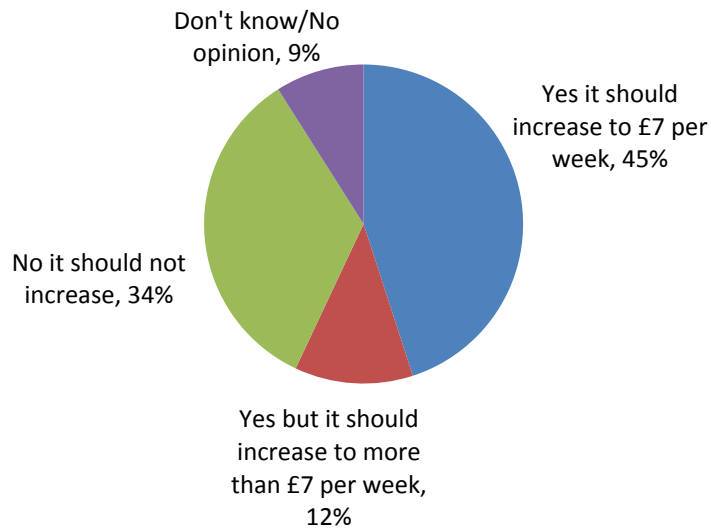
To help people transition into work, when people on benefits return to/start to work they may receive an extra 8 weeks Council Tax Support on top of their wages. The Council is asking your views on whether this should continue as an incentive or whether to reduce this to 4 weeks.

4. Do you feel working age people should continue to receive support to help them with their transition in to work?



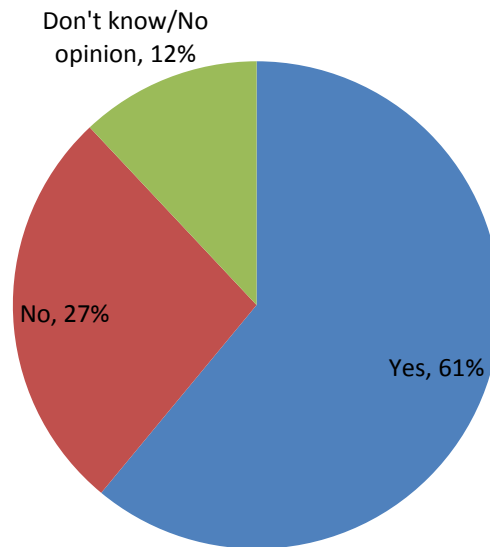
Value	Percent	Count
Yes they should still receive an extra 8 weeks support	45.0%	267
Yes but this should be reduced to 4 weeks support	39.3%	233
No they should not receive extra support	10.3%	61
Don't know/No opinion	5.4%	32
Total		593

5. Should the deduction for non-dependants living in the household be increased from £5 per week to £7 per week?



Value	Percent	Count
Yes it should increase to £7 per week	44.9%	266
Yes but it should increase to more than £7 per week	12.2%	72
No it should not increase	34.3%	203
Don't know/No opinion	8.6%	51
Total		592

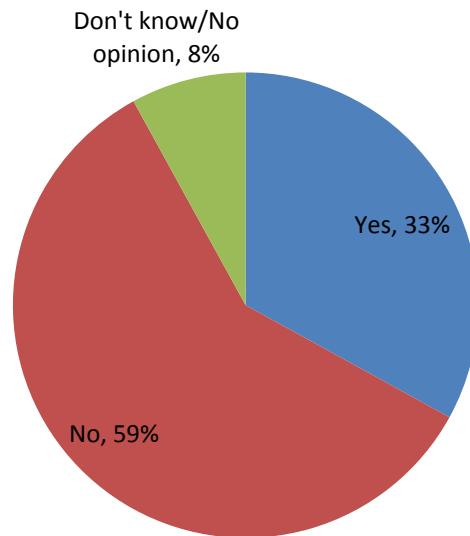
6. Do you agree that the Council should increase the minimum award of Council Tax
Support from £0.50 to £2 per week?



Value	Percent	Count
Yes	61.0%	361
No	27.4%	162
Don't know/No opinion	11.7%	69
Total		592

Currently Council Tax Support is usually awarded from the Monday after the claimant first contacts us about claiming. If a person has good reasons as to why they did not apply on time we can consider backdating their Council Tax Support for up to 13 weeks.

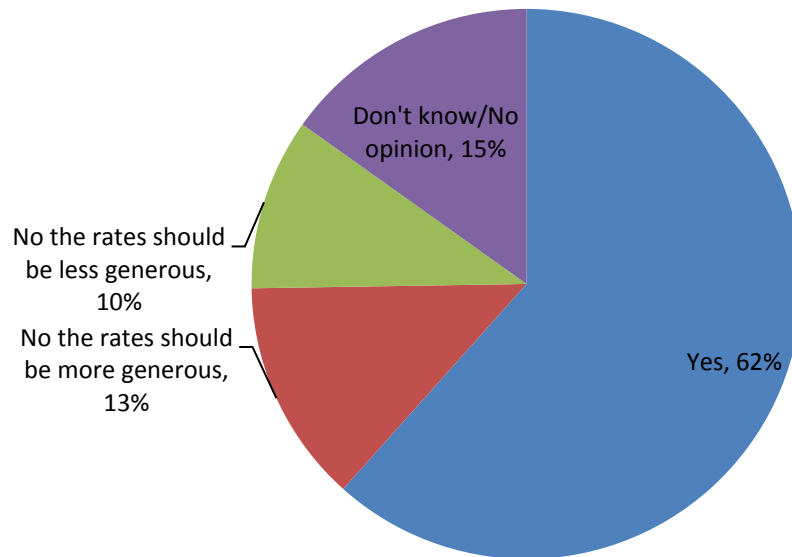
7. Do you think this extra help should stop?



Value	Percent	Count
Yes	33.2%	195
No	58.5%	344
Don't know/No opinion	8.3%	49
Total		588

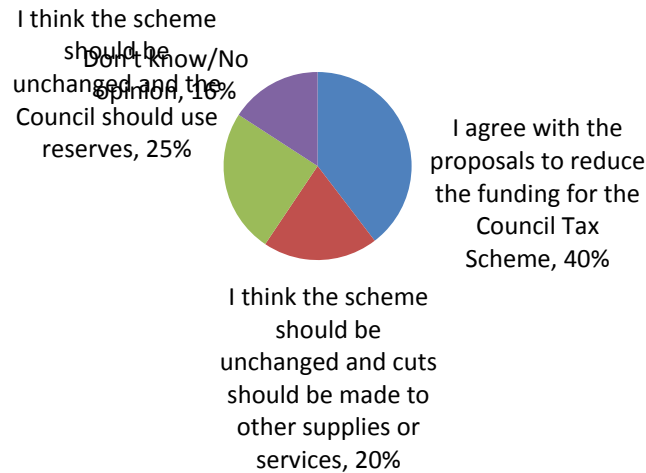
Currently the allowances used to calculate Council Tax Support have changed each year to match the same levels used to calculate Housing Benefit claims. More information on these can be found on the web site page telling you about the consultation.

8. Do you agree that this should continue?



Value	Percent	Count
Yes	61.4%	363
No the rates should be more generous	12.7%	75
No the rates should be less generous	10.5%	62
Don't know/No opinion	15.4%	91
Total		591

9. Please give your views on the funding available for the Council Tax Scheme for 2016-2017.



Value	Percent	Count
I agree with the proposals to reduce the funding for the Council Tax Scheme	39.7%	233
I think the scheme should be unchanged and cuts should be made to other supplies or services	20.1%	118
I think the scheme should be unchanged and the Council should use reserves	24.7%	145
Yes	0.0%	0
Don't know/No opinion	15.5%	91
Total		587

10. Have you any general comments that you wish to make about these changes or are there any other changes you would like us to consider?

Count	Response
1	A jump from 50p to £2 PER WEEK IS TOO BIG. Maybe from 50p to £1 is more palatable
1	Agree that cuts should be made but maybe not as drastic as proposed
1	Backdating should be reduced to 6 weeks
1	Being able to pay Council Tax for services you use most- that are mor relevant to you.
1	Cuts made are enough and should not cut Anymore welfare cuts
1	Do not understand the questions very easily.
1	Extended payment should be for 5 weeks to cater for monthly paid employees
1	Happy medium, fairer to all
1	Help low paid workers
1	I believe the backdating period should be reduced but not removed in total
1	If suffering hardship should be allowed to claim emergency assistance more than once a year.
1	Instead of stopping 13 week backdate reduce period
1	It would be helpful to have an office in Congleton
1	It would good it non dep deductions was one for each household
1	It's good that survey is being done in CS centre.
1	Likes the frank way consultation is presented
1	My Pension is still not paid in full because I didn't for for 2 weeks in 40 years.
6	No
1	Non dependant deductions should reduce
1	People should pay for all that the council offer.
1	People should pay for services they use or make a contribution
1	Reduce backdating period
1	The council should publish how much of our council tax goes into paying pensions.
1	The questions are too complicated for many people. They should be simplified.
1	They should lower the amount you have to pay
1	They should not change anything
1	Very complicated to understand. & long wines, lose interest half way through questions.
1	Whatever is best for Cheshire east residents
1	Why not increase the council tax for everyone. Rather than hitting the poorest
1	Working age contribution should only be increased by inflation rate
1	make sure 1 perent working families are not been penalised
1	maybe in certain circumstances - dead husband etc
1	raise council tax, why is this not presented as an option?
1	single parents should get extra support

- 1 such as stop letting immigrants in - think of all the money our country would save.
- 1 they should change
- 1 There should be an increase to council tax, a review of the bands and consideration to a new higher band for those who live in bigger properties and could afford to pay more. Funds should come from those that can afford to pay and not from those at the lowest end of the income scale. This is going to cause stress and worry to people and increase referrals to support services, which we struggle to fund.....its an endless cycle. I found out about the consultation from the Council Intranet, which is not listed below.
- 1 Many of these changes are affecting people in society who are already living below the poverty line. These changes will affect the most vulnerable people in our community whom can no longer cope financially now, never mind if these changes are introduced in 2015/16. It is preposterous to hit the vulnerable even more than they are now.
- 1 Comments on question 1) I live in a housing association house in the middle of goostrey and pay the same as those who have 5/6 bedroom private houses, mine is a 3 bedroom end terrace.
- 1 increase their hours and/or pay to reduce welfare dependency..... this is NOTHING a resident can do with their work, its the employer who decides this so residents cannot be panellized. I see this as another stealth increase in taxation on the poor/low income residents of Cheshire East. Cut benefits they receive, then make them give it back via these stealth actions....
- 1 People on benefits should get more help. People that have the money should pay more tax than people on benefit. It needs to stop, people on benefits can't afford it.
- 1 I feel that the non dependant deductions should be increased in accordance with the non dep's wages, similar to the HB scheme. I feel the minimum £2.00 per week rule is unfair - a person could miss out on assistance of £100 per year just because they don't qualify for £2.00 per week
- 1 I AM OF WORKING AGE BUT AM DISABLED, LIVE ALONE, HAVE THREE CARERS COMING IN EACH DAY AND HAVE NO CAPITAL. I PRESUME THE CHANGES WILL STILL APPLY TO ME, ALTHOUGH I CANNOT SEE A REFERENCE TO DISABLED PEOPLE OF WORKING AGE. I DO UNDERSTAND I HAVE TO PAY AND DO NOT HAVE A PROBLEM WITH THAT AS LONG AS THE SYSTEM IS FAIR.
- 1 I understand some people will need help but I also feel the majority are playing the system to get what they can and not work because they feel they can gain more from free benefits
- 1 In answer to question 9. There are some changes that I agree with and some that I don't. Council tax should increase by rate of CPI yearly and not be frozen.
- 1 Increasing council tax is only going to lead to vulnerable people who may not be able to work because of ill health or care leavers who have little in the way of financial support struggling to pay bills and may cause unnecessary stress and lead to further financial difficulties

- 1 I feel that there should be no backdating of any benefit Minimum award for all benefits should be £5.00 per week Nondependents in the household should have to pay £7.00 each regardless of their circumstances I think the Allowances should mirror Housing Benefit Allowances to keep the scheme fair I fee that there should be no capital allowance for working age or pensioners as any capital should be used towards paying your bills
- 1 For question 7 I think there should be backdating for good reasons I.e bereavement/urgent hospital admissions but this should be reduced from 13 weeks to around 4 weeks - there was no way of putting this in the question. I would also make two rates of deductions for non-dependants £7.50 for those with no income or an income of £250 a week or less and and another rate of £10 a week for income of more than £250 per week.
- 1 On question 9, I agree with some of the proposals but not all. I think the council should consider increasing council tax.
- 1 Access to this survey is obscure both in terms of wording & advertising same. There is no necessity for freezing council tax only Tory ideology, thus Q9 does not give all the options possible. I am of the opinion that you anticipate few submissions but will use limited replies to justify reducing help to the most vulnerable in Cheshire East.
- 1 Very disappointed that once again pensioners are protected and that cuts fall on those of working age. The young are suffering more because of the protections pensioners are given.
- 1 If cuts are made what is going to happen to large families that need larger house? There is not enough housing for large families and with the tax credit cuts this will plunge more families in to poverty.
- 1 Stop giving out bonuses to the top management and cut down the management at the top or and reduce the pay of the top management
- 1 Stop Eastern Europeans coming into the country and taking the jobs of people who were born in the country and they would have jobs to pay their taxes. Also If Cheshire East Hadn't Been Gambling with Taxpayers money in Sweden You wouldn't have to take such drastic measures.
- 1 I think the scheme should continue as previously but with extra help available for those in very difficult situations. I would be prepared to pay more for my Council Tax or for other services to support the most vulnerable residents. I don't think this consultation is presented in a neutral way; the phrasing of questions is leading.
- 1 Young people need support. Elderley people that have money and those in work should pay the Council Tax, those on benefits should not pay a penny
- 1 Stop funding too many services that (on paper at least) all do the same as each other. Some people accidentally find themselves out of work, or find they have to quit due to disability or to care for someone. You cant then tell them to move to a lesser council tax banding or expect them to pay 25%. This proposal is ludicrous and elitist. You are not living n the real world. Go and volunteer at the citizens advice for a few weeks to see the impact

the current benefit changes are having. There would be no way that you would then ever suggest more cuts. (A Citizens Advice Worker)

1 I think there should be slightly more time allowed to landlords between lets to encourage them to take tenants from the housing team .

1 Whilst we welcome any efforts made to incentivize people into employment, it is difficult to reconcile a reduction in Council Tax Support given that the people who will be most effected by this will, by definition, be the financially vulnerable. Since the abolition of full Council Tax Benefit for anyone receiving a qualifying welfare benefit, the most frequent debt issue we are dealing with is no-longer personal loans and credit cards, instead it is now Council Tax arrears. More recent evidence indicates the negative impact of Council Tax Support on the most vulnerable people:- Too Poor To Pay: The impact of the second year of localised council tax support in London' Ashton, Frances and Jarvie point out, 'It must always be remembered that, for the vast majority of claimants, in order to meet the minimum payment the money must come out of a benefit income already insufficient for the basics of life. This is illustrated by the fact that out-of-work benefits still only provide 39 per cent of what single, working-age people need to reach a minimum income standard.' (p13). They cite evidence that people are borrowing money in order to pay their council tax with the result that many are becoming trapped in a cycle of debt. They go on to suggest that there is a link '...between increasing the level of the minimum payment and claimants' ability to pay.' (p14). It is not accepted that the proposed changes will not impact on those on low incomes, we feel there is a major equality issue with very real disadvantage to those already disadvantaged. Reduction of award from 80% based on Band D to 75% based on Band B = major loss of support to those on benefit. This is likely to push more families into debt which will increase poor health (healthy diet is expensive), restrict educational chances etc. On the practical level, we would question whether the 'savings' which are used to justify the changes are real. According to Cheshire East Councils own figures there are already 13,500 accounts with liability orders, surely the more residents that are unable to pay the increase the more accounts will fall into default?

1 I work in Cheshire East as a Macmillan Benefits Adviser, helping people who have been diagnosed with cancer. These are often working people who need to take time off work during cancer treatment. Often their income reduces dramatically at a time when they need to spend more on heating/special diet/hospital travel. Council tax arrears are an increasing problem for my clients, any further cuts to the scheme would increase financial hardship to this vulnerable group of people.

1 I think it is unfair that non dependants have to make up the shortfall in council tax/rent , this system needs looking at to make it fairer

1 I think the Council should chase the people claiming Sole occupancy when there are 3 or 4 people living at the house. There are loads of Fraudulent claims for 25% off.

1 People who are on benifets should not get less support award people more who work a lot

and actually support there children and family's by going too work

1 You shouldn't change will because people only living then hand to mouth. If peopl with money fel it hard to live what do you think if like pople with out much money

1 In my experience the scroungers still have enough money for cigarettes and alcohol, so I think they should pay the full amount and learn to budget their resources better like the low paid employed have to do.

1 I think people should have to show that they are not wasting money before they can claim benefits I think it is totally unfair to make people unfit for work to pay council tax. They cant work, so they cant pay.

1 Cuts shouldn't be made to Welfare. Money should be generated through Corporation Tax - This is also my answer to Question 9. I think the questions are too pointed. A family who live in a Band C property should not be penalised just because they have more than one or two children. We are not living in China, so people should not be reduced to 1-children families or even 2. Are we heading for the Victorian Age?? Where people are forced to live in cramped conditions or are made homeless?? I require further clarification on question 6. Does this mean that people currently receiving £0.50 a week would no longer be eligible under proposed changes?

1 Question 1: I think the banding limit should be based on the number of people living in the property upto a maximum of say band D. It is quite reasonable to expect a single person or a couple to live in a band B property, but a family of 5 or 6 would need a band C or D property as they generally have at least 3 bedrooms. Question 2: I think that this policy disincentives saving. A claimant should be allowed an amount of savings per year of work that is disregarded. For example, there could be 2 people earning the same income, but 1 saves £100 per month and the other spends every last penny. If they both lose their job, the saver who has probably done without to build up their savings is penalised. Also in this scenario, age makes a difference, £6000 is a lot of savings for someone who is 20, but not someone who is 60+, nearing retirement.

1 more support should be given to young families where one partner works and the other stays at home to care for young children as nursery fees are to expensive and some feel they are better of on full benefits than working because they do not receive the support they need

1 working people on a average income get less over the year than alot of the benefit claimants and still have to pay their full council tax. Working people pay tax on their income also. So asking a single mum who recieves £160 per week tax free who gets all her rent paid should pay the same as someone earning 20k (around £300 a week after tax) who has to pay all their rent, all the council tax, pay child care etc.

1 I think it is a real shame that when the council are looking in securing more funding, that they look to the most vulnerable and less well off in our society. We're meant to support these people not put them under more pressure.

- 1 after a very modest pay / tax credit increase, coupled with slight reduction in income tax, i don't understand the logic in CE subtracting 90%+ of these awards, in order to reduce council tax support, is this fair / logical? great incentive to work harder with these massive effective tax rates.
- 1 I am a single parent and it can be hard to make a living, I've worked all my life and feel when I need help it's not always there
- 1 I am concerned because I live alone without any support from anybody (no family/friends). Due to ongoing physical and mental health problems, I cannot work yet. Every day I seem to be cutting and cutting my expenditure to the point that I do not put my heating on, clothes are from charity shops, I drink prescription nutritional drinks - ensure and am still losing weight. I cannot afford to eat properly, and now that carrier bags are going to be chargeable my budget will have to be reviewed yet again. It may seem insignificant to many people, but increases such as a charge for bags greatly affects my very very small benefit amount. I cannot afford a car and after a hip replacement I struggle. Any reduction in support will further add to my anxiety, depression and poverty. I already live in the cheapest one bedroom flat that I could find that is owned by Coppinger Boston. I have to tolerate damp, woodlice, no insulation, minimal maintenance, electrical issues etc etc etc, and the rent is £400 a month - higher than the council suggests I should be paying. Without discretionary assistance I would be in a further state of despair. As a 48 year old single and vulnerable female who has not ever had children, my resources are very, very limited. I do the very best that I can when other working age people seem to just have more and more kids to receive more and more benefits. Perhaps any changes should be made on a case by case basis if at all possible.
- 1 It Appears to me that as the council tax support scheme is a local scheme which means the council should be making the 20% that people of working age are currently having to pay, up out of its own funds. So that people on welfare benefits actually receive the amount of money that the law says that they need to live . It appears to me that the Cheshire East Council Tax Charges aimed at those currently on welfare Benefits is actually unlawful and that it wouldn't be unreasonable for the council to be forced to pay the money back.This would also apply to the present banding arrangements. D to H
- 1 If all changes are made I would ask that the vulnerable with good reason and good cause could still apply for backdating and reduced non dep deduction and the lower entitlement tariff of 20% this is because from such a low income as JSA the additional payments would cause more severe hardship and this could in turn burden the Prevention fund the DHP and the Emergency assistance scheme as the clients would have less to pay other bills such as the priority rent charges and mortgages. Regarding the reduced 8 weeks to 4 weeks for the employed I feel regard would have to be made for those whom have to work 2 months in advance of payment of salary if verified they could apply for the further 4 weeks.
- 1 For the wealthiest in Cheshire East Council Tax increase = 0% For the poorest = 5% And

exactly which residents is it that you're putting 1st?!

1 After moving from an area of weekly rubbish collection I find it not acceptable that the black bins are collected two weekly.

1 Re: restriction on valuation band - Does it really matter nobody should be homeless whether they have a bigger house - jealousy if you ask me. RE: capital savings - why take money saved for family emergency? RE: increased contribution towards council tax - Feel that people should all pay the same.

1 Rather than remove backdating completely why is there no proposal to reduce the period from 13 weeks to say 6 weeks? Disabled and those unfit to work have suffered enough under recent benefit cuts and I think it is completely unfair to expect them to pay 25% of their Council Tax. These claimants should be protected and a contribution of 20% is more than they can already afford.

1 I do wonder about the Council's paper wastage/output/cost as every time a change occurs the claimant receives sheets of paper detailing all the changes. From end of July to about the end of August, due to changes taking place, I received 5 "change of benefit entitlement" from you. Once I had spoken to someone regarding my last Notification and gave proof of daughter's and my income I received another notification letter - of 40 pages (but printed double sided)! Would it not be possible to summarise any changes? Also how long should claimants keep the Notifications?

1 Asking the most financially vulnerable in our society to make further contributions is unfair and will increase overall deprivation although I work and do not claim any benefits I have empathy for those who find themselves in the position of requiring assistance .

1 I feel that everyone should make a contribution and pay some Council Tax, no matter how small the amount.

1 Council Tax Support is really important to people on a low income, including those of working age who are on a low income. The 20% increase has been a real strain on a huge number of people, and further reductions in support are likely to exacerbate this problem and increase the council's costs in collection costs. By excluding people in band D you will be preventing families living in larger social housing properties from receiving this support and those on a low income or in receipt of benefits are unlikely to be able to pay the full charge, further increasing the bad debt for the council and pushing people into debt. I also think that you should consider an allpay system for paying council tax as this would assist people who pay weekly.

1 The shortfall could easily be made up from the bonuses given to the already highly paid council staff. Some members are on an obscene income considering it is public money. Stop taxing the poorer members of society in order to give more money to those who don't need it.

1 Increasing the percentage from 20% to 25% for working age Benefit claimants would be devastating for people who cannot afford the current 20%. For the same reasons non

dependent reductions should remain at £5.

1 I do not agree that residents who would have previously been eligible for full council tax support should be made to pay anything towards their council tax, as they struggle to manage on those incomes anyway and these measures cause more poverty.

1 I would like to see more efforts made by the council to visit vulnerable people in rural areas who are unable to pay towards their council tax rather than facing them with court and bailiffs. Before bailiffs are involved an assessment should be made as to whether the person is vulnerable - eg if they have mental health problems or learning difficulties the bailiffs should never be involved.

1 Reallly against increasing non dependent deductions..they are often adult children who are not in work or in very low paid work and these deductions already have a bad impact in family finances. Also really against the proposed £2 minimum payment, for those on a low income , missing out on such a payment could make a huge difference. If feel that the savings you think you will make will be grossly offset by the increase in council tax arrears and could put a large number of vulnerable cheshire east residents into debt, cause stress, increase child poverty all of which in the long term are not good for them or for our county.

1 People with more money should pay more council tax and people with health conditions get full benefits a better band and more help.

1 Full help should be available to people who have recently worked when they need it should they lose their job or someone dies. But shouldn't be the max for long. Others should get a job.

1 Why can't the Council Tax be raised so that all residents bear the brunt of cutbacks - not just those who have a low income?

1 You have failed to give an option to raise Council Tax to fund any changes. I for one have a social conscience and feel that it is my duty to support those in need, as should the leadership of Cheshire East Council. It is not your role to put political ideology above the needs of your poorest constituents.

1 i dont believe in taking funds away from other services just so lazy people can sit on their backsides and not go out to work. by taking funds away from other services all you are dooing is penalising those who need those services by helping the helping the lazy residents who cant be bothered to get a job. a tougher stance needs to be taken, people out of work can get a part time job to help pay towards the increases proposed and for it not to be taken away from other services. these people need to learn we cannot keep handing out money. they have to learn they need to support themselves and until such time, spoon feeding them and taking this view they will continue to sponge off the system

1 yes reduce the top earners wages at the council and stop giving bonuses to those at the top of management at the council. Also keep the 25% single person discount as there are people who live on their own and not on a big wage and that is their only income.

1 While some reduction in support might be justified, a blanket change would hit the

deserving vulnerable disproportionately hard. If we could be more selctive so as to provide more help to the vulnerable, less help for the majority might be justified.

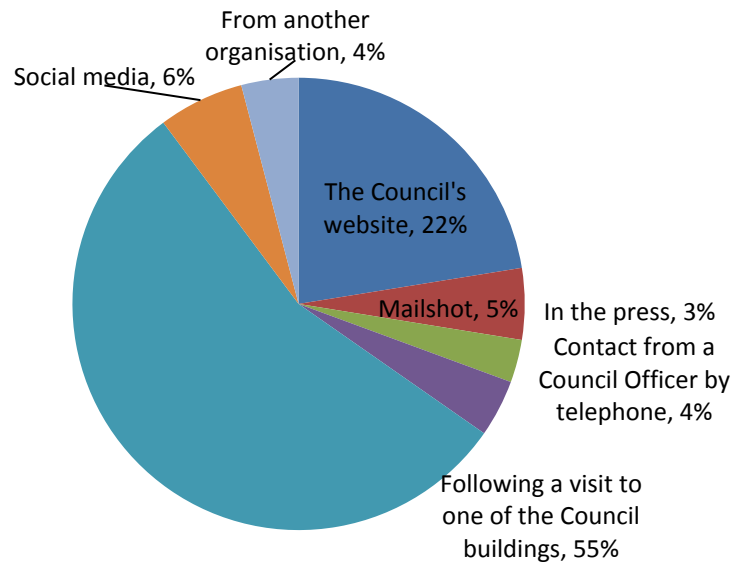
1 Consideration should be given to increasing Council Tax, reducing the support to vulnerable residents when Council Tax has not increased since 2009 doesn't seem fair. A consultation on Council Tax would be welcomed as it feels as though Council services are being reduced when the community of Cheshire East would be prepared to pay more rather than see a reduction in services.

1 I don't no how people can have savings am just getting by with working single mum childcare I think my rent is very hi and gose up each year worries me I work so hard and what for nothing

1 put the council tax up by 2%. Like last year's police budget. The cut as are only making things worse for everybody!

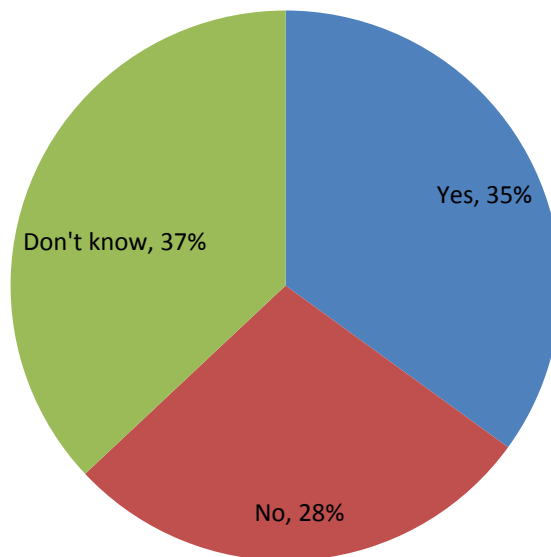
1 i think that council should at least try to put it to central govenement that some pensioners are very rich and mosst are richer than those on jsa or esa so they too should contribute to some extent

11. Please confirm how you found out about the Council Tax Support consultation.



Value	Percent	Count
The Council's website	22.2%	130
Mailshot	5.3%	31
In the press	3.3%	19
Contact from a Council Officer by telephone	4.4%	26
Following a visit to one of the Council buildings	54.2%	317
Social media	6.2%	36
From another organisation	4.4%	26
Total		585

12. To help us complete our Equality Impact Assessment, do you think there are any groups of people in the community who would be affected more than others if all of these changes were adopted for the new Council Tax Support Scheme.



Value	Percent	Count
Yes	34.9%	199
No	28.0%	160
Don't know	37.1%	212
Total		571

If yes, please provide details of who and why you think they would be more affected::Who/which groups:

Count	Response
1	benefit claimants
1	1parent working families
1	21-30 young families
1	60 - 70
1	Age 60 to 65
1	Care leavers
9	Disabled
1	Disabled and mentally ill
1	Disabled and old
1	Disabled and on low income
1	Disabled and those who are too sick to work.
1	Disabled working age and financially deprived people
1	Disabled, those too ill to work
2	Don't know

1	ESA/disabled (mentally & physically)
2	Elderly
1	Elderly and one parent families
1	Elderly. Unemployed
1	Extremely vulnerable
2	Families
1	Families are catered for and OAPs are not
1	Families with children
1	Families with working age children
1	Homeless groups
1	Lone parents who work
1	Low income families
1	Low income workers
1	Low income, working or vulnerable families
3	Low income/poorer people
1	Me
1	Mental Health
1	Mental health residents
1	Mental health- vulnerable
1	Mentally impaired and vulnerable people
1	Middle aged made redundant, approaching pension age
1	Most vulnerable
1	One parent families
4	Pensioners
1	People living on a low income, people with disabilities, parents of larger families
1	People of working age who are in receipt of ESA (support group) and DLA
2	People on Benefit
1	People on lowest income, who the the help the most
1	People on the lowest benefit rates eg basic JSA if they have been moved from ESA
1	People who don't want to work
1	People who have mental health issues
1	People who work low hours and pay more
1	People with health problems
1	Poorer families
1	Poorer people would be badly affected
1	Right across the board

1	School Leavers
1	Scroungers
1	Sick and disabled people and unemployed people
1	Sick/disabled
1	Sick/disabled, people on very low incomes.
1	Singl persons
1	Single mothers, old people, unemployed people
1	Single mums
2	Single parents
1	Single parents and disabled
1	Single people and families
1	Single worrking parent
1	Single,young people
1	Tax Support
1	The mentally and physically disabled
1	The people on sickness benefit
1	The weak and most vulnerable in society
1	There will always be someone affected
1	Those on Welfare benefits of working age
1	Those on benefit only income
1	Those who are getting back to work
1	Those who need help the most
1	Those who work less than 16 hours per week
1	Those with mental health issues
7	Unemployed
1	Unemployed and disabled
1	Unemployed and single parents
1	Unemployed and vulnerable
1	Unwaged
3	Vulnerable
1	Vulnerable adults that can't work
1	Vulnerable groups: and new employees
1	Vulnerable/disabled
1	WORKING AGE DISABLED
1	With over 18's at home
1	Working
5	Working age
1	Working age people on a low income
1	Working customers

1 Young
1 Young couples starting out
1 Young families
1 Young mothers/Single parents
1 Young single mothers, young parents, dissadvantaged
5 disabled
2 disabled groups and unfit to work
1 disabled, single households
1 english will be more affected
1 families, medical conditions
1 large single families
1 larger families
1 low earners that have a child that lives at home and have
become a non dependant
1 low income families
1 low income, working people
1 mainly, working strivers with children
1 non English
1 pensioners
1 people beyond retirement age who would like to work part time
1 people not working & claiming benefits
1 people on benefits / low income
1 people on low incomes
1 people with more money
1 physically/mentally disabled
1 poor/low income
1 retired
1 single childless females
1 single parents
1 single parents, Universal credit claimants, self employed
1 single parents, vulnerable people and women
1 single people of working age
1 some pensioners/elderly. True disable. Ex Service personnel
1 the elderly
1 the lazy
1 the less digitally literate and those generally less aware
1 the sick, the disabled, all others facing barriers into work
1 the unfortunate unemployed with larger houses
1 the vulnerable, disabled, mentally impaired, people who have

- fallen on hard times!
- 1 those in wrongly banded houses
- 1 those who struggle on a medium wage
- 1 unemployed
- 2 vulnerability
- 1 vunerable long term sick
- 1 worker people
- 1 working age
- 1 working age on part time hours
- 1 working age people with disabilities
- 1 Those unable to work through Chronic and or long term ill health
and or a disability and have been deemed to be unfit for work
- 1 peolple with mental health issues and those who are pressured
incessantly to get ANY work irrsperspective of their previous
employment history
- 1 People on zero hours contracts, those who have been newly
made redundant, carers and the cared for
- 1 Those that have worked all of their life and then find themselves
out of work, and not the lifelong people who have been able to
claim for years
- 1 People with care and support needs, and those who are
vulnerable and at risk of developing care and support needs.

If yes, please provide details of who and why you think they would be more affected::Why:

Count	Response
1	They struggle enough
1	20% is a lot to pay for these groups and affects the quality of their lives
1	Already have low income
1	Because of the difficulty they have using getting the benefit system to work for them.
1	Because they can't get a job.
1	Because they are disabled
1	Because they do not have the option to improve their circumstances/quality of life and get a job.
1	Because they have difficulty managing their affairs.
1	Because they have less money than others
1	Because they struggle to sort it all out by themselves as it is.
1	Big chunk of JSA
1	Can't afford rent and Bills if on minimum wage
1	Can't get a job after leaving school
1	Dealing with paperwork and hospital admittance
1	Disposable income would drop and less to spend on food and utility bills
1	Disproportionate share of the burden of cuts falling on them.
1	Doesn't hit pensioners
1	Don't get enough
1	Even if working cannot absorb these changes.
1	Fixed incomes
1	Has been in this situation , it is helpful at the moment
1	Have you ever experienced life at the bottom?
1	Health not as good, many have to leave full time employment due to ill health
1	Higher costs less help will struggle
1	It's hard enough trying to manage bills on very little money at such a young age
1	Less cuts would impact on them
1	Limited income
5	Low income
2	Low income earners

- 1 Money coming in compared to money going out
- 1 More vulnerable and not in all cases choice to be
- 1 More vulnerable generally
- 1 No help
- 1 No money
- 1 No more cuts to welfare benefits
- 1 No prospect of work
- 1 No support, lack of information
- 1 Not enough houses or ea to accommodate
- 1 Not everybody is so keen to apply for benefits
- 1 Not get as much
- 1 Often cannot understand bill/deal with finances and are likely to fall into debt.
- 1 Old
- 1 On low income
- 1 Pensions
- 1 People out of work
- 1 Reduced help
- 1 Reduction in child tax credit
- 1 Social reasons
- 2 Struggle financially
- 1 THEY ARE NOT ABLE TO WORK
- 1 That is what austerity measures are all about - punishing the weak.
- 1 The less help they receive the more likely they are to seek work
- 1 Their disposable income will decrease
- 1 There incomes are reducing so will find it hard to meet any extra expenditure.
- 1 These people need all the support they can get, not charged more
- 1 They are all rich and get loads of money
- 1 They are suffering enough
- 1 They are unable to work
- 1 They are unable to work and are unable to increase their income.
- 1 They are unaffected - age discrimination
- 1 They are vulnerable and have no choices.
- 1 They do not have the money to afford it.
- 1 They don't have a lot of money
- 1 They reasonably need a bigger property than a single person.

1 They seems to be the easiest targets.
1 Those who can't work need help
1 To accomodate employment law changes, low minimum wage
and economic crisis
1 Unable to manage their finances.
1 Will have to pay more under the proposals
1 already have a low wage.
1 as they would come under the working age rules
1 because people sometimes find some systems hard to deal with
or aren't keen to engage
1 because they will have to start paying for themselves for a
change !
1 because too many immigrants
1 becuase it would be much harder for them
1 can not manage their affairs.
1 can't work cos of kids
1 children are our future
1 cost of living is high and wages/benefit do not cover living
expenses
1 cutting help to a band b so unfair to those who have previously
been more prosperous
1 decrease in benefits & help
1 due to benefit cuts already in place
1 extremely limited resources
1 fixed income
1 have to pay more from no extra income
1 lack of jobs, minum wage, rising living costs
1 lack of larger housing with lower rents.
1 living on minimum income already
2 low income
1 more likely to have a more expensive home
1 need the help more, will be most affected, least likely to
undersand the system
1 need to pay more
1 non-dep deductions crippling
1 restricting them more than others
1 struggle with money as it is on benefits
1 surviving only on benefits
1 the amount of benefit lost is ridiculas

- 1 they are always the first to be made to contribute
- 1 they are living in poverty
- 1 they are old
- 1 they are unaffected
- 1 they can't afford it.
- 1 they cannot cope anymore
- 1 they fall between the gaps and would lose the small amount to help with an essential debt
- 1 they get more money
- 1 they will be unaffected which isn't fair
- 1 they will have even less money to spend
- 1 they would be put under additional stress as not able to work or increase hours if they do work.
- 1 unable to get out and work just an increase in bills with no choices if unable to work
- 1 because some methods of getting people to work tantamount to bullying & if they have mental health issues they can deteriorate as a result
- 1 proposed restrictions to child related benefits, lags in payment of UC especially initial wait, erratic income which can be very low at start up
- 1 An decrease in CT support will affect those on a low income, including those who have disabilities and receive benefits. Parents of larger families could be excluded from CT support entirely and face a bill that they cannot meet or moving into overcrowded conditions.
- 1 Removal of 13 week backdated of claim; reducing the number of weeks support is offered when they get a job; increasing the contribution of 25% and reducing the savings disregard to £6,000. Older people are already protected.
- 1 Less income. Some may not be able to work due to honest disabilities but that is at Council discretion and Ex service personnel would find it a complete change
- 1 please see earlier comments. If all changes are made I would ask that the vulnerable with good reason and good cause could still apply for backdating and reduced non dep deduction and the lower entitlement tariff of 20% this is because from such a low income as JSA the additional payments would cause more severe hardship and this could in turn burden the Prevention

fund the DHP and the Emergency assistance scheme as the clients would have less to pay other bills such as the priority rent charges and mortgages. Regarding the reduced 8 weeks to 4 weeks for the employed I feel regard would have to be made for those whom have to work 2 months in advance of payment of salary if verified they could apply for the further 4 weeks.

1 Thy cannot cope with dealing with daily tasks and are generally on benefits and struggle to cope financially.

1 People with mental health issues are discriminated against when applying for discount on their council tax; due to the discount form containing wording MENTAL IMPAIRMENT – this wording isn't correct. People with mental health issues are not mental impaired, they are ill. A Learning Disability may leave someone Mentally Impaired; however, someone with a mental health issue, other than some side effects of sedation, from necessary medication, isn't mentally impaired. I therefore suggest the form be amended, therefore allowing, if required people with mental health issues the same rights in applying for discount to their council tax, as someone with a physical illness.

1 they cant work, so they cant pay. Disabled payments are reducing and this makes their situation even worse.

1 hard to survive, food clothes, transport. We already get taxed on items, VAT, plus Tax payments. Where does it all go?

1 They will be asked to contribute more from what is already meant to be just enough to cover their immediate needs.

1 Because people who have paid into the system for years should be given a buffer of 10 weeks or so they don't know the benefit system or how to claim so finding these things out will take time, and no doubt they want to work again - why make life so much more difficult for them at a time when they need to understand the system they have paid into for years and are probably claiminf for the very first time!

1 Because there has been no transitional addition to restore the benefits to the amount the law says that they need to live on
1 they have already faced cuts to income imposed because of Welfare reform and are in increased debt because of these changes

1 As they are on limited benefits and are unable to work due to their disabilities. Also a couple of years ago I found it difficult to

go from paying no Council tax to then suddenly having to pay 20%

1 they are already paying too much and you want to reduce support. Full support should be given to those who qualify upto band E not reduced to band B. Many families and low income workers are already in Band C and are already not managing, you will drive them out of work and completely onto benefits if they cant afford to live on what they have and if its more financially beneficial not to work

1 Changes don't apply to pensioners who may be better off than their working age counterparts but still get more help with their council tax

1 cuts to 'encourage' into more hours may lead people to be better of not working it extra hours are not available or they are unable to do so for other reasons. Just cutting peoples benenefits is not the way to support people into work.

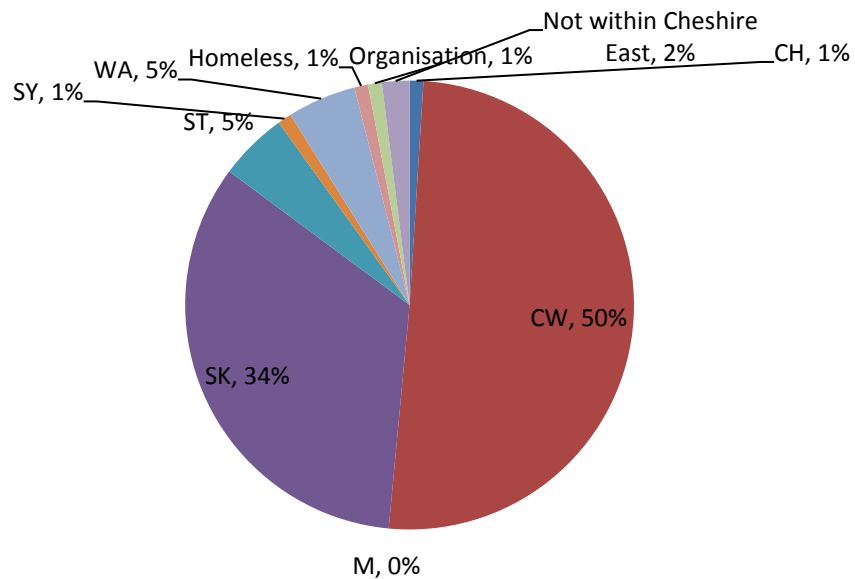
1 Most people from this group do not have enough money to live on and to expect them to pay towards the council tax is bad enough, but to consider increasing the amount they would have to contribute is not acceptable.

1 They would pay more contribution to Council Tax. Trafford Council did not levy ANY charge at all. Take what you need from the Elite Rich and let poor sick people try to survive.

13. If you are completing this on behalf of a group, organisation or other body, please state the name and address in the box below.

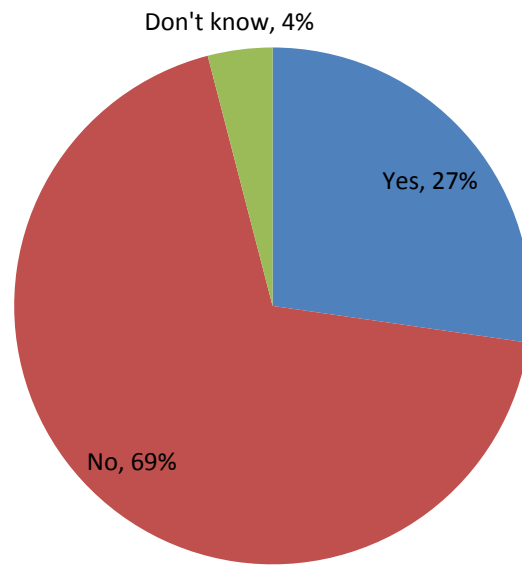
Count	Response
1	ARCH Domestic Abuse Services
1	Arch - Cheshire East Floating Support
1	Cheshire East CAB North Sunderland House Sunderland St Macclesfield SK11 6JF
1	Great Places Housing Group
1	NO but I am a CAB volanteer
1	Odd Rode Elderley Disabled Residents Group
1	Tenancy Support Team, Peaks & Plains Housing Trust

14. Please state the area in which you live by selecting the first part of your postcode in the following dropdown



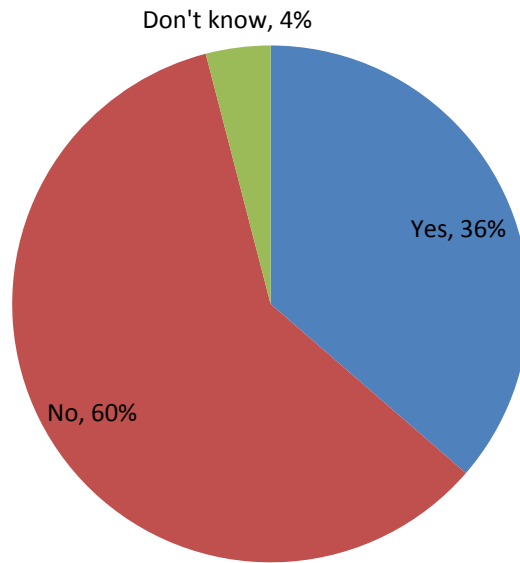
Value	Percent	Count
Yes (please enter the first half of your postcode e.g. CW1, SK1)	0.0%	0
CH	0.6%	3
Yes	0.0%	0
CW	50.6%	252
M	0.2%	1
SK	33.9%	169
ST	5.4%	27
SY	0.6%	3
WA	4.6%	23
Homeless	1.0%	5
Organisation	0.6%	3
Not within Cheshire East	2.4%	12
Total		498

15. Does anyone in your household receive Council Tax Support?



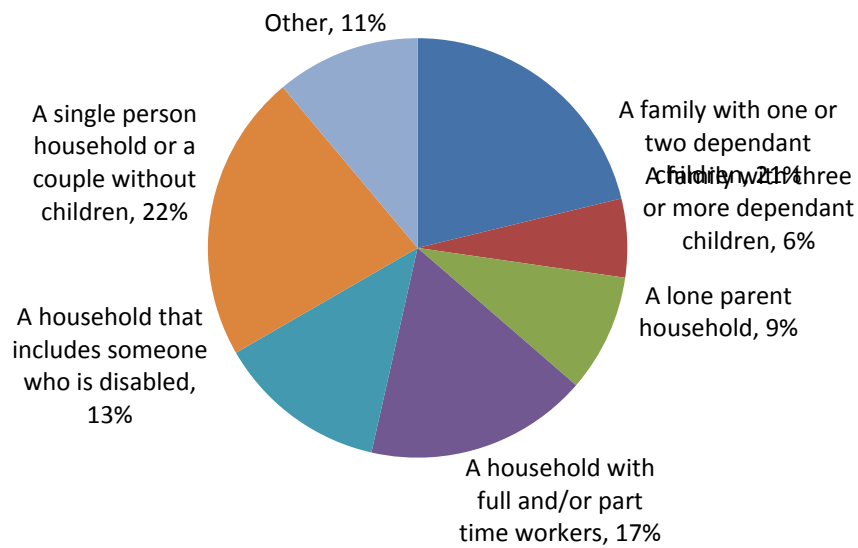
Value	Percent	Count
Yes	27.5%	151
No	68.4%	376
Don't know	4.2%	23
Total		550

16. Do you or anyone in your household receive any other benefits?



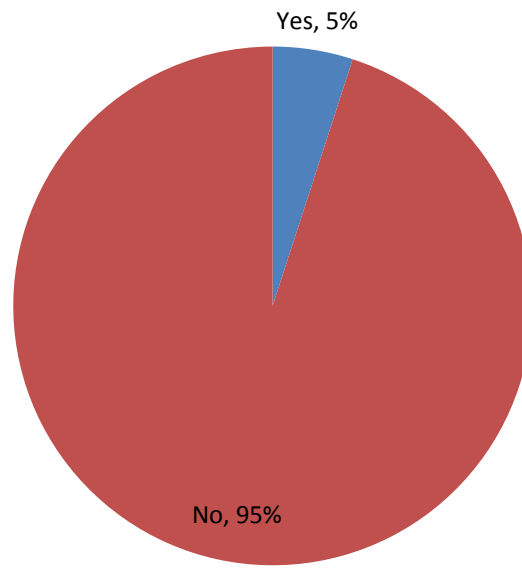
Value	Percent	Count
Yes	36.3%	200
No	59.4%	327
Don't know	4.4%	24
Total		551

17. Which of the following best describes your household?



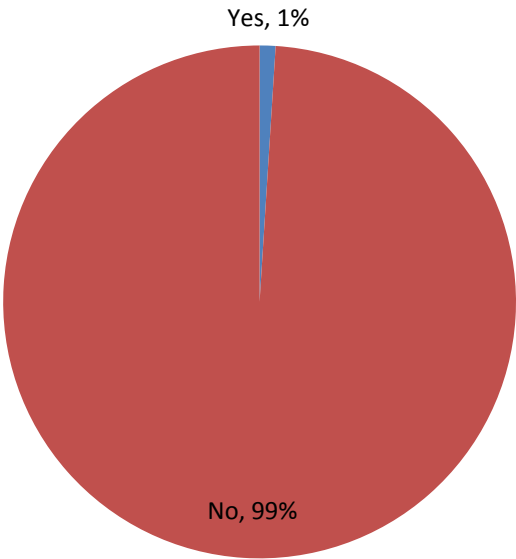
Value	Percent	Count
A family with one or two dependant children	21.2%	117
A family with three or more dependant children	6.2%	34
A lone parent household	9.3%	51
A household with full and/or part time workers	17.4%	96
A household that includes someone who is disabled	12.5%	69
A single person household or a couple without children	22.1%	122
Other	11.3%	62
Total		551

18. Are you a service personnel or ex service personnel?



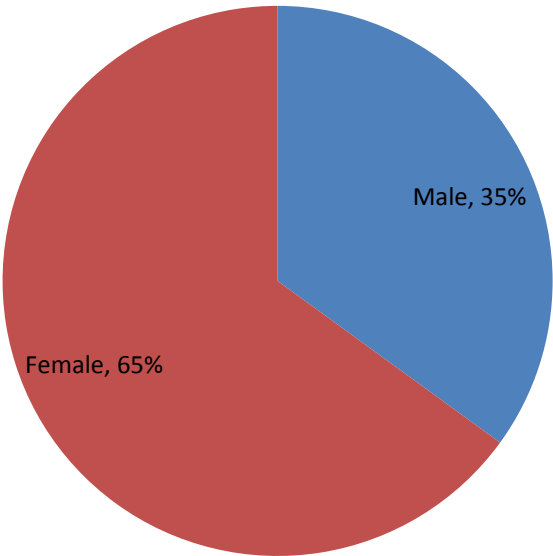
Value	Percent	Count
Yes	5.5%	30
No	94.5%	517
Total		547

19. Are you a War Widow/Widower or do you receive a War Disablement pension?



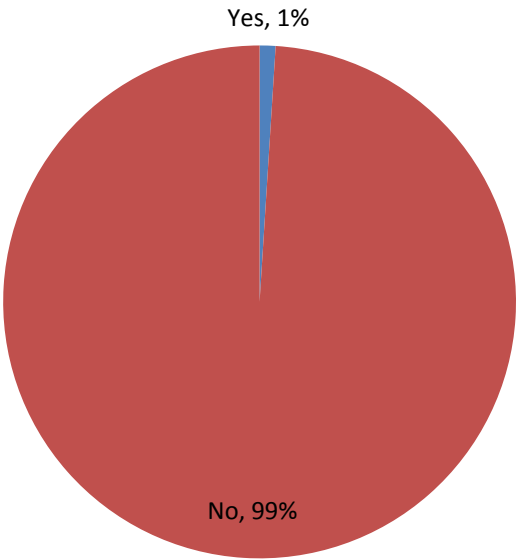
Value	Percent	Count
Yes	1.5%	8
No	98.5%	534
Total		542

20. What is your gender?



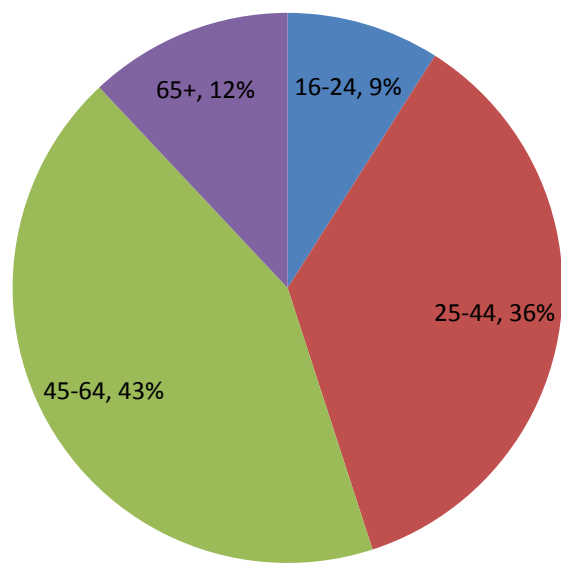
Value	Percent	Count
Male	35.4%	183
Female	64.6%	334
Total		517

21. Are you undergoing/have you undergone gender reassignment?



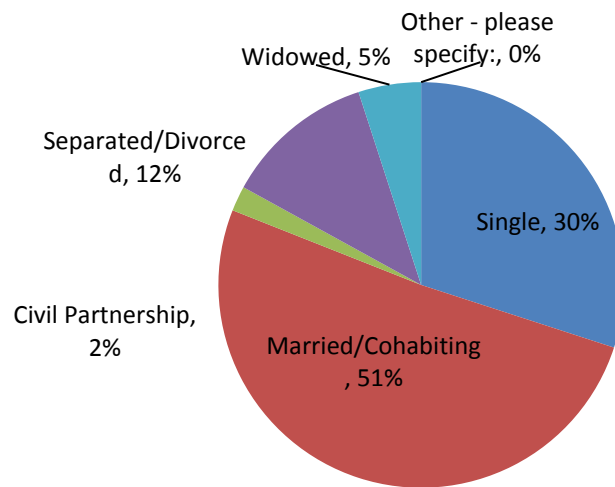
Value	Percent	Count
Yes	1.4%	7
No	98.6%	492
Total		499

22. What age group are you in?



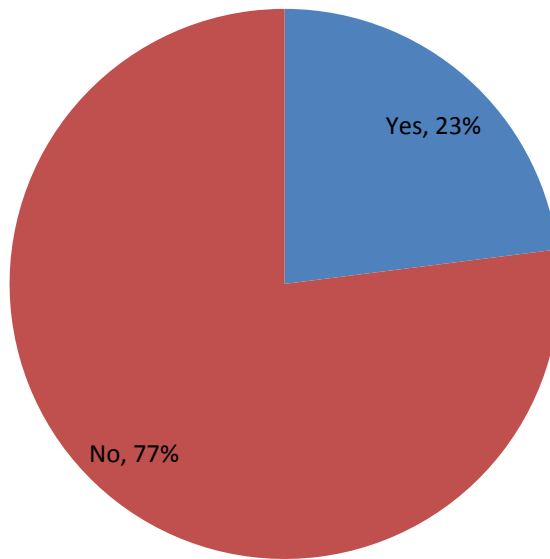
Value	Percent	Count
under 16	0.0%	0
16-24	8.8%	45
25-44	36.2%	184
45-64	43.4%	221
65+	11.6%	59
Total		509

23. What is your marital status?



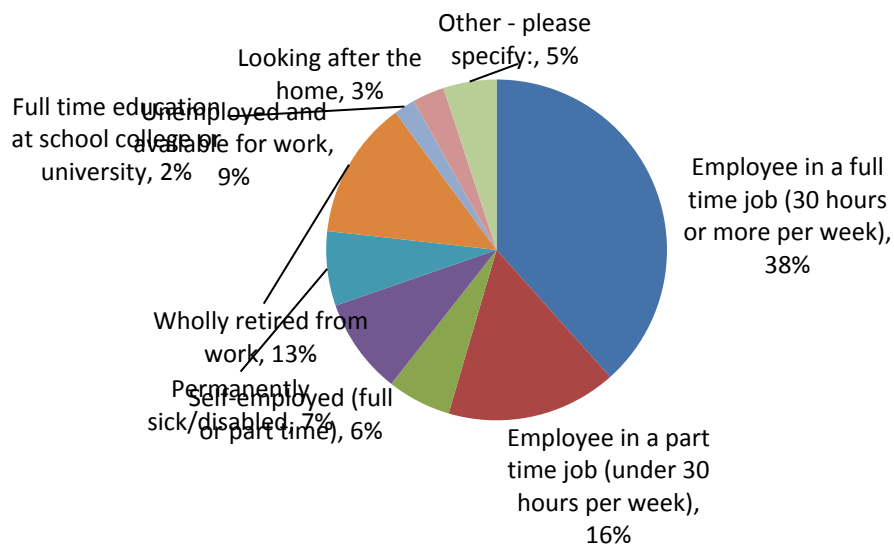
Value	Percent	Count
Single	29.6%	150
Married/Cohabiting	51.1%	259
Civil Partnership	2.4%	12
Separated/Divorced	11.8%	60
Widowed	4.7%	24
Other - please specify:	0.4%	2
Total		507
Responses"Other - please specify:"		Count
LIVING WITH PARTNER		1
engaged		1

24. Do you have caring responsibilities?



Value	Percent	Count
Yes	22.9%	113
No	77.1%	380
Total		493

25. What is your employment status?

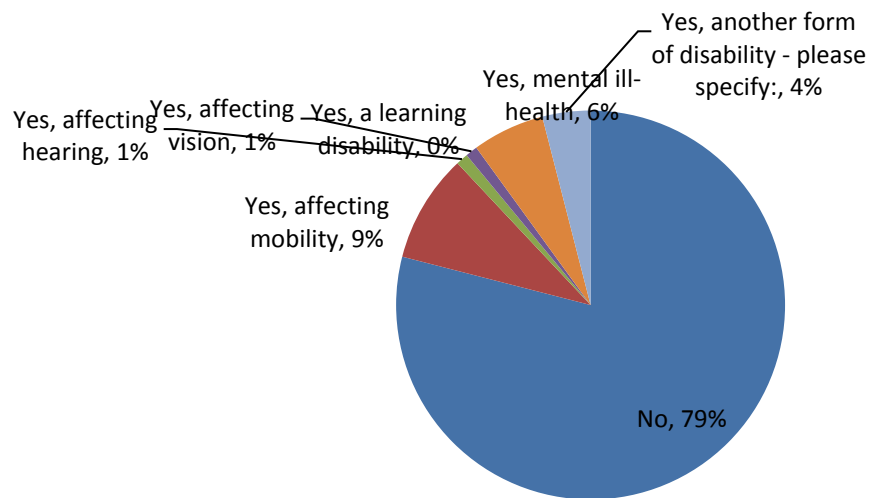


Value	Percent	Count
Employee in a full time job (30 hours or more per week)	38.1%	194
Employee in a part time job (under 30 hours per week)	16.3%	83
Self-employed (full or part time)	5.7%	29
Unemployed and available for work	9.4%	48
Permanently sick/disabled	6.7%	34
Wholly retired from work	13.4%	68
On a government supported training programme (e.g. modern apprenticeship)	0.0%	0
Full time education at school college or university	1.8%	9
Looking after the home	3.3%	17
Other - please specify:	5.3%	27
Total		509

Responses"Other - please specify:"	Count
30 zero hour contract	1
Carer	1
Carer at home	1
Carer for disabled child	1
Carer for husband	1
ESA	2

ESAIR	1
Employed but off sick	1
Employee in 2 jobs 1 full time, 1 on a zero hours contract	1
Retired	1
To care for family members	1
Universal credit	1
VOLUNTEER WORK	1
carer	3
carer for daughter	1
currently not able to work	1
mums carer	1
pensioner	1
retired doing unpaid voluntary work	1
semi retired working on a casual basis	1
temporarily unemployed due to mental health	1
unemployed and pregnant	1
although retired and on comp pension and state full pension my wife gave up work in 1972 to bring up family and now only receives £189 state pension per month	1

26. Are your day-to-day activities limited because of a health problem or disability which has lasted or is expected to last at least 12 months?

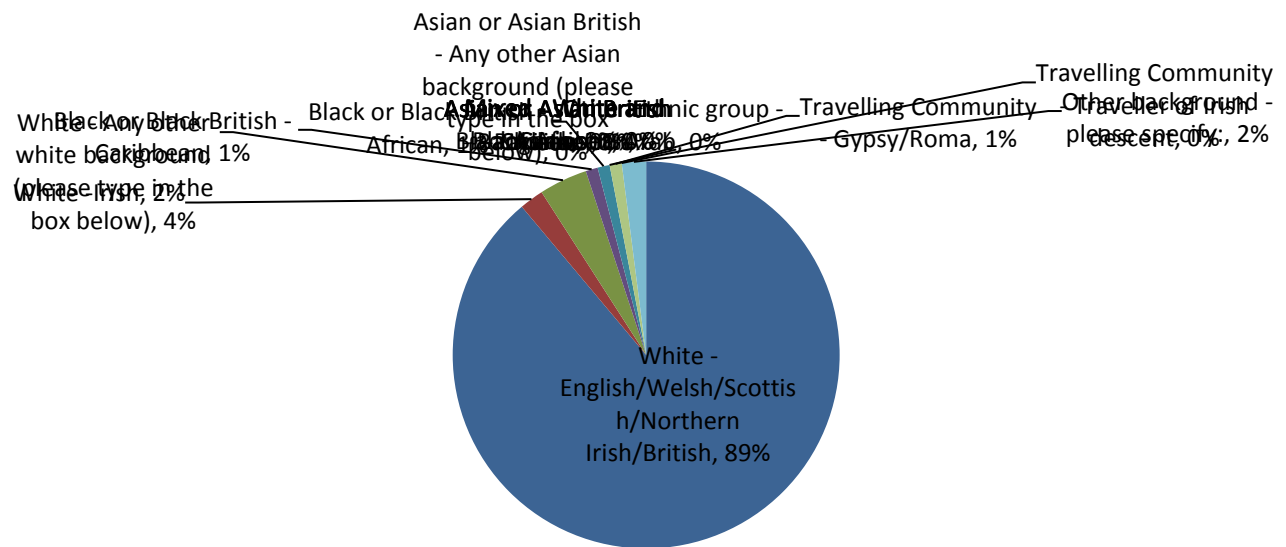


Value	Percent	Count
No	78.5%	398
Yes, affecting mobility	9.1%	46
Yes, affecting hearing	1.4%	7
Yes, affecting vision	1.4%	7
Yes, a learning disability	0.2%	1
Yes, mental ill-health	5.9%	30
Yes, another form of disability - please specify:	3.6%	18
Other - please specify	0.0%	0
Total		507

Responses"Yes, another form of disability - please specify:"	Count
Left Blank	584
Ankylosing spondilitis	1
Arthritis	1
Asthma and high blood pressure	1
Fybromyalgia	1
Hearing	1
Hearing, eyesight, mobility, brain damage suffers short and long term memory loss	1
Husband has dementia	1
Hyper mobility fibro m	1
Terminal illness	1

Yes after a major stroke which has affected mobility, vision and left me with epilepsy.	1
cancer	1
dyslexia/dyspraxia	1
heart condition	1
incontinence prostat du to cancer	1
mental health and limited mobility due to hip replacement and awaiting a right hip replacement	1
more than one option from above	1
substance misuse	1

27. What is your Ethnic Group?

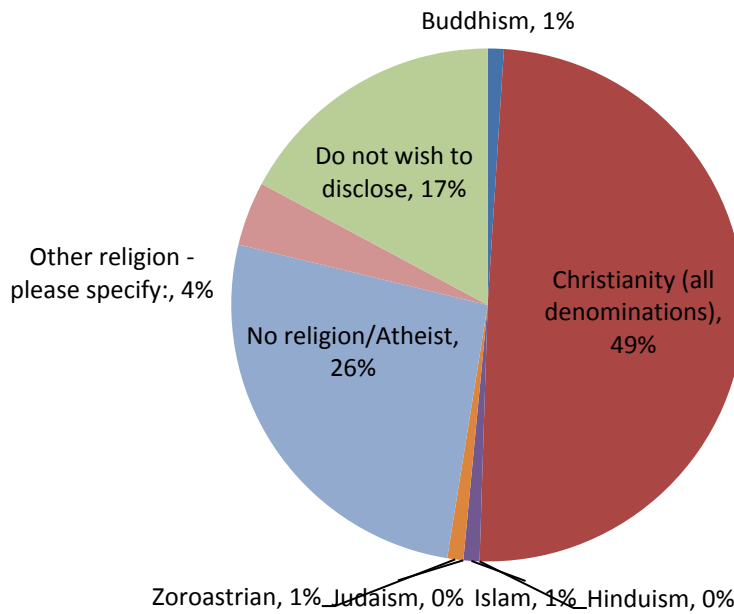


Value	Percent	Count
White - English/Welsh/Scottish/Northern Irish/British	88.3%	444
White -Irish	2.0%	10
White - Any other white background (please type in the box below)	3.6%	18
Black or Black British - Caribbean	0.8%	4
Black or Black British - African	0.6%	3
Black or Black British - Any other black background (please type in the box below)	0.0%	0
Asian or Asian British - Indian	0.2%	1
Asian or Asian British - Pakistani	0.4%	2
Asian or Asian British - Bangladeshi	0.2%	1
Asian or Asian British - Chinese	0.2%	1
Asian or Asian British - Any other Asian background (please type in the box below)	0.2%	1
Mixed - White and Black Caribbean	0.2%	1
Mixed - White and Black African	0.2%	1
Mixed - White and Asian	0.2%	1
Mixed - Any other Mixed background (please type in the box below)	0.0%	0

Other Ethnic group - Arab	0.4%	2
Other Ethnic group - other (please type in the box below)	0.0%	0
Travelling Community - Gypsy/Roma	0.6%	3
Travelling Community - Traveller of Irish descent	0.2%	1
Travelling Community - Other member of the Travelling Community (please type in the box below)	0.0%	0
Other background - please specify:	1.8%	9
Total		503

Responses"Other background - please specify:"	Count
Fillipino	1
Indian Caribbean	1
Kashmiri	1
Oriental	1
Polish	1
South African	1

28. What is your religion/beliefs?



Value	Percent	Count
Buddhism	1.4%	7
Christianity (all denominations)	49.3%	240
Hinduism	0.2%	1
Islam	1.4%	7
Jainism	0.0%	0
Judaism	0.2%	1
Sikhism	0.0%	0
Zoroastrian	0.6%	3
No religion/Atheist	25.9%	126
Other religion - please specify:	4.1%	20
Do not wish to disclose	16.8%	82
Total		487

Responses"Other religion - please specify:"	Count
Catholic	6
Humanist	1
Methodist	1
Muslim	1
Pagan	1
Polish	1
Spiritualism	3
orthodox	1
realist	1

This page is intentionally left blank

Appendix B – Equality Impact Assessment form

Equality impact assessment is a requirement for all strategies, plans, functions, policies, procedures and services under the Equalities Act 2010. We are also required to publish assessments so that we can demonstrate how we have considered the impact of proposals.

Section 1: Description

Department	Benefits	Lead officer responsible for assessment	Alison Edwards			
Service	Communities	Other members of team undertaking assessment				
Date	2 November-2015	Version 3				
Type of document (mark as appropriate)	Strategy	Plan	Function	Policy	Procedure	Service
Is this a new/existing/revision of an existing document (mark as appropriate)	New		Existing		Revision	
Title and subject of the impact assessment (include a brief description of the aims, outcomes , operational issues as appropriate and how it fits in with the wider aims of the organisation) Please attach a copy of the strategy/plan/function/policy/procedure/service	Council Tax Support scheme <p>In April 2013 Council Tax Benefit was abolished. Local Authorities were tasked with producing their own local scheme for support. The scheme was required to match CTB for pension age customers but could be changed for working age customers. CEC had to create its own scheme within the boundaries of decreasing local budgets which would support the welfare reforms programme and assist in making work pay. The original scheme for CTS reduced the maximum entitlement to 80% of the annual charge, a reduction of 20%.</p> <p>Disregards from wages were increased by an additional £5 per week from the disregards set previously, to support the goal of making work pay.</p> <p>With an ever aging population and reducing caseload, the number of working age households is decreasing; which in turn means that the savings have to be made from a smaller pool of residents. The Council Tax Support caseload</p>					

	<p>has reduced by approximately 4000 cases since 2012/13. The reduction in working age claims is 2350.</p> <p>Whilst CEC is committed to not increasing the Council Tax charges for 2016/17, a change to the CTS scheme will mean an increase in payments for Working age customers on low income or out of work.</p> <p>The scheme aims to acknowledge 'work pays' and as such there are additional disregards from wages for those in work. Those not working, with the lowest income locally, will find themselves paying considerably more towards their Council Tax.</p> <p>The proposed changes to scheme for 2015/16 are:</p> <ul style="list-style-type: none"> a) Maximum entitlement 75% b) Restrict to Band B c) Increase non dependant deductions to £7.00 per week d) Increase minimum award to £2.00 per week e) Reduce capital limit to £6k f) Reduce extended payments to 4 weeks g) Remove backdating <p>Case Study examples</p> <p>Case Study 1 – Passported Benefit claim, Job Seekers Allowance, couple with 2 children, Band C</p> <p>2015/16 CTS entitlement is £20.07 per week, required to pay £261.67 Council Tax per year</p> <p>Once changes applied</p> <p>2016/17 CTS entitlement is £16.47 per week, required to pay £449.74</p>
--	---

	<p>Case Study 2 – Standard Benefit Claim, couple working no children, Band B</p> <p>2015/16 CTS entitlement is £14.39 per week, required to pay £394.46 Council Tax per year Once changes applied 2016/17 CTS entitlement is £13.00 per week, required to pay £466.94</p> <p>If this customer has Capital of £6200</p> <p>2015/16 CTS entitlement is £13.89 per week, required to pay £420.54 Council Tax per year Once changes applied 2016/17 CTS entitlement is £0.00 per week, required to pay £1144.80</p> <p>Case Study 3 – Standard Benefit Claim, Couple working, 2 children, Band C</p> <p>2015/16 CTS entitlement is £1.57 per week, required to pay £1226.48 Council Tax per year Once changes applied 2016/17 CTS entitlement is £0.00 per week, required to pay £1308.34</p>
Who are the main stakeholders? (eg general public, employees, Councillors, partners, specific audiences)	Cheshire East Council employees, Councillors, residents of Cheshire East, partners

Section 2: Initial screening

Who is affected? (This may or may not include the stakeholders)	Residents of Cheshire East of working age and on low income, Council Tax and Benefits teams
--	---

listed above)											
Who is intended to benefit and how?			<p>The Council Tax Support scheme is designed to support residents of Cheshire East who have a liability to pay Council Tax for their home and who require some assistance to pay that charge</p> <p>The proposed changes to the scheme will benefit CEC by increasing money in through payment of Council Tax and reducing the levels of reduction via Council Tax Support</p>								
Could there be a different impact or outcome for some groups?			Yes – the scheme changes only affect working age customers as Council Tax Support for pensionable residents remains the same as it was under Council Tax Benefits								
Does it include making decisions based on individual characteristics, needs or circumstances?			Yes – Council Tax Support is a means tested reduction Income, savings/capital and household make up are used to assess the level of reduction eligible								
Are relations between different groups or communities likely to be affected? (eg will it favour one particular group or deny opportunities for others?)			No								
Is there any specific targeted action to promote equality? Is there a history of unequal outcomes (do you have enough evidence to prove otherwise)?			No								
Is there an actual or potential negative impact on these specific characteristics? (Please tick)											
Age	Y	N	Marriage & civil partnership	Y	N	Religion & belief	Y	N	Carers	Y	N
Disability	Y	N	Pregnancy &	Y	N	Sex	Y	N	Socio-economic	Y	N

			maternity						status		
Gender reassignment	Y	N	Race	Y	N	Sexual orientation	Y	N			
What evidence do you have to support your findings? (quantitative and qualitative) Please provide additional information that you wish to include as appendices to this document, i.e., graphs, tables, charts									Consultation/involvement carried out		
									Yes	No	
Age			The new scheme only affects those residents of working age – the scheme is modelled to ensure a specific level of savings to the CTS budget. This means that the recovery of these savings has to be made from this group. Residents of pension age are protected from any cuts and still retain the protections of the original Council Tax Benefit scheme 51% of current claimants are of working age and 49% are pension age						Full consultation on new scheme and options for change		
Disability			Disability has no direct effect on assessment, however there are more protections afforded to those with disabilities through other benefits payable and disregards of those incomes from the calculation of Council Tax Support 5913 claims contain one or more household member who is considered to be vulnerable using disability premiums as an indicator for vulnerability						Yes as above		
Gender reassignment			Has no effect on the assessment - currently no stats are available regarding the number of gender reassignment residents in the borough						Consultation open to all		
Marriage & civil partnership			Has no effect on the assessment – stats based on marital/partnership status are not available						Consultation open to all		

Pregnancy & maternity	Has no effect on the assessment – stats are not held regarding this group	Consultation open to all	
Race	Has no effect on the assessment – from the latest census the population of Cheshire East is 93.6% White British, leaving 6.4% other ethnicities	Consultation open to all	
Religion & belief	Has no effect on the assessment	Consultation open to all	
Sex	Has no effect on the assessment – caseload split by claimant shows 60% female 40% male There is no additional breakdown to list single parents who are generally female	Consultation open to all	
Sexual orientation	Has no effect on the assessment – stats are not held on this group	Consultation open to all	
Carers	Has no effect on the assessment – per 2011 census, 40003 residents class themselves as unpaid carers	Consultation open to all	
Socio-economic status	This group is directly affected by this scheme – those out of work or working in lower paid roles or on minimal hours. Specific protections have been built into the scheme to support those in work or returning to work to ensure that it pays to work, and the customer can see the benefits of higher earnings. Additional disregards are made from earned income.	Full consultation on new scheme and options for change	
Proceed to full impact assessment? (Please tick)	Yes	No	Date 12.6.15

If yes, please proceed to Section 3. If no, please publish the initial screening as part of the suite of documents relating to this issue

Section 3: Identifying impacts and evidence

This section identifies if there are impacts on equality, diversity and cohesion, what evidence there is to support the conclusion and what further action is needed

Protected characteristics	Is the policy (function etc....) likely to have an adverse impact on any of the groups? Please include evidence (qualitative & quantitative) and consultations	Are there any positive impacts of the policy (function etc....) on any of the groups? Please include evidence (qualitative & quantitative) and consultations	Please rate the impact taking into account any measures already in place to reduce the impacts identified High: Significant potential impact; history of complaints; no mitigating measures in place; need for consultation Medium: Some potential impact; some mitigating measures in place, lack of evidence to show effectiveness of measures Low: Little/no identified impacts; heavily legislation-led; limited public facing aspect	Further action (only an outline needs to be included here. A full action plan can be included at Section 4)
Age	Savings need to be made via a reduction of this scheme in order to avoid impact on other LA services. There are currently 21,025 recipients, 10,610 of whom are working age.	Pension age customers are not affected by any of the changes	High – full consultation undertaken Impact will vary based upon income, household make up, Council Tax Band and location	Full Consultation Promote awareness of the changes Encourage all to spread Council Tax instalments over 12 months to reduce financial impact, if not already done Annual promotion of Council Tax Discounts and Exemptions to maximise take up Under Section 13a of the Local Government Finance Act 1992, the

				<p>Council has the power to reduce liability for Council Tax in relation to individual cases where national discounts and exemptions cannot be applied.</p> <p>For those struggling to manage their budget, advice and budgeting support can be arranged.</p>
Disability	No adverse effect due to disability – additional protections of disregarded income and higher applicable amounts		<p>Low</p> <p>Impact will vary based upon income, household make up, Council Tax Band and location</p> <p>This group may have limited/no capacity to work.</p>	
Gender reassignment	No adverse effect due to gender reassignment – all working age affected the same		<p>Low</p> <p>Impact will vary based upon income, household make up, Council Tax Band and location</p>	
Marriage & civil partnership	No adverse effect due to marital status – all working age affected the same		<p>Low</p> <p>Impact will vary based upon income, household make up, Council Tax Band and location</p>	

Pregnancy and maternity	No adverse effect due to maternity/pregnancy – potential for additional protections as vulnerable		Low Impact will vary based upon income, household make up, Council Tax Band and location	
Race	No adverse effect due to race – all working age affected the same		Low Impact will vary based upon income, household make up, Council Tax Band and location	
Religion & belief	No adverse effect due to religion/beliefs – all working age affected the same		Low Impact will vary based upon income, household make up, Council Tax Band and location	
Sex	No adverse effect due to sex – all working age affected the same		Low Impact will vary based upon income, household make up, Council Tax Band and location	
Sexual orientation	No adverse effect due to sexual orientation – all working age affected the same		Low Impact will vary based upon income, household make up, Council Tax Band and location	
Carers	No adverse effect due to		Low	

	being a carer – potential for additional protections as vulnerable support		Impact will vary based upon income, household make up, Council Tax Band and location This group may have limited/no capacity to work depending upon time taken with carer duties.	
Socio-economics	<p>This group includes families, couples and singles with low income, either as benefits or lower earnings. They are the customers who will be affected by this change of scheme. More savings have to be found from a smaller group of people. Protections are available to ensure more support for those in work and striving to increase hours/salary. However, inevitably, this group is the most effected.</p> <p>This group will face an increase in their Council Tax, which will vary based upon their household make up, Council Tax band and location. Those with lower incomes will face a larger cut in their disposable income,</p>	The scheme may act as incentive for applicants to find employment or increase hours or pay.	Full consultation required to establish support for the best option for both the LA and it's citizens	<p>Full consultation Promote awareness of the changes Encourage all to spread Council Tax instalments over 12 months to reduce financial impact, if not already done Under Section 13a of the Local Government Finance Act 1992, the Council has the power to reduce liability for Council Tax in relation to individual cases where national discounts and exemptions cannot be applied. Work around re-generation to bring more jobs to Cheshire East. For those struggling to</p>

	and be most affected by the changes.			manage their budget, advice and budgeting support can be arranged.
Is this project due to be carried out wholly or partly by contractors? If yes, please indicate how you have ensured that the partner organisation complies with equality legislation (e.g. tendering, awards process, contract, monitoring and performance measures)				

Section 4: Review and conclusion

Summary: provide a brief overview including impact, changes, improvement, any gaps in evidence and additional data that is needed

The group affected by changes to this policy is becoming smaller year on year, following caseload trends. This means that they will be affected significantly having a high impact on monthly disposable income. This in turn has a negative effect on the local economy. However the more customers that return to the workplace will have a positive effect financially, emotionally and socially. More family income from wages will mean a higher family disposable income.

Specific actions to be taken to reduce, justify or remove any adverse impacts	How will this be monitored?	Officer responsible	Target date
Review of consultation results – new scheme designed and implemented	Benefits Manager will co-ordinate with cross-departmental support	Paper prepared for Chief Operating Officer – summary prepared for consideration by Cabinet, Scrutiny and Council	Nov, with final decision at Council in December
Review impacts of future welfare reform changes	Benefits Team & Corporate Welfare Reform Working Group	Chair of Welfare Reform Working Group	November 2015-April 2016 as details made available
Please provide details and link to full action plan for actions			
When will this assessment be reviewed?	December 2015 once final decision made by Council		
Are there any additional assessments that need to be undertaken in relation to this	Separate Health Impact Assessment Financial modelling of the cost of the scheme and collection rates/recovery action for Council Tax for those receiving Council Tax Support		

assessment?	Review impact of other welfare reform changes once known		
Lead officer signoff	Alison Edwards	Date	November 2015
Head of service signoff	Paul Bayley	Date	November 2015

Please publish this completed EIA form on your website

Appendix C – Health Impact Assessment

Screening for Health Impact Name of policy to be assessed: Council Tax Support (CTS)

As part of the Government's Welfare Reform programme, this policy is aimed to support the reduction of the cost of the benefits bill and simplify the benefits system. More emphasis is put on the customer being responsible for their finances. The Council has a duty to take account of issues relating to health and well-being.

Please answer the questions below in relation to this policy and the impact it will have on the social, economic and environmental living conditions that will be affected as a result and which would therefore indirectly have an impact on health.

Screening Question	NO If there will be no health impact provide a brief explanation for your response	YES If there will be a health impact provide a brief explanation
<p>Will the policy/programme have an impact on social, economic or environmental living conditions that would indirectly affect health?</p> <p>For example, would it affect housing, transport, child development, education, good employment opportunities, green space or climate change?</p>		<p>The customers who are applying for help via the CTS scheme are either out of work, on low earnings or Pensioners.</p> <p>Protections were maintained from the old Council Tax Benefit Scheme for pensioners to ensure that they still receive the maximum amount of reduction.</p> <p>For working age customers the changes are considerable.</p> <p>The health and wellbeing of all family members may be affected by a lower disposable family income.</p> <p>Employment opportunities – the scheme promotes 'being in work pays' – with additional disregards from wages for the calculation of CTS.</p> <p>Additional changes via the welfare form, increased tax levels from £10,800 to £11,000.</p>

Which socioeconomic or equalities group will be particularly affected?		<p>Potential for additional traffic on the roads if more customers back into work.</p> <p>Education – impact of less disposable income, inability to replace uniform, shoes and equipment.</p> <p>Unhealthy lunches as healthy food choices are often more expensive.</p> <p>Child development – low self esteem – unable to attend school trips or clubs.</p> <p>This policy will affect residents from all socioeconomic and equalities groups equally. Anyone of working age is potentially affected if they are out of work or on a low income.</p> <p>Less disposable income means less money into local economy (78p in £).</p> <p>Potential additional court costs for failure to pay instalments.</p> <p>It enforces the work incentive at the heart of the Welfare Reforms. Customers are better off in work because they get additional income disregards towards the calculation of their CTS.</p>
Will the proposal affect an individual's ability to improve their own health and		<p>The aim of the scheme is support people into work – customers in work receive additional disregards from their wages to allow extra support.</p> <p>Reduced CTS will result in customers using existing</p>

<p>wellbeing? For example, will it affect their ability to be physically activity, choose healthy food, reduce drinking and smoking? Which socioeconomic or equalities group will be particularly affected?</p>		<p>budgets to pay the Council Tax shortfall, leaving less money for food/utilities etc, poor diet, less fuel – cold weather = illness, stress through debt & worry.</p> <p>A reduction to disposable income will affect the customer's ability to purchase healthy food, which is generally more expensive than 'fast food' items.</p> <p>It may enforce a beneficial change in the reduction of drinking and smoking due to reduced funds available.</p>
<p>Will the proposal have a direct impact on mental health and wellbeing? For example, would it cause ill health affecting social inclusion, independence and participation? Which socioeconomic or equalities group will be particularly affected?</p>		<p>Financial pressures inevitably may result in relationship/family breakdown which has a major impact on the mental health and wellbeing of both adults and children within a family unit.</p> <p>Where mental health is affected we may see an increase in stress, suicide or alcoholism which has a direct impact on the Health Care providers within the Borough.</p> <p>A poor diet and reduced money to support physical activities such as clubs and gyms will in turn potentially have a negative effect on both physical and mental health.</p> <p>Generally activity clubs and gym membership supports and enhances well being both physically and mentally – aiding social inclusion and participation within the</p>

		<p>community.</p> <p>Rural issues – reduced income will affect those living in the rural areas of Cheshire East. Less money to travel; which may impact on social inclusion and the customer's support network.</p> <p>Again this will affect all groups within the community.</p> <p>Poor health may prevent the customer gaining employment or result in time off work and losing their job.</p> <p>A positive outcome of this may be a greater use of the green spaces available throughout the Borough at no cost to the residents. There is the potential to engage more with free events arranged through the Sport and Recreation department locally, to join new support groups & voluntary groups and open up new networks – supporting social inclusion</p>
<p>Will there be a change in demand for or access to health and social care services? For example, Primary Care, Community Services, Mental Health and Social Services? Which</p>		<p>Due to reduced income there may be considerable affects on the health of our residents.</p> <p>During the winter months if money is short customers will be less inclined to heat their homes effectively which in turn causes ill health, influenza, common cold, insomnia and an increase in excess winter deaths.</p> <p>Fuel poverty is already an issue which Cheshire East are actively aiming to reduce in order to tackle this issue and an Under the Weather group has been set up to review options and solutions to support residents during both</p>

socioeconomic or equalities group will be particularly affected?		<p>excess cold and excess heat .</p> <p>Illness and isolation will have an impact on all the local health and social care services.</p> <p>Additional A&E footfall, hospital in-patients and referrals for social care support.</p>
--	--	---

Identify Health Impacts	Will the health impact affect the whole population or will there be differential impacts within the population?	Will the health impacts be difficult to remedy or have an irreversible impact	Will the health impacts be medium to long?	Are the health impacts likely to generate public concern?	Are the health impacts likely to generate cumulative and/or synergistic impacts?	Combining the answers, on balance will the health impacts have an important positive or negative impact on health?
General Health and wellbeing	Generally will only affect customers of working age and their children as policy does not directly affect pensioners. However, will affect pensioners living with a working age family unit	The effect can be remedied by the customer gaining successful , full time employment at a level of earnings moving them from welfare dependency	Yes	Yes	Yes	Negative impact on health due to reduced income to support good health and wellbeing

Healthy Eating	As above	As above	Yes	Yes	Yes	Negative impact - generally good healthy food is more expensive than 'fast food' as budget is reduced there is less disposable income to spend. May not be used for best options
Mental Health	As above	Possibly	Yes	Yes	Yes	Negative impact – additional stress to customers due to reduced finances/debts – increased risk of suicide, alcoholism. Relationship breakdown affecting both adults and children
Demand on Health and Social Care	As above	Yes	Possibly but also immediate/short term	Yes	Yes	Poor health due to poor diet, lack of physical exercise, stress, fuel poverty

Analysis

The policy can have both positive and negative effects.

Negative affects to health

Poor diet – due to reduction of disposable income

Poor general health - due to poor diet

Fuel Poverty – less money to use necessary utilities to heat the home

Stress – impact of having to move out of area, away from support network, increased social isolation, suicide, alcoholism

With a reduction to disposable income, the household budget will need to be managed to take this into account. This could have a negative impact on eating healthily and use of utilities, which in turn will affect the customer and family's health and well being. If the reduction prompts the customer to move and downsize, their security of tenure and suitability of accommodation may be affected.

This page is intentionally left blank

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 8th December 2015
Report of: Chief Operating Officer
Subject/Title: Council Tax Base 2016/17
Portfolio Holder: Councillor Peter Groves, Finance and Assets

1.0. Report Summary

- 1.1. Cheshire East Council is the third largest council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Annual spending is more than £750m, with a balanced net budget for 2015/16 of £246.4m. The complexity of customer demands and the size of the organisation make it very important to manage performance and control expenditure to ensure the best outcomes for residents and businesses.
- 1.2. In November 2015 the Council reported its mid-year review of performance demonstrating how the Council is continuing to build on the final outturn position for 2014/15 by reflecting a manageable forecast overspend of £0.5m or 0.2% of net budget. This was the lowest figure ever reported for the Council at the mid-year stage of the financial year and confirmed that the Council's reserves strategy remains effective.
- 1.3. The overall financial health, performance, resilience and value for money at Cheshire East Council is strong despite taking over £50m out of its cost base since 2011/12, and freezing Council Tax for the fifth consecutive year. The 2014/15 accounts were recently signed off by the Council's external auditors, without qualification, and savings are consistently achieved through efficiency, removing duplication of effort, making reductions in management costs, and planned programmes of asset disposals. The approach continues to protect funding provided to front line services.
- 1.4. The sustainability of the Council's financial position is enhanced as, unlike many local authorities, 68% of the Council's net revenue funding is raised locally through Council Tax. The Council has continued to protect local residents through freezing Council Tax levels and ensuring that everyone who is eligible to pay does so. This report sets out the tax base calculation for recommendation from Cabinet to Council.
- 1.5. The calculation sets out the estimates of new homes less the expected level of discounts and the level of Council Tax Support. This results in a band D equivalent tax base position for each Town and Parish Council.

- 1.6. The Council has reviewed its Council Tax Support (CTS) Scheme between September and December. The results of that process are detailed in a separate report on this Cabinet agenda. The option taken forward by Members will have an impact on the 2016/17 taxbase.
- 1.7. The tax base reflects growth of 2.5% on the 2015/16 position highlighting the positive changes locally in terms of additional new homes, more properties brought back into use and reduced CTS payments. Over the last six years the taxbase (excluding the impact of CTS) has increased by over 7%.

2.0 Recommendation

- 1.8. That Cabinet, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, recommends to Council, the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2016/17 as **142,186.60** for the whole area.

3.0 Other Options Considered

- 1.9. The Council published its [Pre-Budget Report 2016/17](#) for consultation at the end of October 2015. Within that document there is a proposal to vary the Council Tax Support scheme (see page 48). This proposal is reflected in the recommended taxbase in section 2 above.

4.0 Reason for Recommendation

- 1.10. In accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 Cheshire East Council is required to agree its tax base before 31st January 2016.

5.0 Background/Chronology

- 1.11. Cheshire East Council is required to approve its tax base before 31st January 2016 so that the information can be provided to the Cheshire Police and Crime Commissioner and Cheshire Fire Authority for their budget processes. It also enables each Town and Parish Council to set their respective budgets. Details for each parish area are set out in **Appendix A**.
- 1.12. The tax base for the area is the estimated number of chargeable dwellings expressed as a number of band D equivalents, adjusted for an estimated number of discounts, exemptions and appeals plus an allowance for non-collection. A reduction of 1.25% is included in the tax base calculation to allow for anticipated levels of non-collection.
- 1.13. Collection rates of 99% have been achieved over two years, but changes to Council Tax discounts, specifically the introduction of Council Tax Support (CTS), are having an impact on this indicator. Nationally councils

are seeing small reductions in collection rates, so the anticipated level of non-collection at Cheshire East has been maintained at 1.25%. Processes to collect Council Tax locally continue to be effective and will be reviewed throughout the year should collection performance deteriorate.

- 1.14. The tax base has been calculated in accordance with the Council's policy to offer no reduction for empty properties. However discretionary reductions will continue to be allowed, for landlords, under Section 13A of the Local Government Finance Act 1992 for periods of up to eight weeks between tenancies. This is no change from 2015/16.
- 1.15. Analysis of recent trends in new homes, and homes being brought back into use, suggest an increase of around 3,500 homes is likely between the setting of the 2015/16 taxbase and the end of 2016/17. The impact of this growth, which is affected by when properties may be available for occupation and the appropriate council tax banding, is factored into the tax base calculation.
- 1.16. The tax base also reflects assumptions around CTS payments. The Cheshire East CTS scheme was introduced in 2013/14 and was uprated for 2014/15 to reflect total expected payments of £19.1m. This was based on anticipated payments of £17.7m plus an allowance for risk at £1.35m (7.5%) as at February 2014. The risks included uncertainty over the economy, the potential for a major employer to leave the area (with no alternative employment available) and lack of experience of operating the new scheme.
- 1.17. For the third year of the CTS scheme it was appropriate to adjust the level of payments built into the tax base calculation. At December 2014 the tax base was amended to acknowledge the original payment forecast of £17.7m plus a 33% reduction in the risk factor to £0.9m (5%) to give a CTS position of £18.6m.
- 1.18. At the end of September 2015 the forecast level of payments for the current financial year is expected to be £15.4m. Therefore, a further £1m reduction in CTS payments has been factored into the 2016/17 taxbase to reflect this decreased trend in payments being made. This gives a budget of £17.6m being estimated payments of £15.7m and a risk factor of £1.9m (assuming no change to the CTS scheme for this purpose). These changes are summarised in **Table 1**.

Table 1 – Council Tax Support Budget since the introduction of the Scheme

Taxbase Year	CTS Payments £m	Risk Allowance £m	Resulting CTS Budget £m
2013/14	18.2	0.7	18.9
2014/15	17.7	1.4	19.1
2015/16	17.7	0.9	18.6
2016/17 (assuming no change to CTS scheme)	15.7	1.9	17.6

- 1.19. As it is now the third year of the scheme a public consultation was undertaken on proposed changes to the CTS scheme for 2016/17. This review was undertaken to identify additional savings to contribute to the Council's medium term financial challenge, whilst ensuring the scheme remains fair to residents, continues to support vulnerable people and encourages those who can work to do so, or to increase their hours and/or pay to reduce welfare dependency.
- 1.20. The option that has been included in the recommended taxbase in section 2 is based on the following change to the CTS scheme:
- Council Tax Support scheme amended to increase the minimum contribution from 20% to 25%, and awards restricted to maximum payable for a Band B.
- 1.21. The table below shows the estimated saving, CTS budget and resulting taxbase when this change is implemented from 1st April 2016.

Table 2 – 2016/17 Council Tax Support Changes

Change	CTS Budget £m	Estimated Saving on resulting CTS Budget (see Table 1) £m	Resulting Taxbase (Band D)
Working Age pay 25% - restrict to Band B	16.7	0.9	142,186.60

- 1.22. This will allow an increased risk factor of £1.9m to remain within the scheme. The ongoing level of risk reflects a number of possible influences on the scheme such as:
- Continuing challenges over the medium term economic position with no growth in business rates currently being factored into our financial plans.

- The risk of a major employer leaving the area.
- The risk of delay in the significant development projects delaying employment opportunities.
- The prospect of a greater number of residents becoming of pensionable age and potentially becoming eligible for CTS.
- The risk of increased non-collection due to the increasing demand on non-protected residents.

6.0 Wards Affected and Local Ward Members

1.23. All

7.0 Implications of Recommendations

1.24. Policy Implications

1.24.1. None.

1.25. Legal Implications

1.25.1. In accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended and Chapter 4 of the Council's Constitution, the calculation of the Council Tax Base is a matter for full Council following a recommendation by Cabinet.

1.26. Financial Implications

1.26.1. The calculation of the tax base provides an estimate that contributes to the calculation of overall funding for Cheshire East Council in each financial year.

1.26.2. The Council Tax Support scheme has the effect of reducing the tax base, as reductions under this scheme are provided as a discount to Council Tax liability.

1.27. Equality Implications

1.27.1. None.

1.28. Rural Community Implications

1.28.1. This report provides details of taxbase implications across the borough.

1.29. Human Resource Implications

1.29.1. None.

1.30. Public Health Implications

1.30.1. None.

1.31. Other Implications (please specify)

1.31.1. None.

8.0 Risk Management

- 1.32. Consideration and recommendation of the Tax Base for 2016/17 to Council ensures that the statutory requirement to set the taxbase is met.
- 1.33. Estimates contained within the Council Tax Base calculation, such as the loss on collection and caseload for Council Tax Support, will be monitored throughout the year. Any significant variation will be reflected in a surplus or deficit being declared in the Collection Fund which is then shared amongst the major precepting authorities.

9.0 Contact Information

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

Name:	Peter Bates
Designation:	Chief Operating Officer
Tel No:	01270 686013
Email:	peter.bates@cheshireeast.gov.uk

APPENDIX A

COUNCIL TAX - TAXBASE 2016/17

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 98.75%
Acton	127.52	125.92
Adlington	599.32	591.83
Agden	71.34	70.45
Alderley Edge	2,682.94	2,649.40
Alpraham	184.17	181.86
Alsager	4,422.82	4,367.54
Arclid	119.66	118.16
Ashley	159.23	157.24
Aston by Budworth	183.17	180.88
Aston-juxta-Mondrum	91.57	90.43
Audlem	905.03	893.72
Austerson	46.99	46.41
Baddiley	135.54	133.84
Baddington	64.73	63.92
Barthomley	98.08	96.86
Basford	94.56	93.37
Batherton	23.63	23.34
Betchton	263.09	259.80
Bickerton	124.20	122.65
Blakenhall	72.89	71.98
Bollington	3,024.68	2,986.87
Bosley	201.97	199.44
Bradwall	85.96	84.88
Brereton	595.50	588.05
Bridgemere	69.14	68.27
Brindley	69.42	68.55
Broomhall	96.95	95.73
Buerton	221.05	218.29
Bulkeley	125.60	124.03
Bunbury	634.40	626.47
Burland	287.57	283.98
Calveley	132.55	130.90
Checkley-cum-Wrinehill	46.14	45.56
Chelford	616.69	608.98
Cholmondeley	71.74	70.84
Cholmondeston	94.65	93.47
Chorley	262.45	259.17
Chorley (Crewe)	58.27	57.54
Chorlton	511.40	505.01
Church Lawton	865.11	854.29
Church Minshull	216.67	213.96
Congleton	9,780.77	9,658.51
Cooile Pilate	30.28	29.90
Cranage	634.99	627.06
Crewe	13,455.28	13,287.09
Crewe Green	99.60	98.36
Disley	2,007.30	1,982.21
Dodcott-cum-Wilkesley	219.13	216.39
Doddington	16.29	16.09
Eaton	224.90	222.09
Edleston	78.57	77.59
Egerton	39.38	38.89
Faddiley	77.04	76.07
Gawsworth	822.52	812.24
Goostrey	1,055.57	1,042.37
Great Warford	447.55	441.96
Handforth	2,254.67	2,226.49
Hankelow	153.90	151.98
Haslington	2,387.85	2,358.01
Hassall	110.67	109.29
Hatherton	179.74	177.49
Haughton	99.85	98.60
Henbury	331.35	327.20
Henhull	26.10	25.77
High Legh	891.61	880.47
Higher Hursfield	328.38	324.27
Holmes Chapel	2,524.01	2,492.46
Hough	340.24	335.99
Hulme Walfield & Somerford Booths	161.81	159.79
Hunsterson	80.55	79.54
Hurleston	36.25	35.80

COUNCIL TAX - TAXBASE 2016/17

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 98.75%
Kettleshulme	166.03	163.95
Knutsford	5,753.57	5,681.65
Lea	23.53	23.24
Leighton	1,714.87	1,693.44
Little Bollington	88.06	86.96
Little Warford	38.49	38.01
Lower Peover	74.08	73.15
Lower Withington	307.13	303.29
Lyme Handley	72.44	71.54
Macclesfield	17,999.30	17,774.31
Macclesfield Forest/Wildboarclough	111.75	110.35
Marbury-cum-Quoisley	123.28	121.74
Marton	113.69	112.27
Mere	443.93	438.38
Middlewich	4,738.36	4,679.13
Millington	102.18	100.91
Minshull Vernon	122.86	121.32
Mobberley	1,442.85	1,424.82
Moston	217.96	215.24
Mottram St Andrew	399.83	394.83
Nantwich	5,307.50	5,241.15
Nether Alderley	376.46	371.76
Newbold Astbury-cum-Moreton	349.40	345.03
Newhall	431.03	425.64
Norbury	105.13	103.82
North Rode	121.56	120.04
Odd Rode	1,978.61	1,953.88
Ollerton with Marthall	312.69	308.79
Over Alderley	213.69	211.02
Peckforton	71.72	70.82
Peover Superior	396.14	391.19
Pickmere	374.42	369.74
Plumley with Toft and Bexton	395.68	390.73
Poole	73.22	72.31
Pott Shrigley	150.61	148.73
Poynton with Worth	5,832.21	5,759.30
Prestbury	2,185.14	2,157.82
Rainow	606.25	598.67
Ridley	64.25	63.45
Rope	837.96	827.49
Rostherne	79.52	78.52
Sandbach	7,054.67	6,966.48
Shavington-cum-Gresty	1,696.64	1,675.43
Siddington	186.54	184.21
Smallwood	323.52	319.47
Snelson	82.59	81.56
Somerford	255.57	252.37
Sound	104.24	102.94
Spurstow	189.63	187.26
Stapeley	1,501.62	1,482.85
Stoke	111.84	110.44
Styal	371.26	366.62
Sutton	1,141.17	1,126.91
Swettenham	171.57	169.42
Tabley	208.92	206.31
Tatton	10.28	10.15
Twemlow	108.54	107.19
Walgherton	69.90	69.02
Wardle	52.66	52.00
Warmingham	120.96	119.45
Weston	940.38	928.63
Wettenhall	119.21	117.72
Willaston	1,296.69	1,280.48
Wilmslow	11,326.11	11,184.54
Wincle	94.08	92.90
Wirswall	42.19	41.66
Wistaston	3,018.27	2,980.55
Woolstanwood	243.71	240.67
Worleston	115.56	114.11
Wrenbury	451.83	446.18
Wybunbury	604.36	596.80
	143,986.43	142,186.60

This page is intentionally left blank

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 8th December 2015
Report of: Director of Adult Social Care and Independent Living
Brenda Smith
Subject/Title: Implementing the Care Act - Moving to a Local and
Personalised System of Care and Support
Portfolio Holder: Cllr Janet Clowes – Care and Health in the Community

1 Report Summary

- 1.1 This Council is committed to full compliance with the Care Act and to providing a range of excellent local care and support services for the residents of Cheshire East. We are delivering on our commitment to ensure residents are supported to live well for longer and to remain as independent as possible. With this in mind we will be investing in our reablement services which support people to return to independence. The Council is fully aware of its responsibilities to its citizens and is committed to addressing both current and future needs in its planning to ensure sustainable adult care and support services.
- 1.2 The new Care Act 2014 requires the way Local Authorities provide adult social care to change working more closely with health care partners. The implementation of the new Care Act brings different pieces of historical legislation into one place and introduces new duties for Councils - including new rights for service users and carers. The new statutory principle of wellbeing underpins the Act and is the driving force behind care and support.
- 1.3 The legislation aims to build a care and support system based on people's wellbeing, needs and aspirations. Rather than being passive recipients of care, the aim is for people to take responsibility for their own wellbeing and health where they can do so but to have access to advice and information that assists them in this. Where people need additional support, it is intended that they are able to access this at as early a stage as is possible.
- 1.4 A key principle of the legislation is that people should be able to take charge of their own care and support system and be in the driving seat of

identifying their needs and how and when they will be met and in particular by whom. This is important whether the person is eligible for adult social care support from the Local Authority or they purchase their own care privately.

- 1.5 The Care Act specifically requires Local Authorities to develop greater diversity in the care market to ensure that there is a wide range of high-quality services from which residents can choose the care that best meets their needs. The intention is that the care market will be influenced and shaped by the Council and its health partners to have a vibrant and flexible range of services which can deliver personalised services, meeting increasing demand, increasing complexity of need and utilising new models of care and technology.
- 1.6 Most importantly, the personalisation policies on which much of the legislation is based intends that the customers of the care services are the most influential driver in shaping and developing services, to deliver services they want to use and which will support them to meet their needs in a way that they choose.
- 1.7 Whilst much of this is not new in national policy terms, the statutory footing on which it is now based gives us an added imperative to progress the final stages of implementation of the personalisation agenda. In order to progress this final stage of implementation it is necessary to review the current range of in house care services for adult social care provided by the Council.
- 1.8 The Council is committed to personalisation and greater choice for residents. The Care4CE service is commissioned on a block contract arrangement with a fixed budget and staffing resource. The services within Care4CE are not permitted to trade with the public by law. This means that only those individuals who are willing for their social worker to access services on their behalf can use these services. Changing this contracting arrangement will allow the flexibility required to adapt to a changing market and customer base. An enhanced range of localised services will be available to the whole population who will benefit from lifting the current restrictions of access.
- 1.9 The Council recognises the quality of care provided by Care4CE but need to ensure full compliance with the new legislative requirements. In addition to ensuring that people have access to the care and support they need we must also now ensure that people are able to exercise choice and control over the services they use. As a consequence we

must review in-house provision and the policy of providing direct care provision from an in-house provider.

- 1.10 A key element of the changes is the proposal to provide care and support in a variety of ways utilising different models of provision. There is a large market for care and support provision that already responds effectively to the needs of the residents of Cheshire East. These proposals will further increase choice of provision in a range of locations across Cheshire East so that people can choose support in the location that works best for them and from a provider who can deliver to their personal requirements. This may result in new services being developed by all care providers including Care4CE staff.

2.0 Recommendations

In order to be fully compliant with the Care Act 2014:

- 2.1 Cabinet approve a change in Council policy to commission all care services from the broader care sector. This will facilitate the move to a personalised system of care and support which facilitates the principle of choice and control for residents in the access and purchasing of care services.
- 2.2 Cabinet delegate the approval of alternate arrangements to provide care services in the independent sector to the Director of Adult Social Care and Independent Living, in consultation with the Portfolio Holder for Care and Health in the Community.
- 2.3 Cabinet approve a transitional arrangement with both the market and Care4CE to ensure the continuity of high quality service delivery whilst alternative care and support services are secured in the market.

3.0 Reasons for Recommendations

- 3.1 The Council must be compliant with the new legislative requirements within the Care Act Care Act 2014 by:
- Ensuring the wellbeing of all its citizens is at the heart of all the activities within Adult Social Care.
 - Ensuring robust advice and information services are available to support people in their self help and self management of their own care.
 - Ensuring services are available which focus on prevention and early intervention.

- Ensuring that people have access to a range of services which focus on recovery and maximising independence wherever possible.
- Ensuring that people can purchase care and support from a range of providers and exercise choice over the type of service and control over how and when the service(s) will be delivered.
- Shaping and influence the care market to ensure the range of provision is available to meet local need and promote choice.
- Implementing the national eligibility criteria for access to a Council allocated personal budget with which people will be able to purchase services or ask the Council to do this on their behalf.
- Implementing the national eligibility for carers which also includes entitlement to a Council allocated Personal Budget with which people will be able to purchase services or ask the Council to do this on their behalf.
- Ensuring future models of service are co designed and co produced with the people who will use them.

- 3.2 The Care Act has introduced a requirement for Local Authorities to encourage a diverse range of high quality care providers. Local authorities therefore have a duty to stimulate the care provider markets so that individuals have a range of options to choose from. This proposal will assist the Council to meet this duty
- 3.3 The Council currently commissions a range of information and advice services across the borough to support and has a range of provision available to address the prevention and early intervention agenda. People can access the majority of these services without the need of a referral or a charge being applied.
- 3.4 The majority of the Adult Social Care services currently commissioned are focused on meeting eligible care needs utilising the national eligibility criteria. These services include domiciliary care services, day services, supported tenancy schemes and residential care services. Services are provided across the public, private and voluntary care sectors. The social care services provided by the public sector are provided by the Council's in-house provider services, Care4CE.
- 3.5 This range of provision cannot be purchased by customers with an allocated Personal Budget who choose to have their budget paid to them as a Direct Payment, nor can the services be accessed by a private customer who wishes to purchase care and support without a formal social care assessment. It is critical therefore that the resources currently tied up in a relatively inaccessible service area are released to

be utilised to make available a range of services which become part of the range of services which can be accessed by all residents who wish to access or purchase them.

- 3.6 As part of the Care Act Implementation process, Adult Social Care Strategic Commissioning have undertaken a review of the Council's in-house care provider service Care4CE. The review of Care4CE has taken into account the strategic case for change as outlined above, the Council's Adult Social Care commissioning strategy, anticipated increases in the demand for care services, accessibility of services and the challenging fiscal environment. In addition, the review has given full consideration to the future expected demands and service requirements of the local residents together with the current service utilisation and cost.
- 3.7 The review of Care4CE has concluded that reablement services (Physical, Mental Health and Dementia Reablement services) have a vital role in providing a comprehensive assessment of an individual's needs and restoring independent functioning. Continued investment in these services provides an effective means of supporting people to maintain their independence for as long as possible before considering long term support needs. This is both in the individual's interests and essential for the effective commissioning of long term support. These services will transfer to be a key component part of the new integrated community teams development.
- 3.8 Reablement services are seen as a critical component of the new integrated health and social care community teams whereby the assessment and interventions from the health and social care professionals can be further enhanced by the inclusion of the reablement teams specialist input. The service will be a dynamic and reactive element of the holistic assessment of need and will provide intensive support focused on recovery and regaining independence as quickly as possible.
- 3.9 The review of in-house services included a review of the care market as a whole and the commissioning priorities to meet local need. It was concluded that the remainder of the service areas provided by Care4CE need to be redesigned and commissioned from the independent sector. In keeping with the personalisation principles, the redesign of these services and the options available to the Council, its partners and the public in terms of how these are commissioned and made available need to be further explored. The Care Act upholds the principle of people who use services as individuals or carers should co design and co produce the services they want to use.
- 3.10 It is planned that the Council commences a programme of transition together with service users and carers, to determine the future range of provision and how these services are to be commissioned. The key principles which will be applied in this process is that the programme will

achieve a range of services which are accessible to all residents who wish to purchase them, provide a flexible and responsive service to customers, ensure customers can exercise choice and control over how they are delivered on an individual level. It is also essential that the new range of service provision provides value for money.

- 3.11 It is planned that the Council commence a process of co design and co production of all future care models and further to scope all potential delivery models as part of this process. The service options to be made available must be in keeping with the principles of the care Act and in particular the principles of personalisation whilst at the same time ensuring they offer value for money. This work will include commissioners from other directorates within the Council and with our health commissioning colleagues.
- 3.12 For the many residents in Cheshire East who purchase their own care independently of Adult Social Care services, this proposal will create a broader range of service options for them to access.
- 3.13 There are many excellent examples nationally where people who use services and those who care for them have been at the heart of designing new models of service which focus on a personalised and flexible service tailored to their needs.

4 Wards Affected

- 4.1 All wards will be affected by this proposal

5 Local Ward Members

- 5.1 All ward members

6 Policy Implications

- 6.1 This proposal is in keeping with the requirements of the Care Act 2014.

7 Financial Implications

- 7.1 The cost of care within the Council budget is increasing as a result of demographic changes. The increasing number of people who are living longer with multiple health conditions and frailty results in increased costs as the need for care increases. There are a significant number of young people moving into adult social care services with complex health needs and disability that wish and should be supported to live full and active lives. The costs of care and support services for this group of people are also steadily increasing. This is within a context of considerable fiscal pressure.

- 7.2 The ongoing process of review of Council commissioned services in terms of quality, delivery on outcomes, satisfaction levels for the customer and value for money have been routine for many years in the independent sector. All services including in-house provision need to be subjected to the same process of review including value for money.
- 7.3 Service users deemed to have eligible care needs and allocated a Personal Budget from the Local Authority have the right to take the Personal Budget as a Direct Payment. In cases where the person chooses a Direct Payment to buy services to meet their needs from the independent sector and where a service provided by Care4CE could have met their needs, there is a clear risk of effectively duplication of allocation of resources.

8 Implications for Rural Communities

- 8.1 The proposal will create greater choice of type and location of support for those in rural communities to have a personalised response to their circumstances and needs.
- 8.2 Service users and carers living in rural communities will be engaged to design the services that will meet their specific needs.

9.0 Legal Implications

- 9.1 Where consultation is required the general principles that must be followed when consulting are well established:

The consultation must be at a time when proposals are still at a formative stage;

The proposer must give sufficient reasons for any proposal to enable intelligent consideration and response.

Those consulted should be aware of the criteria that will be applied when considering proposals and which factors will be considered decisive or of substantial importance at the end of the Consultation process;

Adequate time must be given for consideration and response;

The product of consultation must be conscientiously taken into account in finalising any statutory proposals.

9.2 Cabinet will need to satisfy itself that the consultation has been properly conducted in line with the principles above. In addition, Cabinet must ensure that it has clarity with the outcomes of that consultation and therefore, as decision maker, is able to take the results fully into account when making its decision on the proposals contained in this report.

9.3 In making its decision, Cabinet will have to have due regard to the Public Sector Equality Duty as set out at S149 of the Equality Act 2010, which states:

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

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it... “

9.4 To assist Cabinet in respect of the Public Sector Equality Duty, an Equality Impact Assessment will be carried out in respect of the proposals within this report.

9.5 The Council will need to comply with its requirements under Employment law to ensure that appropriate consultation with staff taken place.

10 **Risk Management**

10.1 The proposals if accepted will need to be in keeping with the delivery of the Medium Term Financial Strategy (MTFS).

10.2 Ensuring adequate services in the independent sector market to meet current and future needs of local residents is critical. Carefully planned work to secure quality care and support in the independent sector and a measured period of transition should mitigate this risk, both for the Council and residents. The Cheshire East Council Quality Assurance Team will ensure that residents can access quality care. This team provides the Council with additional assurance that residents' needs can be appropriately met.

10.3 A move to commissioning care and support services for customers who currently have services from Care4CE would take place in a managed way and with the service users and their carers actively engaged in this

process. This will take account of individual needs and preferences. The existing services would not be withdrawn until appropriate services had been arranged in the independent sector.

- 10.4 The Council is aware of its responsibilities in relation to the Equality Act 2010. Our priority is to ensure that no groups are disadvantaged by changes in policy or new ways of delivering care. We are proud of what we do to ensure we uphold the rights of our citizens.

11 Background and Options

- 11.1 Supporting material to inform the Cabinet decision will include the Equality Impact Assessment and the Review of Care4CE Provider Services.
- 11.2 Co design and co production of alternate service models and provision will be developed through a variety of methods including design focus groups with service users, carers and providers of care being actively involved, individual engagement sessions to gather views, reviews of innovative practice and developments nationally and internationally. Use of advocacy services will be included to support people who may need additional assistance to express their views and wishes.
- 11.3 The options to provide care and support services in the independent sector will be assessed against criteria agreed by the Portfolio Holder and the Director of Adult Social Care and Independent Living.
- 11.4 The proposal will not change the offer of care and support to those people in Cheshire East who need it. Sourcing local services is integral to the proposal and will be part of the proposed changes. A move to commissioning care and support services for customers who currently have services from Care4CE would take place in a managed way. This will take account of individual needs and preferences. The existing services would not be withdrawn until appropriate services had been commissioned in the independent sector.
- 11.5 In Local Authorities across the North West, an average of 90% of social care is provided in the external market.
- 11.6 The quality of any of the care and support services commissioned from the independent sector will be monitored by the Council's Adult Social Care Quality Assurance Team.

- 11.7 The request for a change in policy in the commissioning activity for adult social care services is driven by the changes in legislation within the Care Act 2014.
- 11.8 The development of choice for users meets the personalisation agenda requirements. It is anticipated this will mean that the current type of care and support services currently available might not be the preferred option for some users in the future.

12 Access to Information

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

Name: Sarah Smith
Designation: Corporate Commissioning Manager
Tel No: 01625 378209
Email: sarah.smith@cheshireeast.gov.uk

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 8th December 2015

Report of: Director of Adult Social Care and Independent Living
Brenda Smith

Subject/Title: Adult Social Care Fee Rates

Portfolio Holder: Cllr Janet Clowes – Care and Health in the Community

1. Report Summary

- 1.1 The Council has operated with an Adult Social Care external provider's fee structure that it inherited from the County Council, which has remained at the same level since April 2009. The Council last reviewed its fee structure in 2013/14 with the support of RedQuadrant, where it was determined that the current fee level was reasonable and fair. During 2015/16 there have been an increasing number of queries and informal challenges from a variety of providers requesting a fee increase and a related increase in the number of providers unwilling/unable to provide care to the Council at the rates being offered. The Council commissioned an independent review of its adult social care fee structure, RedQuadrant were successful with their tender and began their work in May 2015.
- 1.2 The Care Act 2014 adds an additional requirement for Councils to formally consider the cost of care locally. This additional requirement in effect bolsters the previous more informal arrangement where Councils were required to evidence the fair price for care as it determines its local fee structure. Where Councils do not take into account the local costs of care they are more likely to be subject to formal challenge from providers. There have been a number of additional national recommendations that seek to sustain and improve the care market, including those from the UK Home Care Association and the Unison Ethical Care Charter, which encourage those commissioning care to develop and strengthen the local market for care.
- 1.3 This area of the Council's activity is one of the largest contracted services that the Council commissions in the external market, with the Council currently spending in excess of £80m on externally commissioned care which caters in a variety of forms for approximately 5,600 Adult Social Care residents. The local care market is vibrant and strong across Cheshire East, with approximately 67% commissioned privately and only approximately 33% commissioned by the Council. The

commissioning structure adopted by the Council is vital to ensuring the continued vibrancy of this market, and the fee structure adopted by the Council is an important element of the commissioning approach and structure. In developing the care market locally the Council needs to pay due regard to the quality of care in addition to the price of that care.

- 1.4 The purpose of this report is to update Cabinet with an outline of the review undertaken by RedQuadrant, their recommendations, the impact of those recommendations both in care terms, economic terms, financial and budgetary terms, and also on the providers and their sustainability. It is important to note that during the review process the Chancellor of Exchequer announced changes with regard to the National Living Wage that required the Council, with RedQuadrant's support, to consider the impact in respect of the proposed fee structure. This has been a significant issue for the Council and will be for other Councils due to the nature of wage levels generally in the care market. The Council has committed to requiring its contracted suppliers to move towards paying the living wage and the fee structure assumed by RedQuadrant takes into account that commitment within their proposals.

2. Recommendations

2.1 That Cabinet:

- (a) Endorse the two Care Home Fees and Home Care Fees reports produced for the Council by RedQuadrant attached to this report as Appendix 1 and 2.
- (b) Endorse the increased fee rates proposed by RedQuadrant in full, with an estimated cost of £5.3m.
- (c) Endorse the timeline proposed in this report which culminates in the implementation of the new rates beginning in January 2016.
- (d) Commission and authorise the Director of Adult Social Care to explore with providers the impact of the fee structure remaining at its current levels until January 2016.
- (e) Commission the Director of Adult Social Care to recommission the home care provision to the Council, seeking to co-produce a new arrangement between the customers and residents, providers, advocates and the Council.

3. Reasons for the Recommendations

- 3.1 The Council is required via the Care Act 2014 to assess the viability and sustainability of the fee structure locally, and to take account of the local fee structure when making its own recommendations about its future fee structure.

- 3.2 The Council has operated a fee structure for six years without an increase, which has seen the Council drop to a low fee structure when compared with our comparator Councils.
- 3.3 The impact of the Chancellor of the Exchequer's announcement in the summer regarding the National Living Wage has resulted in both the Council providers recognising the need for action in respect of the fee structure. It will be necessary for all Councils to consider the impact of the National Living Wage on their local fee structure. It is clear locally that the impact of the National Living Wage, and the associated increase in the wage levels paid by other local employers, is impacting on care providers and the consequential impact has resulted in a more substantial recommended increase in the required fee rates noted in this report.
- 3.4 The care market across the Council area has become established and vibrant with a flourishing private and social care market. Providers have, through their discussions with RedQuadrant and the Council, stressed the difficulty the current fee structure is having on their businesses. RedQuadrant held a number of consultation sessions with providers in June 2015 where they stressed the importance of the care economy on the Cheshire East area and their desires to see this important area of the borough's economy enhanced and developed. In order to do this it is recognised that this will include an on-going and developing fair price for care that will allow them to reward and recognise their workforce.
- 3.5 The model for care is changing both locally and nationally, with a number of initiatives combining to drive a requirement for a fundamental review of the commissioning approach to the whole care market. The home care fee review and the summer consultation highlighted a number of opportunities locally that need to be considered and developed. For example moving to an outcome based commissioning approach from the current more traditional time and cost model was something both the Council and a number of providers were keen to explore. Increasing integration of the social care market with that of the health care market is another important feature that will help to improve the overall care outcomes for our residents. Because of the nature and complexity of the market, the number of providers the interactions between different agencies and providers it is suggested that a fundamental review begins now but is allowed a period of time through to at least the middle of 2016/17 before proposals are finalised and brought before the Council. These proposals would be co-produced between the Council, the various agencies and partners, their advocates, providers and of course the residents and customers themselves.

4. Residential and Nursing Home Fee Levels

- 4.1 The report from RedQuadrant is attached as Appendix 1, which details the approach taken in assessing the fee structure, the comparative information available and detailed feedback considered from a range of

providers. RedQuadrant highlight in their report that the final recommendations are quite different from the draft recommendations, because of the feedback from providers about the local cost of care. Taking account of the local costs of care is an important part of the Care Act 2014, the fact that the draft and final recommendations are different helps to demonstrate the collaborative approach to the assessment of the local costs of care.

- 4.2 The attached appendix contains a variety of extracts of the legislation and case law which relates to the setting of care fees. Through the consultation, the feedback from the larger care providers has been to stress the importance of the Care Act 2014, which came into force on 1 April 2015, and the requirements upon the providers themselves and the Council to assess the local market. This has resulted in additional and valuable consideration and assessment by RedQuadrant, alongside the impacts of the National Living Wage.
- 4.3 In deriving a 'bottom up' cost of care RedQuadrant have taken into account the recent expert national advisers, Laing Buisson and their costing model for care homes, adapted for the factors affecting the local market. The various assumptions which have been modelled include:
- Average bed base for a home
 - Occupancy
 - Staffing levels
 - Residential staffing levels
 - Nursing staffing levels
 - Management
 - Other staffing levels
 - Pay rate assumptions
 - Other staffing assumptions
 - Other non pay costs
 - Maintenance
 - Capital/Profit
- 4.4 During the consultation process a number of the assumptions adopted in the draft report were challenged, along with the associated differential impact as not reflective of local conditions. In particular the nursing pay levels quoted initially of £11.92 per hour were challenged as unrealistic. This has been increased to £13.30 per hour and a number of the other assumptions used were modified in the light of this feedback.
- 4.5 In making its recommendations RedQuadrant have advised the Council of a number of factors which it should consider as part of its deliberations. These include the fact that the current fee levels paid by the Council are low and becoming increasingly low compared to the bottom up calculations, the impact of the National Living Wage, that the care market in the area is large and diverse with high utilisation levels and the Council purchasing approximately 33% of the total market, that the Council is able to make placements at the current fee rates on most occasions and that there has been no increase since 2009, with a

widespread disappointment amongst providers at the lack of an increase for 2014/15 when one was expected.

- 4.6 RedQuadrant has made a number of recommendations in respect of Care home fees, with the following proposed fees (excluding the element paid by the NHS for Free Nursing Care):

Type of care	2014/15	2015/16	% in	2016/17	2017/18
Residential Care	£376.74	£414.54	10.0	£431.13	£448.35
Residential Care (EMI)	£467.10	£490.28	5.0	£509.88	£535.36
Nursing Care	£433.07	£450.45	4.0	£468.44	£477.82
Nursing Care (EMI)	£467.10	£471.80	1.0	£483.63	£517.44

- 4.7 The estimated financial impact on these fee increases, based on current placement levels is £3.0m for 2016/17 and a further £1.5m in 2017/18.
- 4.8 The use of residential care as a service response is one which the Council is seeking to avoid unless this is the only appropriate option to meet needs. It is recognised that for most people receiving care and support in their own home is the preferred option. For some people the residential service option has been the service response to meet the particular needs in the absence of services available in the community. As new developments continue and more intensive response services in a crisis are made available it is expected that for some people the need for residential care will be removed. In developing new approaches to care, therefore, it is possible that reductions in residential and nursing care could be achieved. If a reduction of 12% in residential care and 6% for nursing care was achieved this could save an estimated £300,000. If those reductions could be increased to 20% and 10% respectively an estimated £470,000 could be saved from the overall levels of expenditure. The overall budgetary impact is considered in the financial section of this report.
- 4.9 One key area of work currently being planned is for commissioners across health and social care to work with all key partners to develop a strategy for care home services, both residential and nursing, based on a number of key principles including ensuring the commissioning of a model of service fit for the future with a clear focus on the outcomes for the resident.

5 Home Care Fee Levels

- 5.1 RedQuadrant has adopted a similar approach to the review of the Home Care fee structure, with the same Care Act 2014 requirements applying to this market. The review included assessing the agency home care market, the direct payment system for individuals who wish to purchase their own care and the payment system to personal assistants. A similar approach to the review completed with the care home providers was undertaken, with workshops with providers, sharing a draft report,

discussion with those providers that wished to provide additional information plus consideration of comparative information.

- 5.2 In addition to taking into account the implications of the Unison Ethical Care Charter RedQuadrant utilised the research of the United Kingdom Homecare Association (UKHCA) in building the 'bottom up' costing of home care.
- 5.3 RedQuadrant compared the Council with fifteen other Councils, who are part of the Council's nearest statistical neighbours as identified by CIPFA, utilising the Personal Social Services Expenditure return (PSSEX) from 2013/14 which was the latest data available at the time the report was written. The principle finding was that activity was lower than the comparators and gross costs were also lower than the comparators, implying that fee levels were lower than the comparators.
- 5.4 In building the 'bottom up' costs, costs have been modelled utilising the National Living Wage, the impact of National Insurance levels quoted by the UKHCA, travel time and mileage costs.
- 5.5 One of the major issues that have been explored as part of the review has been the indirect costs of the Home Care agencies and what is termed by the UKHCA as Staff Support Costs. The UKHCA have assessed these staff support costs at 27% until April 2016, reducing to 25.5% thereafter. This level of overhead includes a wide range of costs including for example, management, office costs, training (inductions etc.) and so forth. This was an area of contention during the period of consultation with providers arguing that their indirect costs had risen considerably having to incur additional expense meeting the requirement of the new national Care Certificate. In developing the bottom up cost RedQuadrant have allowed 22% plus 3% for the profit margin leaving 25% overall.
- 5.6 In later years the National Living Wage will continue to impact on the fee structure, requiring increases by the Council, this will also impact on the differential pay rates applied across the care market structure, which is an issue the Council has been considering with its own pay structure.
- 5.7 The Home Care pay structure has three distinct elements, the payments direct to home care agencies, the allocated amounts for direct payments to the customer where they choose to purchase their own care and the allocation of payments to personal assistants where these are employed directly by the customer or someone on their behalf. The nature of each of these service types provided is different and the proposed pay structure takes the different nature into account. Agencies recruit, train and employ care staff, require a level of infrastructure and require that the carers they employ have to travel from one customer to the next during their working day, which needs to be factored into the pay levels. Customers who employ personal assistants directly, typically via a direct payment, do not have the infrastructure or overheads, are not required to

cover travel time etc. so do not need the same levels of pay to sustain the employment.

- 5.8 Within the home care fee review there are a number of additional service types, the first example being for a service called Shared Lives and the second for all the residents who receive care from the Extra Care facilities, with night sitting and care being a third. These services together with the rates for Direct Payments and Personal Assistants are still being considered and decisions will need to be taken for an April implementation. The service levels within these service areas are relatively small in comparison to the main home care services and the increases will be incorporated into the overall budget allocations detailed within this report.
- 5.9 The Council has recently taken a decision to cease the commissioning of 15 minute home care calls unless a resident specifically requests this. In order to manage the market in terms of capacity and quality, cases are being reviewed on a phased basis with 20% of the provision having already shifted away from a 15 minute call. In order to estimate the impact of the continued move away from 15 minute calls, it has been assumed that all 15 minute calls will be replaced by a 30 minute call. An estimate of the anticipated impact has been included below, assuming that initially the 20% movement increases to 50%.
- 5.10 The Council's current fee structure has a variety of elements, including a rate for the south of the borough and another rate for the east area, plus a weighting for short periods of care (less than an hour). As personalised care is the priority for the customer and commissioning for outcomes is the direction of travel for the Council, it is intended that the future arrangements for home care commissioning will be to commission where possible a block number of hours per week and for the customer and the home care provider to agree how these will be delivered. The brief for RedQuadrant therefore requested one rate across the Borough with all elements being pro-rated to the hour where this is required. The table below shows the impact of this.

Time	South	East	Blend	Proposed	%Difference
15 mins	£5.52	£5.77	£5.63	£3.83	(32%)
30 mins	£7.67	£8.03	£7.82	£7.66	(2%)
45 mins	£9.92	£11.41	£10.67	£11.49	8%
60 mins	£11.22	£12.55	£11.97	£15.32	28%

- 5.11 The financial impact of the above increases have been modelled on the current patterns of care that change from period to period but are reasonably constant to provide an indication for costing purposes. The above increase will cost an additional £2.3m in 2016/17 and a further £1.1m in 2017/18.
- 5.12 One key feature that was raised at the workshops in June 2015 was a desire from providers, residents and the commissioners to develop a new

model of care based on outcomes for the resident. Following the implementation of this fee structure a new model of care will be co-produced between all the various interested parties. This should allow a more sustainable level of care to be developed and one that helps to demonstrate improved value for money overall.

6 Time Line and Consultation

- 6.1 The Council received the final reports from RedQuadrant on 19 October and is keen to achieve an approved fee structure at the earliest opportunity because of the challenges from the providers. The table below demonstrates the time line seeking approval, briefing both the providers and the residents/customers.

Meeting	Date
Overview and Scrutiny	25 November 2015
Cabinet Pre-Agenda Briefing	17 November 2015
Provider Forums	Late Nov/Early Dec 2015
Cabinet	8 December 2015
Customer Communications	8 January 2016
Implementation of revised fees and charges	6 February 2016

7 Financial Implications

- 7.1 The Council has not increased its Adult Social Care fees since it came into existence in 2009. Over the first six years of the Council many other Councils have increased their fees, particularly when the pension incomes have been increased by the Governments. In benchmarking terms the Council has moved from near the top of the tables to near the bottom now.
- 7.2 The impact of the Living Wage on the Adult Social Care market will be significant, requiring all Councils, in line with their Care 2014 requirements, to increase their fee structures and levels. It is the view of RedQuadrant that once Councils assess their local requirements they will need to increase their fees, with a substantial national impact across the country.
- 7.3 In assessing the impact of the proposed fee structure locally the finance team have used information from the social care systems. The units of commissioned care (e.g. volume of hours; number of care packages) can vary from period to period, so whilst the information included within this report is as accurate as possible the full impact does change, including the impact on individual providers, who will have a different mix of residents that they are caring for from period to period.
- 7.4 The budget setting for 2016/17 (Pre Budget Report) includes a proposed allocation of £5.1m for fee increases. The initial assessment by the finance team is that the increased fee structure will cost the Council

£5.3m in 2016/17 with a further increase due to the Living Wage of £2.6m in 2017/18.

- 7.5 Taking all relevant factors into account at this stage it is anticipated that the fee structure will be achievable within the overall budget envelope (subject to Council approval in February 2016).
- 7.6 During 2015/16 it is proposed that the fee structure will come into operation in January 2016, which will leave four 4 weekly periods remaining for the year. Assuming a constant level of care this will cost the Council an additional £1.6m during 2015/16. This has been factored into the outturn forecasts for the Adult Social Care Directorate.
- 7.7 It is proposed to recommission home care during the remainder of 2015/16 and into 2016/17, where the aim is to redesign the home care offer working with residents, partners and the providers. The newly designed offer will seek to improve the outcomes of our residents focussing on an outcome based model of care. This review will incorporate a review of the differences between agency provided care with that provided by personal assistants.

8 Legal Implications

- 8.1 The Care Act 2014 requires Councils to consider the fee structure applicable to their local area, taking into account the circumstances of the local market, its viability, sustainability and ability to provide sufficient appropriate care provision to the Council's residents at the proposed fee level. The approach taken by RedQuadrant, including the period of consultation, feedback and reflective increases, has enabled the Council to comply with the requirements of the Act.
- 8.2 Before setting its fee structure, the Council has carried out a period of consultation. The legal principles that must be adhered to in relation to consultation are that:
- a. Consultation must be undertaken at a time when proposals are still at a formative stage;
 - b. It must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response;
 - c. Adequate time should be given for the purpose of consultation; and
 - d. The product of consultation must be conscientiously taken into account when the ultimate decision is taken.
- 8.3 The Council has complied with its duty to consult by taking the following approach. The Council requested that RedQuadrant include within their consultation draft report a clear indication to providers that, should the Council decide to adopt the RedQuadrant proposals in full; the Council

will rely upon the period of consultation undertaken by RedQuadrant.

- 8.4 This report recommends that the Council accepts the RedQuadrant recommendations in full in relation to Residential and Nursing Home Fee Levels and Home Care Fee Levels. Whilst the final proposals from RedQuadrant are different from their initial proposals shared with the market, it is suggested that this represents a low risk of challenge, as the changes have all been increases. Additionally, the Council intends to share the final report with providers and discuss the reports with them via face to face provider forum meetings.

9 Wards Affected

- 9.1 All wards affected.

10 Local Ward Members

- 10.1 All ward members.

11 Policy Implications

- 11.1 The proposals if accepted support the delivery of the Medium Term Financial Strategy (MTFS).
- 11.2 This proposal is in keeping with the requirements of the Care Act 2014 which requires the Council to assess the viability and sustainability of the fee structure locally.

12 Implications for Rural Communities

- 12.1 The proposal will support those in rural communities to continue to access care services in a range of locations across Cheshire East.

13 Risk Management

- 13.1 Ensuring adequate services in the independent sector market to meet current and future needs of local residents is critical.
- 13.2 By taking account of the local fee structure when making its own recommendations about its future fee structure the Council is mitigating this risk, both for the Council and residents.

14 Background and Options

- 14.1 As outlined earlier in the report the Council competitively tendered to appoint a suitably qualified consultant to undertake an independent assessment of social care fees paid by Council. Red Quadrant Consultants have consulted with providers and due regard has been given to the costs incurred when supporting people in care services.

- 14.2** Have having commissioned an independent review of fees if the council were to operate contrary to the recommendations, it must be able to show a rational basis on which to depart from it.

15 Access to Information

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

Name: Dominic Oakeshott
Designation: Corporate Manager
Tel No: 01270 686232
Email: dominic.oakeshott@cheshireeast.gov.uk

This page is intentionally left blank

Care home fees: report for Cheshire East Council

29th October 2015

©RedQuadrant 2015

Frank Curran frank.curran@redquadrant.com 075 1587 5381

Brief for project.....	3
Cost of care in Cheshire East.....	12
Sustainability of local market.....	22
Workshops with Residential and Nursing Care Home Providers.....	22
Residential and nursing care home provider feedback from the workshops.....	22
Conclusions from workshops.....	23
Discussion and recommendations for fee levels	24
Appendix 1: Feedback from consultation with the Council’s residential and nursing care home providers on 22 nd and 23 rd June 2015	27

Brief for project

RedQuadrant was commissioned by Cheshire East Council in May to make recommendations for future care home fee levels. Specifically we were asked:

1. To carry out an independent review of fair price for care for Residential and Nursing Home services within the Borough of Cheshire East and to review fee sustainability in residential and nursing home care generally (to include Learning Disability and Mental health provisions). This includes:
 - a. Establishing and updating information on the elements that makes up the unique standard cost of care, during the term of a new Care Home agreement.
 - b. Reviewing fee sustainability in residential and nursing home care (including establishing and updating information on the elements that make up the unique standard cost of care) during the term of a new care home agreement including a analysis of Fair Price for Care requirements
 - c. Options to influence the market established fee levels above the council fee levels

Purpose of this report

We have undertaken the following activities in relation to this project

- Interviewed a range of stakeholders from the Council, CCG and others
- Reviewed performance data, policy papers and other documentation
- Undertaken two workshops with local care home providers (see Appendix one)
- Prepared draft recommendations on which we have consulted with providers
- Reviewed feedback from providers (eight providers gave feedback - BUPA, CLS, HC-One, Maria Mallaband, Sharston House, Woodeaves, Porthaven and Care UK)

This report is our final report which summarises our findings and makes recommendations for future fee levels. The revised recommendations are now somewhat different from the draft recommendations as we have taken account of the feedback received about the local cost of care

Context

When setting fees for care home providers the Council is required to follow legislation and to take account of relevant guidance and case law. Below there is an extract from an article in *Local Government Lawyer*¹ written in February 2013 which summarises, in simplified form, the legal requirements:

1

http://www.localgovernmentlawyer.co.uk/index.php?option=com_content&view=article&id=13115%3Aon-taking-care-cautionary-tales-and-lessons-to-be-learnt&catid=52&Itemid=20

“The law is based upon statute, directions, statutory guidance and non-statutory guidance...together with a significant injection of case law.

1. S. 21 National Assistance Act 1948 enables councils to make provisions for residential accommodation for persons who by reason of age, illness or disability are in need of care;
2. S. 47 National Health Service and Community Care Act 1990 requires assessments of needs, when appropriate, and the provision of care;
3. The National Assistance Act 1948 (Choice of Accommodation) Directions 1992 sets out the core obligation: where a council has assessed that a person needs residential care then it shall make arrangements for that accommodation. But the cost will not be more than the council would "usually expect to pay" i.e. the council will pay the "usual cost";
4. The Local Authority Circular (2004) 20 (i.e. statutory guidance) states: In setting and reviewing the usual cost, councils should have due regard to the actual costs and to other local circumstances (Hint: read this requirement twice);
5. *Building Capacity and Partnership in Care* (DoH 2001) (i.e. non statutory guidance): "Providers have become concerned that...[fees are held down, or driven down]... to a level that recognises neither the costs ...not the inevitable reduction in the quality of service provision. This may put individuals at risk ...and destabilise the system. ...Contract prices should not be set mechanistically", there should be "clear systems for consultation with all (and potential) providers", but NB providers should ensure that they are "able to provide a full breakdown of the costs of the services";
6. s. 149 Equalities Act 2010 imposes a general duty for a council to have due regard to the need to (a) eliminate discrimination, (b) advance equality of opportunity and (c) foster good relations etc. It is an onerous duty and must be exercised with rigour and an open mind;
7. *Pembrokeshire* [2010] 3514: Para 28 - "Following guidance is not mandatory: but an authority can only depart from it for good reason"; Para 29 "...the more the proposed deviation from guidance, the more compelling must be the grounds"; Para 79 it is "important that the authority makes a rational and reasoned decision to use a particular criterion in the context of the model it has adopted, and is able and willing to share that reasoning with interested persons, including providers";
8. *Sefton* [2011] 2676: Para 70 - "In my view the statutory [and non-statutory] guidance do not contemplate that there will be any significant imbalance between the usual cost of care and the actual cost";
9. *Newcastle* [2011] 2655; Para 49 - "Where the local authority has asked itself the right question, has used an evidence-based system to ascertain the actual cost of care and has then made a difficult decision about the allocation of resources the court will support it";
10. *Redcar and Cleveland* [2013] 4: Para 57 "Whilst benchmarking is likely to provide useful information to a local authority wishing to ascertain the actual costs of care it will need to be combined with some information which relates specifically to its own area before it can be said to have reliably established what the actual costs of providing care are likely to be".

The critical phrase here is that used in point 4: when setting fees Councils should have “due regard to the actual costs [of providing care] and to other local circumstances”. In the *Northumberland* judgement, published after the summary above, Judge Supperstone stated:

“As such it [i.e. the requirement to have due regard to the actual costs of providing care] means no more than that, when determining what they are usually prepared to pay for residential care, authorities should bear in mind, amongst other matters, the providers' need to recover their costs.

Usual fee rates should not be set by authorities without any consideration being had to the question of whether it is viable to provide care at those rates. However, even if ‘having due regard to the actual costs of providing care’ should be understood as requiring a more specific consideration of actual costs, the circular does not require authorities to calculate or ascertain the actual cost of care.²”

The *South Tyneside* judgement in July 2013 qualifies this point. The judgement is summarised by Belinda Schwehr of Care and Health Law as follows:

“The judgment in *South Tyneside* establishes that the actual cost of care must be conscientiously considered by reference to evidence – if it is not to be done arithmetically, then the state of the actual market, vacancy rates, and numbers of homes in agreement are an alternative basis. But if it is to be done by reference to a tool, that tool must be a sensible tool; and this case says that one that leaves out return on capital/equity, is not rationally able to be defended.”

After looking at other recent cases in this field, the judge found as follows, as a matter of law:

‘In my Judgment return on capital is a real cost for care homes and, therefore, is a cost which the Council must have due regard to, under Paragraph 2.5.4 of the Building Capacity Circular. ...[t]he Birmingham case makes it clear that return on capital is an actual cost and that the real debate is how much that cost is. Whilst there may be cases where the local authority can properly conclude on the facts that capital cost is properly met by capital growth, that question of capital cost must be considered and due regard paid to it.’³

Thus there is clearly an expectation that Councils are expected to consult with providers but Councils have discretion over how this is done. Judge Supperstone in *Northumberland* stated the following:

“As regards consultation, he said the council was not required to quantify costs in the way contended for by the claimants. “That being so, the absence of a quantification of costs could not invalidate the consultation process,” Mr Justice Supperstone said, adding that

² http://www.localgovernmentlawyer.co.uk/index.php?option=com_content&view=article&id=13231%253Acounty-council-in-rare-high-court-win-against-care-home-providers&catid=52&Itemid=20

³ http://www.nationalcareforum.org.uk/viewNews.asp?news_ID=572§or_id=12

the claimants could have requested a quantification of actual costs, but they did not do so.⁴

The *Torbay* judgement in late 2014 clarifies two further points:

- “the intensity and nature of the inquiry which is required of the local authority is primarily a matter for the decision maker” i.e. the Council has some discretion over how it determines the actual cost of care; and
- “the decision was unreasonable as the model considered top-up fees paid by privately paying “residents which were not relevant. This took into account costs in an unlawful manner and was contrary to Government guidance”⁵.

The following points were made by David Collins Solicitors on behalf of Maria Mallaband Group Ltd as part of the consultation process:

“Financial obligations on providers;

Under the Health & Social Care Act 2008, care homes are required to register with the Care Quality Commission. Pertinent to the funding issues in dispute:

(1) Regulation 13 of the Care Quality Commission (Registration) Regulations 2009 requires care home operators to take all reasonable steps to ensure the financial viability of their care home operation for the purposes of meeting all of their legal obligations pertaining to their service.

(2) Regulation 18 of the Health & Social Care Act 2008 (Regulated Activities) Regulations 2014 requires care home providers to ensure that sufficient numbers of suitably qualified, competent, skilled and experienced staff are deployed to meet the needs of the residents within the care home. In the case of a care home providing nursing services, this will include the need to ensure that there are sufficient numbers of suitably qualified, competent, skilled and experienced nurses on duty at all times.

Care Act 2014:

2. Prior to 1 April 2015, the source of a local authority’s duty to provide care and accommodation was contained within section 21 of the National Assistance Act 1948 and directions made under it in Department of Health Circulars LAC (93)10 and 2004(20). By virtue of those provisions, local authorities had a duty to make arrangements for providing “residential accommodation for persons aged eighteen or over who by reason of age, illness, disability or any other circumstances are in need of care and attention which is not otherwise available to them”. By virtue of section 26 of

⁴ http://www.localgovernmentlawyer.co.uk/index.php?option=com_content&view=article&id=13231%253Acounty-council-in-rare-high-court-win-against-care-home-providers&catid=52&Itemid=20

⁵ http://www.localgovernmentlawyer.co.uk/index.php?option=com_content&view=article&id=21249%3Acare-home-providers-win-high-court-battle-with-council-over-payments

the 1948 Act, local authorities had the power to fulfil this duty by making arrangements with the private sector.

3. LAC 2004(20) required local authorities when setting care home fee rates (referred to therein as the ‘usual costs’), to have “due regard to the actual costs of providing care and other local factors” and to requiring them “to be sufficient to meet the assessed care needs of supported residents in residential accommodation” (paragraph 2.5.4).

4. As from 1 April 2015, there is now a new statutory regime governing the provision of care by local authorities. A local authority’s obligations are now set out primarily in the Care Act 2014 (**‘the 2014 Act’**). Those statutory obligations are considerably more onerous than the previous and more limited obligation to pay due regard to the actual costs of care when setting care home fees within the confines of LAC 2004(20).

5. The 2014 Act is supported by the Department of Health’s Guidance: ‘Care and Support Statutory Guidance’ (October 2014) (**‘the Guidance’**).

6. Attention is drawn to the following sections of the 2014 Act:

Section 1 of the 2014 Act places a general duty on local authorities (when exercising their functions under the Act) to promote an individual’s well-being. This includes the promotion of the suitability of living accommodation. The Guidance refers to this duty as ‘the well-being principle’ (see Chapter 1 of the Guidance).

6.2. Section 5(1) of the 2014 Act places an obligation on local authorities to:

“(1) ...promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market –

(a) has a variety of providers to choose from who (taken together) provide a variety of services;

(b) has a variety of high quality services to choose from;

(c) has sufficient information to make an informed decision about how to meet the needs in question.”

6.3. In performing its duty under section 5(1), section 5(2) of the 2014 Act requires a local authority to have regard to a number of matters, including:

“(b) the need to ensure that it is aware of current and likely future demand for such services and to consider how providers might meet that demand;

...

(d) the importance of ensuring the sustainability of the market (in circumstances where it is operating effectively as well as in circumstances where it is not);”

6.4. Section 5(3) of the 2014 Act provides that:

“(3) In having regard to the matters mentioned in subsection (2)(b), a local authority must also have regard to the need to ensure that sufficient services are available for meeting the needs for care and support of adults in its area and the needs for support of carers in its area.”

6.5. Section 18 of the 2014 Act places an obligation on local authorities to meet any eligible adult’s needs for care and support. Section 8 of the 2014 Act sets out examples of how a local authority may meet those needs, which includes the arranging of the adult’s accommodation, care and support within a care home.

7. Chapter 4 of the Guidance is entitled ‘Market shaping and commissioning of adult care and support’. It provides local authorities with guidance on their duties arising under section 5 of the 2014 Act. Chapter 4 is stated to cover the following principles underpinning market-shaping and commissioning activity:

- *focusing on outcomes and wellbeing;*
- *promoting quality services, including through workforce developments and remuneration and ensuring appropriately resourced care and support;*
- *supporting sustainability;*
- *ensuring choice;*
- *co-production with partners.*

8. Chapter 4 includes the provision of the following guidance:

☐ *“High-quality, personalised care and support can only be achieved where there is a vibrant, responsive market of service providers. The role of the local authority is critical to achieving this, both through the actions it takes to directly commission services to meet needs, and the broader understanding and interactions it facilitates with the wider market, for the benefit of all local people and communities.”* (paragraph 4.1)

☐ *“Market shaping means the local authority collaborating closely with other relevant partners...”* (paragraph 4.6)

☐ *“Local authorities **must** facilitate markets that offer a diverse range of high-quality and appropriate services. In doing so, they must have regard to ensuring the continuous improvement of those services and encouraging a workforce which effectively underpins the market. The quality of services provided and the workforce providing them can have a significant effect on the wellbeing of people receiving care and support, and that of carers, and it is important to establish agreed understandable and clear criteria for quality and to ensure they are met.”* (paragraph 4.21)

*“People working in the care sector play a central role in providing high quality services. Local authorities **must** consider how to help foster, enhance and appropriately*

incentivise this vital workforce to underpin effective, high quality services.” (paragraph 4.28)

“When commissioning services, local authorities should assure themselves and have evidence that service providers deliver services through staff remunerated so as to retain an effective workforce. Remuneration must be at least sufficient to comply with the national minimum wage legislation for hourly pay or equivalent salary.” (paragraph 4.30)

*“When commissioning services, local authorities should assure themselves and have evidence that contract terms, conditions and **fee levels** for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support, and allow for the service provider ability to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality, and encourage innovation and improvement.” [Emphasis added] (paragraph 4.31)*

“Local authorities should understand the business environment of the providers offering services in their area and seek to work with providers facing challenges and understand their risks.” (paragraph 4.34)

*“Local authorities **must not** undertake any actions which may threaten the sustainability of the market as a whole, that is, the pool of providers able to deliver services of an appropriate quality – for example, by setting fee levels below an amount which is not sustainable for provider in the long-term.” (paragraph 4.35)*

“5. Where a local authority is responsible for meeting a person’s care and support needs and their needs have been assessed as requiring a particular type of accommodation in order to ensure that they are met, the person must have the right to choose between different providers of that type of accommodation provided that:

- *the accommodation is suitable in relation to the person’s assessed needs;*
- *to do so would not cost the local authority more than the amount specified in the adult’s personal budget for accommodation of that type;*
- *the accommodation is available; and*
- *the provider of the accommodation is willing to enter into a contract with the local authority to provide the care at the rate identified in the person’s personal budget on the local authority’s terms and conditions.*

6. This choice must not be limited to those settings or individual providers with which the local authority already contracts with or operates, or those that are within that local authority’s geographical boundary. It must be a genuine choice across the

appropriate provision.” (Annex A: Choice of accommodation and additional payments, paragraphs 5 and 6)

*“The personal budget is defined as the cost to the local authority of meeting the person’s needs which the local authority chooses or it required to meet. However, the local authority should take into consideration cases or circumstances where this ‘cost to the local authority’ may need to be adjusted to ensure that needs are met. For example, a person may have specific dietary requirements that can only be met in specific settings. **In all cases the local authority must have regard to the actual cost of good quality care** in deciding the personal budget to ensure that the amount is one that reflects local market conditions. This should also reflect other factors such as the person’s circumstances and the availability of provision. **In addition, the local authority should not set arbitrary amounts or ceilings for particular types of accommodation that do not reflect a fair cost of care.** Guidance on market shaping and commissioning is set out in Chapter 4. Local authorities **must** also have regard to the guidance on personal budgets in Chapter 11, and in particular paragraph 11.23 on calculating the personal budget.” [Emphasis added] (Annex A: Choice of accommodation and additional payments, paragraph 11)*

Equality Act 2010:

9. Further, local authorities are required to act in accordance with their obligations arising under the Equality Act 2010. Section 149(1) of the 2010 Act provides so far as is material:

“(1) A public authority must, in the exercise of its functions, have due regard to the need to-
a) eliminate discrimination....,
b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.”

10. In *R (South West Care Homes Ltd & Ors) v Devon CC* [2012] EWHC 2967 (Admin), however, Judge Jarman QC accepted that a local authority’s public sector equality duties arising under the 2010 Act applied to decisions on residential care home fees. In *R (Members of the Committee of Care North East) v Northumberland County Council* [2013] EWCA Civ 1740, the Court of Appeal accepted that there:

“... should be a structured attempt to focus upon the details of equality issues”, see paragraph 61 of Bracking v Secretary of State for Work and Pensions [2013] EWCA Civ 1345 is readily understandable if the decision taker is having to demonstrate compliance with the statutory duty to have due regard to various factors as part of the public sector equality duty imposed by section 149 of the Equality Act 2010.”

11. The Equality Act allows for a challenge to be brought by persons (real or legal) who have been treated less favourably because of their association with persons who are disabled (or have any particular disability).

Consultation Obligations:

12. In *R v North East Devon Health Authority, ex parte Coughlan* [2001] QB 213, paragraph 108, the Court stated:

“...whether or not consultation of interested parties and the public is a legal requirement, if it is embarked upon it must be carried out properly. To be proper, consultation must be undertaken at a time when proposals are still at a formative stage; it must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response; adequate time must be given for this purpose; and the product of consultation must be conscientiously taken into account when the ultimate decision is taken.”

13. The requirement to provide ‘sufficient reasons’ was considered by the Court of Appeal in *R (Eisai) v National Institute for Health and Clinical Excellence* [2008] EWCA Civ 438, a case concerning a decision of NICE not to authorise the use of a particular drug for cost-effectiveness reasons. The claimant in that case argued that NICE ought to have disclosed a fully-executable version of the model it had used to assess cost-effectiveness, rather than the read-only version they had been given. In accepting that argument, the court made it clear that the test is what fairness requires (see paragraph 27 of the judgment). In his judgment Richards LJ relied on the judgment of Lord Diplock in *Bushell v Secretary of State for the Environment* [1981] AC 75, at page 96, who held that ‘[f]airness ... also requires that the objectors should be given sufficient information about the reasons relied on by the department as justifying the draft scheme to enable them to challenge the accuracy of any facts and the validity of any arguments upon which the departmental reasons are based’. The Court held that, in the circumstances of the case before it, it was necessary for NICE to disclose a fully-executable version of the model.

Key factors included: (i) the importance of the issue at hand, and (ii) the importance of the model to the decision (see paragraphs 34-36). At paragraph 66, Richards LJ held that:

“...procedural fairness does require release of the fully executable version of the model. It is true that there is already a remarkable degree of disclosure and of transparency in the consultation process; but that cuts both ways, because it also serves to underline the nature and importance of the exercise being carried out. The refusal to release the fully executable version of the model stands out as the one exception to the principle of openness and transparency that NICE has acknowledged as appropriate in this context. It does place consultees (or at least a sub-set of them, since it is mainly the pharmaceutical companies which are likely to be affected by this in practice) at a significant disadvantage in challenging the reliability of the model. In that respect it limits their ability to make an intelligent response on something that is central to the appraisal process.”

David Collins Solicitors argue that the approach taken in the consultation process does not meet the legal criteria stated above because, in their view, we have not taken account properly of the requirement to consider the actual cost of care

“By applying a confused and irrational approach to the costs of care within East Cheshire, [the Council (through the agency of RedQuadrant)] has misdirected itself as to the costs of care within East Cheshire. The proposals contained within the Report are flawed and irrational. In doing so, as matters currently stand, the Council is not in a position whereby it can rationally make any decisions regarding its duties arising under section 5 of the Care Act. Accordingly, were the Council to adopt the proposals contained within the Report at the present time based upon the work undertaken to date by RedQuadrant and the approach taken within the Report, the Council will enter into public law error; thereby making any decision taken by the Council amenable to judicial review. “

“The Council must not proceed on the basis of the Report and the proposals contained within it”

We are not lawyers and thus not qualified to give legal advice. However our understanding of the requirements of the council in this area is that the Council is obliged to take account of the actual costs of care when setting fees, can do this in a number of ways but it cannot consider top-up fees in this process. The Care Act strengthens this duty by requiring the Council to ensuring that the level of fees set allows for a sustainable local market to exist. Furthermore the consultation process when setting fees should be fair and open

In this exercise we have considered occupancy levels, ease of placement by the Council and a calculation of reasonable costs using information on local costs of care to come to a view as to what fee levels should be. We have not undertaken a market wide cost of care exercise as this, in our view, is not required to comply with the legislation and has a number of defects as an approach; however we have shared outline calculations (and the assumptions and methodologies behind these calculations) with the provider market and have modified our approach when presented with reasonable evidence on local costs that differed from our original assumptions. We also propose that any provider who feels that the proposed fees are inadequate, are given the opportunity to present their actual costs of care on an open-book basis. This in our view complies with the requirements of the legislation

Cost of care in Cheshire East

As part of our review we have carried out a ‘bottom up’ costing exercise for both residential and nursing care. The purpose of this exercise is to consider the factors affecting the local costs of care within the local authority area. We have taken account of the most recent Laing Buisson (LB)⁶ costing models for care homes as outlined below as well as information on local costs. Where we have not used LB assumptions we have explained why.

Where possible we have attempted to identify local, reasonable costs of residential and nursing home care using an evidence based approach which is discussed in further detail below. As the

⁶ LaingBuisson provide a set of data on care costs that is gathered from providers and produces cost models derived from this data

purpose of this project is to make recommendations for standard fees across a range of care homes we have used average costs wherever appropriate. It is also important to emphasise that we are not stipulating that homes should comply with the occupancy levels, salary levels, cover arrangements or any other parameter set out below: these are decisions for individual home providers to take.

The assumptions which we have modelled are detailed below:

- **Average Bed Base:** The model works on the basis of average bed numbers across all Cheshire East care homes for older people. This was calculated to be 40 beds.
- **Occupancy:** Expected occupancy levels are assumed to be 96% for the purpose of the calculation. Although LB base their calculations on 90% occupancy they do state that nationally over 50% of care homes are running at over 95% occupancy, a target which we believe to be achievable. Indeed overall occupancy levels were 95% in a snapshot exercise across the Council in June 2015. Some providers argued that a 95% occupancy rate should be used as this does reflect actual local conditions: however, as clearly significant numbers of local providers re operating at higher levels of occupancy than this we feel it is not unreasonable to use the higher %
- **Staffing Levels:** Whilst the Care Quality Commission (CQC) regulates the care home industry they do not provide any prescriptive formulas regarding minimum safe staffing levels, nor does the Council prescribe staffing levels within homes. Additionally the regulatory body for the nursing profession, the Royal College of Nursing (RCN) does not offer their own guidance other than reference to the Irish 'Regulation and Quality Improvement Authority' (RQIA) for nursing care levels. Ultimately of course care home proprietors are responsible for ensuring a safe level of staffing in their homes and the Council is responsible for ensuring levels of funding to ensure a safe level of staffing. However different providers approach staffing in very different ways so it is not possible to define a standard safe staffing level across all services. Our approach is thus to use the RQIA model as a basis but modified in the light of feedback.

Two providers (including David Collins Solicitors) criticised our use of the RQIA staffing model on the basis that these were Irish and thus not applicable locally. There clearly will be a wide range of staffing structures and rotas used locally and we have reflected these by modifying our model for all four types of care in the light of consultation on actual costs as follows:

- inclusion of 10 minute handover time for each shift
- modification of shift patterns from 6 to 7 hours for Early, 6 to 7 hours for Late and 12 to 10 hours for Night

Two providers argued that Activity Co-ordinators should be included as a cost for each home, but, although there is a contractual requirement to ensure that an adequate

range of activities is provided, there is no contractual requirement to employ an Activity Co-ordinator and, presumably, not all homes do so

Residential Staffing Levels: The RQIA guidance states that any residential home with between 31-40 residents should have one person in charge with three to four care on duty during the day and two members of staff on duty at night with an additional member on call. We have assumed 10 minutes handover per worker at the end of each shift. The night guidance is however based on a high dependency unit, with no definitive guide for medium to low evening dependency. Taking this into account the model for nights has been reduced to allow for between two and three staff on duty and one on call. The staff to patient ratio used for this model is as follows:

Early	1 Care Worker for 10 Clients (7 hours)
Late	1 Care Worker for 10 Clients (7 hours)
Night	1 Care Worker for 17 Clients (10 hours)

This equates to 15.45 hours care per person per week, based on 96% occupancy. We have assumed that no registered Nurses work in Residential homes.

One provider observed that the LB model assumes 21.5 hours care per person per week in the north-west, somewhat more than we have calculated here.

- **Residential Staffing Levels with Mental Health Needs:** The baseline assumptions from above have been applied though staff to patient ratios have been amended to reflect the increased level of support required. We have assumed 10 minutes handover per worker at the end of each shift. We have assumed that between two and three additional care staff would be required to support the daily care of the residents in the home. At night a high dependency staffing level of three to four care staff has been applied with one on call staff member for during the night.

The staff to patient ratios used for this model are as follows:

Early	1 Care Worker for 6 Clients
Late	1 Care Worker for 6 Clients
Night	1 Care Worker for 12 Clients

This equates to 24.6 hours care per person per week, based on 96% occupancy. This is slightly higher than the figure of 24.5 modelled by LB in the north-west

- **Nursing Staffing Levels:** The RQIA also makes reference to the Rhys Hearne dependency models, which use the care requirement of the patient to determine the level of staffing required over a 24 hour period. A summary of the care levels is detailed below:

Care Group	Care Type	Estimated Direct Care Require Per Day
------------	-----------	---------------------------------------

A	Self-Care	1
B	Average Care	2
C	Above Average Care	3
D	Maximum Nursing Care	4

Taking into account the above model the following assumptions have been made in relation to the level of care required for each level:

Care Group A 0%
 Care Group B 0%
 Care Group C 50%
 Care Group D 50%

These %s have been modified in the light of feedback from providers that our previous figures did not adequately reflect the reality of the level of need of people being referred by the Council

Based on this the following staff to patient ratios were determined:

Early 1 Nurse and/or Care Worker for 6 Clients
 Late 1 Nurse and/or Care Worker for 6 Clients
 Night 1 Nurse and/or Care Worker for 12 Clients

This equates to 25.17 hours care per person per week, based on 96% occupancy and 10 minutes handover per person at the end of each shift.

We have assumed that the ratio of registered nurses to care workers follows a 26:74 split, consistent with the LB model.

- **Nursing Staffing Levels with Mental Health Needs:** In order to assess the staffing model for those nursing homes with mental health needs the Rhys Hearne dependency model was again used. In this case we assumed that patients were split 80% to care group D and 20% to care group C. These %s have been modified in the light of feedback from providers that our previous figures did not adequately reflect the reality of the level of need of people being referred by the Council. This results in the below patient ratios:

Early 1 Nurse and/or Care Worker for 5 Clients
 Late 1 Nurse and/or Care Worker for 6 Clients
 Night 1 Nurse and/or Care Worker for 9 Clients

The above model equates to 27.02 nursing hours per patient per week, based on 96% occupancy and 10 minutes handover per person at the end of each shift.

.

The same registered nurse split and pay scale assumptions have been applied as those within purely nursing homes.

- **Management:** Every care home regardless of status or occupancy has been assumed to have one Manager. No allowance has been made for any backfill cover due to annual leave, sickness, etc. Two providers argued for the need for a deputy manager and/or management cover for absences. In the light of this and other provider feedback we have assumed one senior care worker on each shift where a manager or nurse is not available; as was pointed out this is consistent with the RQIA guidance.
- **Other Staff Groups:** The calculations for the roles of admin, domestics and catering staff were computed in line with the RQIA guidance. Only domestics and catering staff had an element of 'timeout cover' provided for within the calculations.
- **Pay Rate Assumptions (2015/16):** All salaries (except for nursing staff – see below) were calculated using the average figures for that staff group contained within the report National Minimum Dataset for Social Care (NMD-SC) within the Cheshire East and North West area. The quoted rates for care staff, catering and domestics are a little above the current minimum wage for people over 21 of £6.50 per hour and we have adjusted these to take account of the increase in minimum wage in October 2015. The website payscale.com was also referred to in order to ensure that rates of pay were consistent. The rates used are as follows:

Staff Group	Care Home Rate
Qualified Nursing (per hour)	£14.00
Care Staff (per hour)	£6.65
Senior Care Staff (per hour)	£7.65
Catering (per hour)	£6.65
Domestics (per hour)	£6.60
Admin (per hour)	£7.35
Residential Manager (per annum)	£26,280
Nursing Manager (per annum)	£30,034

One provider quoted LB composite rates for the North West in 2014/15 as being £12.61 for nursing, £6.90 for care staff, £7.39 for catering and £6.70 for domestic staff. However, NMD-SC figures are derived from local survey data and thus seem reasonable to use and more relevant to local costs. Similarly one provider quoted a rate of £9 per hour for catering costs, considerably in excess of the rate from NMD-SC data. As no other provider made this point we consider it reasonable to use the NMD-SC rates for catering staff.

The main challenge in this area during the consultation was in relation to pay for nursing staff where we used £11.92, a figure taken from NMD-SC. A number of responding providers reported that this rate was too low and that the market

rate was somewhat higher – with figures of £12.61 (see above) - £14.00 being quoted. We have used £13.30 as this is the mid-point of the range of figures quoted.

- **Other Staffing Assumptions:** The National Insurance (NI) rate has been applied at 7% across the board as there will be variations of full and part time staff which will impact on differing levels of NI payable. A pension contribution of 1% has been applied to account for the current minimum employer contribution. We have not applied a higher pension % for managers as some providers have argued for as there is no evidence from NMD-SC or payscale.com that this is routinely offered. For nursing/care staff a 20% pay enhancement has been built in for Sunday enhancements, and a 25% pay allowance has been used to account for any on call arrangements. The on call applies to night cover, whereby one staff member may be required to be on call at home, should the need arise to provide additional cover. As it is assumed unlikely that staff will need to be called out frequently, a cost equivalent to 25% of a night shift payment has been applied to the fees.

As agency staff may be required in exceptional circumstances an agency premium has been applied to nursing. This represents 2.5% of qualified staff and 1.5% of care workers, and is applied as a 100% cost increase.

A 'timeout' allowance has been applied to all of the staffing levels, other than Management posts and admin. This comprises of 28 days annual leave, 5 days sickness and 3 training days, with annual leave in line with statutory requirements.

- **Other Non-Pay Costs:** The non-pay costs have been calculated on the basis of the LB care calculation model 2014 plus one year of CPI and include the following categories
 - Food;
 - Utilities;
 - Handyman and Gardening;
 - Insurance;
 - Medical Supplies;
 - Domestic & Cleaning Supplies;
 - Trade & Clinical Waste;
 - Registration Fees;
 - Recruitment;
 - Direct Training Expenses;
 - Other Non-Staff Current Expenses.

We initially used 95% of the LB figures on the basis that their data reflects national averages and it would be reasonable to expect some of these costs to be a little cheaper in Cheshire East than in, say, the south-east or London. We modified this to 100% in the light of feedback from providers

We have not included a figure for corporate overheads, despite this being a parameter included in the LB cost model. Indeed as LB state

“Previous reports on the model published in 2002, 2004 and 2008 had argued that those costs which relate to the administration of a care home group, and which would not be incurred by a standalone care home operator, should be ignored for the purposes of estimating what fee rates councils should pay, since such overheads are best regarded as portfolio management costs which corporate investors are prepared to absorb within their gross rate of return”⁷

This argument seems strong to us particularly as many homes are run by small scale operators. We have however included £5000 per home to cover audit and other requirements of running a business. This was argued as inadequate by one provider – however, the reality is that real costs in this area will vary considerably depending on the type of provider.

- **Maintenance/Services:** These are split to maintenance capital expenditure, repairs and maintenance and contract maintenance of equipment. For this we have applied the fair price toolkit values from LB adding one year of CPI inflation. The argument has been made that we should use a higher value for maintenance based on our assumptions about the age of properties – however the LB values are derived from survey returns which (presumably) reflect maintenance costs over homes of a range of ages
- **Capital/operator profit:** The LB model has again been used as a basis for this calculation. Using the required occupancy rate alongside floor space benchmarks, turnkey build costs and land allowances (assuming 0.75 acres required to build a care home), the capital figure has been determined, applying inflation where necessary. We have based land values on current local land prices and the figure of £601k per acre derived from this is consistent with the LB model which states £605k per acre for the North West. Though the LB model assumes a return on capital investment of 7%, we have reduced this to 5% reflecting the current very low rate of inflation. The LB Cost of Care Model assumes a maximum 70% capital cost adjustment factor which is applied only to those homes failing to meet up to new building standards. This adjustment is applied only to the building costs element. As many of the residential homes are older properties, we have, following discussions with commissioners, assumed that 50% do not comply with the 2002 National Minimum Standards and thus have applied a capital adjustment of 35%. Nursing homes however offer a more modern selection of properties: we have assumed that 25% of nursing homes do not comply and thus have applied 17.5% reduction factor.

One provider argued that “the building cost allowed for in the cost of capital calculation should increase by more than CPI - the BCIS’s Building Cost Indices indicate a rise of

⁷ *Fair Price for Care for: a toolkit for care homes for older people and people with dementia* LaingBuisson 2014 p40

9.8% for the period from December 2014 to March 2016.” However we would argue that this level of precision would require unpicking the whole model used and, in effect, setting individual prices based on the individual cost of capital in each home and, in particular its current age and physical condition. This would make calculation an average impossible

We have not included a separate calculation for operator profit which clearly providers expect to achieve. The LB model assumes a further 5% on top of cost of capital of 7%: whilst providers expect to make a profit we think it is reasonable to argue that this should not be included in a cost of care calculation, as it is not a direct cost of care (although the case law is clear that cost of capital is a legitimate cost of care). However if providers are unable to make profits then this could threaten the sustainability of the local market, and thus leave the Council in breach of its’ duties in relation to the Care Act (see below for suggested approach in this area)

Other information on cost of care: a number of providers supplied information on their cost of care calculations. We have summarised these below:

- Craegmoor: requested 2% uplift for 2015/16
- Care Tech: wanted “inflationary uplift” for 2015/16
- MHC: requested 2.9% increase for 2015/16
- Huntercombe: requested 2.5% increase for 2015/16
- Delam: requested 2% uplift for 2015/16
- Care UK: requested 2.4% uplift for 2015/16
- BUPA: requested 3.46% uplift for 2015/16 to cover “part of the funding gap”

The table below gives cost of care calculations supplied by providers

	Proposed rates 15/16 inc FNC	Care UK	BUPA	HC-One	CLS
Residential Care	£415		£684	£509	£462
Residential Care (EMI)	£491	£626		£537	£565
Nursing Care	£562		£781	£607	
Nursing Care (EMI)	£584	£747		£640	

There are a number of features of this table

- There is widespread variation in cost between providers indicating that any consideration of the actual cost of care needs to make a judgement on what is a reasonable cost and what is not;
- Notwithstanding this all quoted figures by providers are considerably in excess both of current rates and proposed rates;
- Part of the difference will be due to different assumptions on utilisation with, for example, BUPA modelling costs on 90% occupancy;

- A further substantial part of the difference will be assumptions on depreciation, central office and profit costs with, for example, CareUK assuming 20-25% of costs in these categories compared to 12-14% in our model
- This is not the whole story however as some providers (eg CareUK) are clearly providing staffing at levels well above what we have modelled as reasonable

Conclusion: Our calculation indicates that the fees currently paid by Cheshire East for 2015/16 are somewhat less than our estimated cost of running a care home based on the above set of assumptions, with an average difference of -4.4% across the four categories

	Bottom up costs net of FNC	Current Cheshire East fees	% difference
Residential Care	£415.94	£376.73	-9.4%
Residential Care (EMI)	£490.90	£467.10	-4.8%
Nursing Care	£446.50	£433.07	-3.0%
Nursing Care (EMI)	£462.32	£467.10	1.0%

2016/17 costs: From April 2016 the national living wage (NLW) of £7.20 must be paid by care homes for staff over the age of 25. For 2016/17 we have therefore remodelled our calculations, assuming that all staff are paid NLW as a minimum. We modified our approach following consultation with providers: previously we had modelled costs based on only 75% of staff being over 25 and thus entitled to NLW but this was felt to be invidious, impossible to implement in practice and inconsistent with the Council's own approach to employees. We also increased salaries for all other staff by 3% to partially maintain differentials, a rate proposed by one provider,

Inflation, based on the OBR's estimate of CPI (1.8%) has also been applied to other costs. In the consultation version we had applied a 0.75% efficiency factor but we have removed this following feedback from providers: although we do not think assuming an efficiency factor is inherently unreasonable given that all parts of the public sector have to find such savings one provider did make the point that insurance premiums were likely to go up by more than inflation as these were often linked to salaries; the same provider also pointed out that CQC registration costs had also gone up by more than inflation in recent years. Another provider argued that food inflation was likely to be greater in future years. Taking all of this into account we consider an uplift linked to CPI to be reasonable

The breakdown of the resulting costs is as follows:

	Bottom up costs net of FNC	Current Cheshire East	% difference
--	---------------------------------------	----------------------------------	---------------------

		fees	
Residential Care	£432.22	£376.73	-12.8%
Residential Care (EMI)	£513.37	£467.10	-9.0%
Nursing Care	£465.68	£433.07	-7.0%
Nursing Care (EMI)	£482.81	£467.10	-3.3%

2017/18 costs: For 2017/18 we have assumed a NLW rate of £7.65 per hour. This is a little less than the figure we used in the consultation version: it is slightly unclear how the 2017/18 NLW will be set but it appears that the ambition is £9.00 per hour by 2020 and we have assumed £0.45 increments a year towards this target. We have also applied CPI at 1.7% (OBR estimate), increased other salaries by 3% and taken into account mandatory pension increases of 1% from October 2017. The breakdown of the resulting costs is as follows:

	Bottom up costs net of FNC	Current Cheshire East fees	% difference
Residential Care	£448.54	£376.73	-16.0%
Residential Care (EMI)	£534.77	£467.10	-12.7%
Nursing Care	£481.69	£433.07	-10.1%
Nursing Care (EMI)	£519.83	£467.10	-10.1%

There is clearly a significant difference between these calculated costs of care and current fees which will need a response from the Council

Care Home Additional Hourly Rates: At times some clients will require additional one-to-one care over and above the base fee levels. For this reason we recommend that a standard hourly rate be applied where care is required above the base rate. The proposed fees have been calculated using a bottom-up approach with the same pay rate assumptions detailed in the earlier section (i.e. hourly rate plus NI, pension, timeout allowance). From 2016/17 we have assumed that care staff will move onto the living wage. We have made the same assumptions as earlier with the workforce rate of pay split due to age. In addition an allowance has been made for the following non pay areas (some based on the LB model):

- Registration Checks
- Recruitment
- Direct Training Expenses

- Other Management Costs
- Margin @ 5%

The calculated hourly rates are as follows:

	2015/16	2016/17	2017/18
Care Worker	£10.08	£10.87	£11.51
Registered nurse	£20.50	£21.10	£21.71

No comments were received from providers on the methodology for calculating these rates. We have modified these rates from those on which we consulted to take account of the change in approach to NLW and the increase in the nursing hourly rate

Sustainability of local market

Cheshire East has approximately 100 care homes with approximately 4030 registered care beds for older people. The Council commissions about one-third of the available beds in the area, and CCGs, self-funders or other councils commission the balance. We understand that the following facts are true;

- Occupancy levels within local care homes are high, with the snapshot figure of 95% well in excess of the national averages quoted by LB (typically 87-90% occupancy levels are quoted in national surveys);
- There is considerable interest in developing new care homes in Cheshire East to the point where over-saturation of the market has become a policy concern of the Council;
- The Council rarely has difficulty in making placements

Thus there is no evidence of market failure or lack of a sustainable local market despite the widespread provider view that rates paid by the Council are too low. This could of course change rapidly, particularly if the Council succeeds in its ambition of reducing the number of placements it makes in the medium term but there is simply no evidence that the current market is anything other than effective and sustainable

Workshops with Residential and Nursing Care Home Providers

Residential and nursing care home provider feedback from the workshops

We held two workshops with residential and nursing home care providers. They were attended by 17 representatives from 10 provider organisations. These were: MHA, CLS, Tunnicliffe House, Highfield House, BUPA, Porthaven Care Homes, HC-One, The Laurels, Four Seasons Health Care, and Care UK (see Appendix 1 for detailed feedback).

Workshop One was attended by MHA, CLS Care Services, Tunnicliffe House, Highfield House and BUPA. The key issues raised by members of the workshop were:

- The cost pressures they are experiencing, and increasing costs despite a reduction in the headline rate of inflation;
- Recruitment and retention of nurses and care workers as a result of low pay levels and high local employment levels;
- Concern that private funders are charged more than Council funded service users, which will be highlighted by the introduction of care accounts under the Care Act;
- Concern that people entering residential care for an assessment under the Care Act, are being placed at the Council rate even though they are self-funding and could pay the full self-funding rate. Social workers are saying that when a service user goes into residential care under the 12 week disregard, they must be charged the Council rate, even though they will be a self-funder and would otherwise be paying the higher self-funding rate. This threatens provider's existence because they use self-funders to subsidise the lower Council rates;
- Their fear that a shortage of Council staff to do assessments as required by the Care Act will result in delays in referrals to their homes, and subsequent vacancies. This will threaten their financial viability because of the high occupancy assumption included in the fee setting;
- The amount of return on capital included in the calculations of the fee levels; and
- They would like block contracts because it would give them increased financial security and allow them to plan ahead and flex their costs.

Workshop Two was attended by Porthaven Care Homes, Bupa, HC-One, The Laurels, Four Seasons Health Care, and Care UK. The key issues raised by members of the workshop were:

- Their increasing costs and the financial pressure they are experiencing;
- They need to charge top-ups but social workers are opposed to this, and this puts them in a difficult position;
- Recruitment and retention of nurses and care workers as a result of them being unable to compete with other employers;
- The need for a balance of self-funders and Council funded service users in a home to make it financially viable, but the Care Act will make the difference between the two levels more obvious;
- The shortage of bed spaces for reablement for people needing step up or step down provision; and
- The potential to block purchase one to three beds in a home for respite care.

Conclusions from workshops

The discussions in the two workshops covered similar issues. Both workshops included discussion about the cost pressures providers were experiencing as a result of the increasing cost of living; the difficulty in recruiting and retaining staff when they could obtain higher paid work elsewhere; and the need for a balance of self-funders and Council funded service users in the homes

Both workshops raised the potential implications of the Care Act, in particular the way in which the introduction of care accounts will highlight the difference in the fee levels paid by self-

funders and the Council. They were also concerned that a shortage of Council staff to do assessments as required by the Care Act will result in delays in referrals to their homes, subsequent vacancies, and threaten their financial viability because of the high occupancy assumption included in the fee setting. Both workshops took place prior to the announcement that the implementation of care accounts would be delayed until 2020, thus mitigating many of the points raised

Both workshops expressed interest in the use of block contracts. Block purchasing offers guaranteed placements and financial stability to providers, but there is a risk that it results in higher costs for the Council, as it pays for voids, and for voids arising as a result of delays in Council processes in placing service users in the homes. Workshop One discussed it in relation to residential and nursing care home places, as opposed to spot contracts. Workshop Two discussed it in relation to respite care. They also discussed the need for more reablement with step up and step down beds.

Discussion and recommendations for fee levels

The Council is obliged to take account of the cost of care when setting fees. However there are a range of fees that the Council could set that would meet this criteria. There are a number of factors to consider:

1. The calculation above models the actual cost of care based on our understanding of reasonable local costs. It indicates that current fees do not fully cover current average costs and this will become more acute from 2016/17 onwards. The fee levels for residential care homes in particular are low both in relation to comparison with the bottom-up calculation
2. The local care home market is large and diverse. Utilisation across the care home sector is high (reported to be 95% in June 2015) and the Council only purchases 33% of beds, indicating that there are plentiful alternative funders for care beds (including CHC, other authorities and self-funders). Thus there is no current evidence of market failure or collapse
3. The Council is currently able to place people within the Borough at current fee rates on most occasions
4. There has been no fee increase since 2009 although costs have obviously increased since then. There was widespread disappointment amongst providers at the lack of a fee increase in 2014/15 when one had been expected

We recommend the following:

1. For 2014/15 the Council should not give an uplift partly because of point 2 above and the level of proposed increase in 2015/16 but also because of the considerable bureaucratic complexity this would involve, including re-assessing all client contributions (this point was disputed by one provider who felt that there should be a backdated increase applied from 1st April 2014);
2. For 2015/16, we recommend an increase of 10% for residential care homes, 5% for residential with EMI, 4% for nursing and 1% for nursing with EMI. These increases are

significantly in excess of the rates recommended to Cabinet in 2015 for two years and in excess of the rates requested by providers for 2015/16;

3. For 2016/17 we recommend an uplift of a further 4% for residential care, residential EMI and nursing provision;
4. For 2017/18 we recommend an uplift of a further 4% for residential care, 5% for residential EMI, 2% for nursing and 7% nursing with EMI;

We recommended the following rates for additional one-to-one care:

	2015/16	2016/17	2017/18
Care Worker	£10.08	£10.87	£11.51
Registered nurse	£20.50	£21.10	£21.71

5. Given the difficulty of recalculating all fees and client contributions since April we recommend that the 2015/16 increase be applied on a pro rata basis after the 2015/16 fee levels have been agreed ie we propose that increases are not backdated to 1st April but applied from the date of agreement, allowing providers to discuss the impact of their increased costs during 2015/16 prior to the agreed date of implementation (an alternative approach would be to increase the fees on a *pro rata* basis from the date of agreement);
6. These fees are proposed as average fees designed to cover a range of circumstances: if providers are genuinely struggling to cover reasonable costs on these fee levels they need to be given the opportunity to request fee uplifts over and above these levels by showing their costs on an open book basis. The Council should assess these requests reasonably
7. These fees are predicated on the premise that the current market is vibrant and sustainable. The Council needs to continue to monitor this situation and be prepared to alter its' approach if the situation changes

In summary the proposed fees are thus:

	2014/15	2015/16	2016/17	2017/18
Residential Care	£376.73	£414.52	£431.11	£448.35
Residential Care (EMI)	£467.10	£490.26	£509.87	£535.36
Nursing Care	£433.07	£450.39	£468.41	£477.78
Nursing Care (EMI)	£467.10	£471.77	£483.57	£517.42

The impact of this recommendation is as follows for 2015/16:

	Bottom-up costs	Current fees net	Diff current/	Proposed Fee 15/16 net FNC	Diff current	Diff new fee/BUC
--	-----------------	------------------	---------------	----------------------------	--------------	------------------

	net FNC	FNC	BUC			
Residential Care	£415.94	£376.73	-9.4%	£414.52	10.0%	-0.3%
Residential Care (EMI)	£490.90	£467.10	-4.8%	£490.26	5.0%	-0.1%
Nursing Care	£446.50	£433.07	-3.0%	£450.39	4.0%	0.9%
Nursing Care (EMI)	£462.32	£467.10	1.0%	£471.77	1.0%	2.0%

The impact of this recommendation is as follows for 2016/17:

	Bottom-up costs net FNC 16/17	Proposed fees 16/17 net FNC	% difference 16/17 fees -15/16 fees	% difference 16/17 fees – BUC	% difference 16/17- 14/15 fees
Residential Care	£432.22	£431.11	4%	-0.3%	14.4%
Residential Care (EMI)	£513.37	£509.87	4%	-0.7%	9.2%
Nursing Care	£465.68	£468.41	4%	0.6%	8.2%
Nursing Care (EMI)	£482.81	£483.57	0%	0.2%	3.5%

The impact of this recommendation is as follows for 2017/18

	Bottom up costs net FNC 17/18	Proposed fees 17/18 net FNC	% difference 17/18 fees to 16/17 fees	% difference 17/18 fees - BUC	% difference 17/18-14/15 fees
Residential Care	£448.54	£448.35	4%	0.0%	19.0%
Residential Care (EMI)	£534.77	£535.36	5%	0.1%	14.6%
Nursing Care	£481.69	£477.78	2%	-0.8%	10.3%
Nursing Care (EMI)	£519.83	£517.42	7%	-0.5%	10.8%

Appendix 1: Feedback from consultation with the Council's residential and nursing care home providers on 22nd and 23rd June 2015

Workshop 1

It was attended by seven residential and nursing care home providers:

- Toby Simon, MHA, Woodlands, Poynton
- Sheila Wood-Townend, CLS Care Services
- Cassandra Shreeve, Tunncliffe House, Macclesfield
- Denise Moss, Highfield House
- Tracey Stakes, CLS Belong Villages
- Zara Carter, BUPA
- One other attendee who did not sign in.

They made the following comments:

- A lot of service users cannot pay top ups and the Council does not pay enough.
- They rely on top ups from self-funders to pay for Council service users. This issue has been there for years.
- One charity has put private fees up by £20-25/week so the Council's fee is even less by comparison.
- If people come into residential care for an assessment under the Care Act because that is their right, and the Council says they must be placed at the Council rate even though are a self-funder and could pay the self-funding rate, providers will not be able to continue to exist, because they use self-funders to cross subsidise the Council rates. SWs are saying that when a service user goes into residential care under the 12 week disregard, they must be charged the Council rate, even though they will be a self-funder. This will result in a big problem. They should still be coming in under a private contract because they can self-fund.
- Self-funders are choosing cheaper places.
- People are pushing harder to get CHC funding than in the past.
- They get a lot of requests to see service user's notes.
- People are more aware of their rights.
- CHC affects residential care as well as nursing care because service users do not necessarily go into a nursing home if they have dementia.
- There is a £200 difference between the Council and private rate / week. So the private person is paying £100 towards the Council rate and they all know that.
- Situation deteriorating rapidly.
- Provider's fear that a lack of staff in Council's to do assessments as required by the Care Act will result in vacancies. They don't need many to make a home unviable because they are operating on the margins of profitability. But Councils do not know how many people will want assessments. Delays in referrals and assessments could affect viability.
- Hospital discharge – not big issue.
- Recruitment and retention is a problem as they come out of recession. Nurse recruitment is particularly difficult. Recruiting at the minimum wage is hard when others

pay more. Staff go to the agencies because they get paid more, and homes go to agencies if they can't recruit.

- Nursing staff – there is a general shortage. They pay £13/hour and they can get £18/hour elsewhere.
- Care workers are paid at or around the minimum wage. They are competing with supermarkets, etc.
- They have the minimum number of nurses on duty. The Council doesn't stipulate the number in their contracts nor does CQC. They have 1 on all the time, and another if necessary.
- Good practice is 1 to 4 care staff to service users during the day for dementia care, but they don't do it because it costs too much.
- They use staffing levels which have been generally accepted for many years (agreed 28 years ago in 1 home), but service user needs have increased. Self-funder payments cross subsidise what they pay for.
- If the Council sets the staffing levels then they would have to pay extra for it; but they don't set the levels.
- The Council quality assures the care, and they think some of the requirements are unnecessary.
- No management time allowed in the contract for dealing with inspections; there is a long list of people inspecting – Healthwatch, fire, CQC, environmental health, infection control, the Council contracts monitoring team. Bureaucracy is an increasing burden because of the number of inspections.
- Food costs have gone up despite them going down nationally because they were already getting the discounts. Insurance costs have increased. They are putting the prices up because of previous claims. CQC costs have gone up. Energy prices have gone up.
- CQC inspections cost them more because they are checking more areas. This requires more management time. They need to complete information before CQC arrive.
- Occupancy was unrealistic in RedQuadrant's last report: 95-96%, when LaingBuisson put it at 90%.
- If they had block contracts they would like it. Block contracts would need to be for 75%+ beds to make it work for providers.
- Top up fees for additional 1:1 care involve paying in effect a domiciliary care worker to do it.
- Some disagreed with the break-down of costs in RedQuadrant's last report.
- They want the return on capital to reflect risk and reward, because their risks have increased as the complexity of cases has increased. LaingBuisson recommended 7% + 5% for profit. RedQuadrant disagreed with this amount.
- The service user's contribution has increased but it has not been passed to the homes.
- Service users go into a home for 6 weeks, and then there should be a review when they decide whether it should be a permanent placement. Usually it is. But an increasing number remain on extended short stay placements. Sometime it is the service user's choice.
- If the Council has less money it has to pay less placements.

- Most service users are too dependent for re-ablement. Some may be able to go home if it is adapted, with care, but it takes a long time to arrange. Most have exhausted the other options before they got there. They may need 24 hour domiciliary care which is expensive. Also it is stressful for service users to go into residential care and then home.
- Delayed discharges are not an issue for people going into residential care. It is an issue for people requiring aids and adaptations on their own homes.
- If they linked quality assurance to payment to increase the amount paid for a service, it would require Council resources to set up, maintain, etc.
- When they have LA inspections they have 4 people do it. The number could be reduced to save money.
- The Council could just pay the service user their assessed fee without a set price.
- Wigan Council has a spot contract which is short.
- Paying net – providers participated in a net payment pilot but customers and providers didn't like it.
- Payment in advance could only be done on a block contract, but it is not a particular benefit to providers.
- Providers can't reclaim VAT on the welfare elements of the service they provide but if they set up a separate company for Council service users which the Council paid they could reclaim VAT. Would need to change the contract to do this.

Workshop 2

It was attended by ten residential and nursing care home providers:

- Lance Tipper, Porthaven Care Homes, LLP
- Julie Lowndes, Porthaven Care Homes, LLP
- Irene Pointon, Bupa Greengables Nursing Centre
- Linda Brooks, Bupa Newton Court Nursing and Residential Home
- Gill Bratt, HC-One
- Chris J. Thomas, The Laurels
- Philip Middleton, The Laurels
- Karen Cullen, Four Seasons Health Care
- Paula Gresham, Care UK, Station House
- Neil Kerry, Care UK, Station House

They made the following comments:

- Increasing costs from cost of living increases means they have got to charge top ups, but SWs oppose it and that puts them in a difficult position.
- Fees don't meet actual care costs.
- Cost pressures: salaries – they have to pay more to recruit staff. Competition from the NHS for nurses means they have to offer an increased salary for nurses. They can't compete with agencies.
- General shortage of nurses.
- Care staff earn more with the Council or NHS – they pay £9.
- Trying to upskill staff so they can then pay them more, but they leave.

- BUPA give staff bonuses and incentives (physio, access to BUPA fit if they are ill).
- Aldi pay £9/hr.
- It is about seeing care work as a career progression as well as the money.
- Use a dependency tool to assess needs. Flex the rota according to the dependency levels. Try to use own staff rather than agency staff. Flex the rota on vacant beds.
- Non staff costs have increased.
- CQC has changed how they look at things, so providers need to make sure they reach their targets and have the right staff in, and there is a greater risk of enforcement resulting in a fine, so they have to include that in their costs, but it is not a big issue.
- Have joint visits from the Council and DCLG.
- All have a mix of Council and private funded service users.
- Average occupancy in one last year was 92%, and in another it was 91%.
- It is a balance between private funders and Council funded to keep homes sustainable.
- Fewer private funders than in the past at the moment but it depends where they are situated. There are a lot of care homes in Cheshire East so there is a wide choice.
- Service users want to stay in their own area.
- Are asking the Council for top ups because it causes resentment in the home if they charge different rates.
- The Care Act makes the price differential more obvious.
- Shortage of bed spaces for reablement for step up/down.
- City Care in Nottingham provides a service to provide short term care to reable people rather than provide a home. It is spot purchased for people coming out of hospital. They need a staff team equipped to reable rather than maintain dependency.
- Service users are so ill by the time they get into residential care they can't be reabled.
- Could block purchase 1-3 beds reserved for respite but homes prefer a long term person. For respite to work they need to reserve the bed all year.
- Provider forum – not attended them. It is more important for them to build their own relationship with the local Council team.
- Packages of care – takes time to get changes sorted – it depends whether they have got a SW or not as to how quick it is.

Home care fees: consultation and analysis for Cheshire East Council

19th October 2015

FINAL version v0.05

©RedQuadrant 2015

Frank Curran frank.curran@redquadrant.com 075 1587 5381

Helen Molteno helen.molteno@redquadrant.com 07909 886064

Estelle Nicholls estelle.nicholls@redquadrant.com 07970 623886

Contents

Contents.....	2
Brief for project.....	3
Purpose of this report.....	3
Context.....	4
Benchmarking and Comparisons	6
Bottom Up costing	8
Home care costs.....	8
Supported living.....	12
Comparison of fee levels with other authorities	13
Outcome based commissioning.....	15
Consultation with Domiciliary Care Providers	16
Discussion and recommendations for fee levels	18
Appendix 1: Feedback from consultation with domiciliary care providers	21
Workshop 1.....	21
Workshop 2.....	22
Appendix 2 Outcome Based Commissioning	26

Brief for project

RedQuadrant was commissioned by Cheshire East Council in May to make recommendations for future fee levels. Specifically we were asked

1. To carry out an independent review of fair price for care Domiciliary Care within the borough of Cheshire East and comparator authorities from Cheshire East's CIPFA family group- the "market analysis". This includes:
 - a. Analysis of out of borough services for ad hoc commissioning.
 - b. Review of fee sustainability in the Domiciliary Care sector during the likely term of the new agreement including an analysis of Fair Price for Care requirements and the implications of implementing the Unison Ethical Care Charter
2. To develop for consideration by the Council appropriate and fair prices for care and support fees that take account of the principles of the Care and Support and Aftercare (Choice of Accommodation) Regulations 2014 whether or not they are expressly applicable and which has regard to the Council's financial position so far as is reasonable, based on the work undertaken with care home and domiciliary care service providers and the intelligence gained during the market analysis.
3. To offer suggestions as to how to sustainably grow the market in areas where there is a current shortage of choice and provision.
4. To offer market analysis, position statement, review of fee levels and advice on the following areas:
 - Direct Payments (taking account of new pension responsibilities from April 2015)
 - Fee structures for Extra Care, Respite, other supplementary commissioned services including Shared Lives and Rapid Response Domiciliary Care
 - Setting Rates for Individual Personal Budgets for full-cost payers who wish to access a Care Account
 - Telecare banded service costs – to include a review of the free community alarm service for those aged over 85
 - A review of the impact of mandating payment of the Living Wage and the payment of travel time on fee levels and it's consequence on capacity and sustainability in the market

Purpose of this report

We have undertaken the following activities in relation to this project

- Interviewed a range of stakeholders from the Council, CCG and others
- Reviewed performance data, policy papers and other documentation
- Undertaken two workshops with local care home providers (see Appendix one)
- Prepared draft recommendations on which we have consulted with providers

- Reviewed feedback from providers (nine providers gave feedback – Rossendale, Alternative Futures, AbleWell Care, Intercare, Archangel, Eden Care, HCSS, Sure Care, Tracey Ault)

This report is our final report which summarises our findings and makes recommendations for future fee levels. The revised recommendations are now somewhat different from the draft recommendations as we have taken account of the feedback received about the local cost of care

Context

When setting fees for care home providers the Council is required to follow legislation and to take account of relevant guidance and case law. The requirements in relation to other types of care have, traditionally been far less prescriptive. However the Care Act 2014 strengthens the general duties on local authorities when setting fees. Relevant features of the Act include:

- Section 1 of the 2014 Act places a general duty on local authorities (when exercising their functions under the Act) to promote an individual's well-being. This includes the promotion of the suitability of living accommodation. The Guidance refers to this duty as 'the well-being principle' (see Chapter 1 of the Statutory Guidance).
- Section 5(1) of the 2014 Act places an obligation on local authorities to:
"(1) ...promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market –
(a) has a variety of providers to choose from who (taken together) provide a variety of services;
(b) has a variety of high quality services to choose from;
(c) has sufficient information to make an informed decision about how to meet the needs in question."
- In performing its duty under section 5(1), section 5(2) of the 2014 Act requires a local authority to have regard to a number of matters, including:
"(b) the need to ensure that it is aware of current and likely future demand for such services and to consider how providers might meet that demand;
...
(d) the importance of ensuring the sustainability of the market (in circumstances where it is operating effectively as well as in circumstances where it is not);"
- Section 5(3) of the 2014 Act provides that:
"(3) In having regard to the matters mentioned in subsection (2)(b), a local authority must also have regard to the need to ensure that sufficient services are available for meeting the needs for care and support of adults in its area and the needs for support of carers in its area."

- Chapter 4 of the Guidance states:

“High-quality, personalised care and support can only be achieved where there is a vibrant, responsive market of service providers. The role of the local authority is critical to achieving this, both through the actions it takes to directly commission services to meet needs, and the broader understanding and interactions it facilitates with the wider market, for the benefit of all local people and communities.” (paragraph 4.1)

“Market shaping means the local authority collaborating closely with other relevant partners...” (paragraph 4.6)

*“Local authorities **must** facilitate markets that offer a diverse range of high-quality and appropriate services. In doing so, they must have regard to ensuring the continuous improvement of those services and encouraging a workforce which effectively underpins the market. The quality of services provided and the workforce providing them can have a significant effect on the wellbeing of people receiving care and support, and that of carers, and it is important to establish agreed understandable and clear criteria for quality and to ensure they are met.” (paragraph 4.21)*

*“People working in the care sector play a central role in providing high quality services. Local authorities **must** consider how to help foster, enhance and appropriately incentivise this vital workforce to underpin effective, high quality services.” (paragraph 4.28)*

“When commissioning services, local authorities should assure themselves and have evidence that service providers deliver services through staff remunerated so as to retain an effective workforce. Remuneration must be at least sufficient to comply with the national minimum wage legislation for hourly pay or equivalent salary.” (paragraph 4.30)

*“When commissioning services, local authorities should assure themselves and have evidence that contract terms, conditions and **fee levels** for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support, and allow for the service provider ability to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality, and encourage innovation and improvement.” [Emphasis added] (paragraph 4.31)*

“Local authorities should understand the business environment of the providers offering services in their area and seek to work with providers facing challenges and understand their risks.” (paragraph 4.34)

*“Local authorities **must not** undertake any actions which may threaten the sustainability of the market as a whole, that is, the pool of providers able to deliver services of an*

appropriate quality – for example, by setting fee levels below an amount which is not sustainable for provider in the long-term.” (paragraph 4.35)

*“The personal budget is defined as the cost to the local authority of meeting the person’s needs which the local authority chooses or it required to meet. However, the local authority should take into consideration cases or circumstances where this ‘cost to the local authority’ may need to be adjusted to ensure that needs are met. For example, a person may have specific dietary requirements that can only be met in specific settings. **In all cases the local authority must have regard to the actual cost of good quality care** in deciding the personal budget to ensure that the amount is one that reflects local market conditions. This should also reflect other factors such as the person’s circumstances and the availability of provision.” [Emphasis added] (Annex A: Choice of accommodation and additional payments, paragraph 11)*

Thus there is an expectation that fees set by councils for all types of care should take account both of the actual cost of good quality care and the need to ensure a diverse array of local provision. Furthermore, it is clear from the brief for this project that the expectation of the Council is that fees need to be set at such a level as to allow providers to recover reasonable costs. We have focused on understanding costs and the broader market in our approach below

Benchmarking and Comparisons

CIPFA Nearest Neighbours Comparator Group

The benchmarking exercise has been performed against the local authorities defined by CIPFA as the closest socio-economic group, taking into account such factors as population, age, unemployment and council tax bandings. The group of fifteen comparator authorities is defined as follows:

- | | |
|---------------------------------|------------------------------|
| 1. Cheshire West and Chester | 9. North Somerset |
| 2. Wiltshire | 10. East Riding of Yorkshire |
| 3. Shropshire | 11. York |
| 4. Bath and North East Somerset | 12. Bedford |
| 5. Herefordshire | 13. Poole |
| 6. Solihull | 14. Warrington |
| 7. Central Bedfordshire | 15. South Gloucestershire |
| 8. Stockport | |

Demographics

As population is one of the key drivers behind the number of people receiving social care, the population of each of the authorities was taken into account when undertaking all analysis. Using the most recent detailed data (mid 2013 estimates) from the Office of National Statistics (ONS) all data could be expressed in terms of cost or activity per population. Cheshire East is estimated to have a population of 372,707 including 219,742 adults (18-64 age bracket) and 78,035 older people (65 and over).

PSSEX Benchmarking Outcomes

Using 2013/14 PSSEX data from the Health and Social Care Information Centre (HSCIC) we were able to benchmark key data for Cheshire East against their nearest neighbour authorities, as defined by the CIPFA nearest neighbours model. The outcomes of this analysis should not be used in isolation as average figures could be significantly impacted upon should an authority have submitted inaccurate data. Additionally, the data is already over one year out of date, and therefore authorities may have very different data for the last twelve months.

The information below analyses the information at a weekly and aggregate package of care level, it is not possible from the PSSEX information to extract the comparative hourly rates. Utilising the benchmarked average unit costs, weekly average packages of care and the averages per head of population it is possible to determine the shape of the Council's care levels. All data was based on the gross cost and activity.

Home Care

1. Home care average weekly costs for older people were 13% above peers, though with activity 41.2% lower; gross costs were also 32.1% lower than expected.
2. Due to higher than average activity (26.5%) and higher than average weekly costs (38.3%), gross costs for learning disabilities were 111.7% higher than peer group.
3. Though activity was only marginally below average for mental health clients, average weekly costs were at £526.61, 138.3% higher than peers, thus increasing gross costs by 144.2%.
4. As with all home care client groups, physical disabilities had a higher than average weekly cost by 21.6%. Activity was, at 57.5%, just over half that of the comparator group.

Direct Payments

- Direct payments for older people were 53.8% higher in terms of weekly cost. Activity was also higher by 14.5%, resulting in gross costs 99.9% higher than peers.
- Learning disabilities activity was only 12.1% higher than comparator group though the weekly costs were also higher by 18.1% giving rise to gross costs 35.9% higher than the group.
- Average weekly costs of £92.21 were 24.4% lower than the comparator group for mental health, though as activity was 43.6% higher, gross costs were 98.6% higher than comparator group.
- Physical disabilities had lower than average activity (26.8%) as well as weekly costs (12.3%), thus resulting in gross costs being 34.6% lower than expected for the population size.

(Note the above analysis utilises the weekly packages of care, they do not determine or indicate comparative information about the individual unit (hourly) rates paid by the Council).

Bottom Up costing

Home care costs

As part of our review we have again carried out a ‘bottom up’ costing exercise for domiciliary care fees. We have used assumptions from within the UKHCA¹ model as a basis for some of the support costs methodology as outlined below. In addition we have relied on our professional judgement and experience, and wherever possible, used regional benchmarking data to enable us to set costs at an appropriate level.

- **Unison Ethical Care Charter:** the Unison Ethical Care Charter² was launched in 2013 and is an attempt “to establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions which a) do not routinely short-change clients and b) ensure the recruitment and retention of a more stable workforce through more sustainable pay, conditions and training levels.”

There are a number of components to the Charter including

- The starting point for commissioning of visits will be client need and not minutes or tasks. Workers will have the freedom to provide appropriate care and will be given time to talk to their clients
- The time allocated to visits will match the needs of the clients. In general, 15-minute visits will not be used as they undermine the dignity of the clients. Homecare workers will be paid for their travel time, their travel costs and other necessary expenses such as mobile phones
- Visits will be scheduled so that homecare workers are not forced to rush their time with clients or leave their clients early to get to the next one on time
- Those homecare workers who are eligible must be paid statutory sick pay
- Zero hour contracts will not be used in place of permanent contracts
- All homecare workers will be paid at least the UK Living Wage
- All homecare workers will be covered by an occupational sick pay scheme to ensure that staff do not feel pressurised to work when they are ill in order to protect the welfare of their vulnerable clients.

We have followed these assumptions in our calculations below, unless otherwise stated

- **Staff Salary Costs:** NMDS-SC indicates that domiciliary care staff are paid an average of £7.18, compared to currently vacancies within the Cheshire East area which indicated hourly rates of between £6.70 and £7.90. It is not however known what level of experience will fall into this level of pay. We have therefore modelled the rates based on £7.20 per hour as this lies near the midpoint of current advertised roles and equates to the new national living wage (NLW)³ of £7.20 per hour from April 2016. We have also modelled costs in relation to

¹ ‘United Kingdom Homecare Association Limited – A Minimum Price for Homecare’ version 3.0, July 2015

² <https://www.unison.org.uk/content/uploads/2013/11/On-line-Catalogue220142.pdf>

³ 2015 budget announced new national living wage with effect from April 2016.

the current UK Living Wage (UKLW)(£7.85 per hour in 2015/16), assumed to be uplifted by 1% in April 2016 and 2% in April 2017

- **Other Staffing Assumptions:** The National Insurance (NI) rate has been applied at 9.5% across the board as there will be variations between full time and part time staff which will impact on the differing levels of NI payable. In the consultation version of this report we used 7% but after provider feedback have uplifted this to the figure used in the UKHCA report

A pension contribution of 1% has been applied to account for the current minimum employer contribution, which is consistent with UKHCA recommendations. National minimum employer pension contributions will increase in future years to 2% from October 2016 and 3% from October 2017, and this is taken account of in the proposed rates for 2016/17 and 2017/18.

A 'timeout' allowance of 13.6% has been applied which comprises of 28 days annual leave, 5 days sickness and 2.5 training days. This is virtually identical (0.2% lower) than the UKHCA recommendation. We have not priced an occupational sickness scheme as this is not included in the UKHCA recommendations

- **Mileage Costs:** An allowance of 2 miles per hour of contracted time has been allocated to the hourly fee, which is consistent with the assumptions made in a similar exercise in 2012 but less than the UKHCA assumption of 4 miles per hour of contracted time. Several providers challenged us on this point, pointing out that some journeys undertaken by carers take much longer than this: however our rationale for this is that we have been asked to set one rate to cover both rural and urban locations and this must imply an average weighting to each area of cost
- **Travel Time:** There will be an element of non-productive time due to staff members travelling between clients. We have used the UKHCA recommendation of 11.4 minutes for every hour which is consistent with the assumptions made in a similar exercise in 2012 (7.5 for urban locations and 15 minutes for rural locations) and assumed that this will be paid for. Our rationale for this is that we have been asked to set one rate to cover both rural and urban locations.
- **Staff Support Costs:** The UKHCA model assumes staff support costs totalling 27% of the total price until April 2016 and 25.5% thereafter. This budget line is assumed to include the following costs:
 - Branch staff: Registered manager, supervisors, coordinators, finance and admin staff, quality assurance costs;
 - Office costs: Rent, rates, maintenance, water, lighting and heating, insurance, cleaning and equipment hire;
 - Training etc: Induction training, external training and qualifications;

- Recruitment: Recruitment advertising, criminal record disclosures;
- IT equipment: Computer systems, telephones, electronic call monitoring;
- Marketing: Advertising and marketing;
- Consumables: Uniforms, personal protective equipment;
- Finance: Bank charges, interest, depreciation.
- Print and postage: Printing, postage, stationery;
- Business travel: Fuel, tax, insurance, vehicle leasing, repairs, mileage, accommodation and subsistence;
- Legal/professional: Legal, professional accountancy, registration fees;
- General: Donations, subscriptions, translation services, general expense

The UKHCA figures seem extremely high in our view. We initially applied a rate of 17%, which we believe to be more realistic for costs across all client groups: this was based on our previous experience of commissioning care services and the views expressed by commissioners of what margin they would expect to see in tendering exercises.

This area was one of the main subjects of contention in the consultation process. Many providers argued that costs in these areas had gone up considerably since the last fee increase and there were increased requirements in this area (eg the Care Certificate) that resulted in higher costs. There does seem little doubt that there are genuine cost pressures in this area. Indeed one provider quoted a KPMG cost of care exercise in Birmingham that, apparently, showed:

- “The average business costs for supported living are 31%, the median is higher.
- The average business costs for dom care is 27% - bang on the UKHCA recommendations!”

We have applied a rate of 22% in our revised model. Together with a profit margin of 3% this results in 25% of the proposed fee being paid in indirect costs. although there is evidence that actual costs are about this proportion we still consider this rate to be uncomfortably high. We suggest that an open tendering exercise would produce a lower rate in this area

- **Profit Margin:** A margin of 3% has been applied which is suggested by the UKHCA.
- **Bottom up home care costs 15/16:** The figures above result in a bottom-up cost of home care of £15.28 per hour (=25.5p per minute) for 2015/16. The impact of paying UKLW is to increase this cost to £16.57 per hour
- **Bottom up home care costs 16/17:** As the 15/16 figure is based on a £7.20 hourly pay rate for home care and this is the level at which the NLW for 2016/17 is set we have used this figure as the basis for the 16/17 costs also. With the impact of pension increases we calculate £15.32 as the cost for 16/17. The impact of paying UKLW is to increase this cost to £16.80 per hour

- **Bottom up home care costs 17/18:** we estimate that the NLW will increase to £7.65 in 2017/18; previously we had modelled costs based on only 75% of staff being over 25 and thus entitled to NLW but this was felt to be invidious, impossible to implement in practice and inconsistent with the Council's own approach to employees. Using NLW for all employees leads to a fee rate of £16.38 for 2017/18. The impact of paying UKLW is to increase this cost to £17.27 for 2017/18
- **Impact of bottom-up costs:** At present Cheshire East are using a 15 minute fee structure for all domiciliary care. There are also two sets of fees for the east and south of the Borough. For the future the authority intends to use a standard hourly rate which will be pro- rataed to reflect the time of the appointment. Current rates are set out below as is the impact of setting fees using the bottom-up costs and one standard rate

Appointment time	South Rate per call	East Rate per call	Blended E/W Rate per Call	Bottom-up calculation	Diff bottom-up/blended	Diff bottom-up/East	Diff bottom-up/South
15 minutes	£5.52	£5.77	£5.63	£3.83	-32%	-34%	-31%
30 minutes	£7.67	£8.03	£7.82	£7.66	-2%	-5%	0%
45 minutes	£9.92	£11.41	£10.67	£11.49	8%	1%	16%
60 minutes	£11.22	£12.55	£11.97	£15.32	28%	22%	37%

- **2015/16 costs and fees:** The bottom-up figures above are based on one rate being set across the Borough with no differential rates for 15, 30, 45 and 60 minute calls. This approach will bring greater clarity both for providers and commissioners. However, in practice implementing this rate would require considerable changes to current arrangements and it is unlikely that these changes can be implemented this financial year. Thus there is a question as to whether any increase should be offered for this financial year. The table above shows that bottom-up costs are significantly less than the rates paid for 15 minute calls, slightly less than the rates paid for 30 minute calls in the south and considerably more than the rate for 45 minute calls in the south and all 60 minute calls. The decision on whether an increase should be offered thus depends on the ratio of 15, 30, 45 and 60 minute calls amongst providers: this will vary considerably amongst providers thus meaning that a fair overall increase is impossible to calculate. However as there has been a decision to no longer commission 15 minute calls this discrepancy should disappear over time as presumably these are then re-provided as 30 minute calls. The impact of this change on the fees paid to providers for 15 and 30 minute calls was greater in the consultation version of this proposal and attracted negative comment from providers but the figures above, effectively show a very modest impact on one call category and considerable increases in other categories

Direct Payments

We have calculated Direct Payment costs in two different ways:

1. We have used the same methods for building up costs as detailed above for domiciliary care. However we have not included travel time and mileage costs – arguably these should not be considered in the DP calculation. Furthermore where Direct Payments are used to purchase personal assistants there should be less need for support cost overheads so we have reduced these to 5% to cover insurance. There should also be no need for profit margin when employing Pas. Where Direct Payments are used to purchase care via an agency it is reasonable for the agency to expect a similar contribution towards overhead costs and margin – we have modelled this at 25% as with commissioned home care
2. We have done the same calculation as in 1 but we have based the pay costs on the UKLW of £7.93 per hour (£7.85 plus 1%) for 16/17 and £8.09 (plus 2%) for 17/18

The impact of these two different methods is shown below

Method 1	2015/16	2016/17	2017/18
DP agency rate	£12.05	£12.11	£12.98
DP PA rate	£9.82	£9.87	£10.58
Method 2			
DP agency rate	£13.14	£13.33	£13.72
DP PA rate	£10.37	£10.53	£11.19

Both methods can be defended: method two has the advantage of allowing care workers to be paid more than NLW.

It could, however also be argued that the DP agency rate should be set at the rate for commissioned home care as otherwise there is no incentive for providers to provide care in this way

Supported living

At present the same rates are used for home care (which we are defining here as episodic care being provided to people living in their own home, usually to older people and typically non-intensive) and supported living (which we are defining here as continuous/near continuous care being provided to people living in supported living arrangements, usually to adults with learning disabilities and typically intensive). Using the same cost-bases for both types of service cannot be defended when the home care rate is set as above, because the home care costs includes a substantial component of cost for travel time and mileage which obviously do not apply in supported living settings. Effectively the supported living and DP rates thus should be the same on this argument. One provider argued that

“Your report has not taken into account that Customers requiring round the clock support are more complex and therefore more likely to require the intervention of Senior Branch Staff. These staff will be in addition to the rostered staff member/s already supporting the Customer, and are an extra cost with no additional revenue available for the intervention they provide.”

The point of course does not take account of the areas where indirect costs might be lower eg the rostering and co-ordination of peripatetic home care workers is more complex than for workers in supported living. The same provider reported the KPMG cost of care exercise in Birmingham as showing 31% of costs in complex placements were indirect, implying that 34% of the fee should go on indirect costs. We think (based on our experience of commissioning supported living in a variety

of settings) that this is a very high ratio of indirect costs, that a tendered pricing exercise would result in providers quoting at below this rate and thus to expect the Council to pay this level is not reasonable. Thus we recommend continuing to price supported living based on a 25% indirect costs ratio

Sleep-ins

The council currently pays £45.44 per night for sleep-ins, equivalent to £5.05 per hour assuming a 9 hour shift.

There were two legal cases in relation to sleep-ins in 2014 which changed practice in this area. Their impact was summarised by PinsentMasons as follows:

“...the legal position [now] seems fairly settled – for a sleep-in shift of this type, the entire shift will count as working time for NMW [National Minimum Wage] purposes.

How does this fit with the practice of paying a fixed fee for sleep-in shifts? The simple answer is that it doesn't (subject to the point set out below). It therefore remains to be seen whether employers in the care sector continue to flout the law and hope for the best, or whether they will start to pay in line with NMW. If the latter, the big question is this: who will dare to jump first? It is worth stressing that the above cases do not necessarily mean that employers will have to pay sleep-in shifts at NMW rate. What they mean is that the time spent on a sleep-in shift will count as working time for the purposes of the NMW calculation”⁴

Thus a set rate for sleep-ins that is below the minimum wage is only applicable if the workers undertaking the sleep-in are earning enough above the minimum wage to take their total income to above minimum wage for the payment period

It seems likely that many people undertaking sleep-ins will be paid at or near minimum wage , particularly from April 2016: thus the seems little alternative to increasing sleep-in rates to NMW/NLW levels in this scenario (plus associated NI and leave costs), although the rate could be maintained at the present level for people doing sleep-ins who earn more than this

Comparison of fee levels with other authorities

We have attempted to compare current fees paid by Cheshire East with those paid by others. All of the comparator authorities in the CIPFA comparator group were contacted in order to establish their current fees. In addition to this three further local authorities – Flintshire, Denbighshire and Wrexham - were also included to ensure that the comparison size included neighbouring authorities. To date we have gained the fees from nine of the eighteen identified authorities. Where authorities had a range of rates for one particular area, an average rate has been used in the analysis. In some cases there are no fees noted as they may vary between clients/providers. The results are discussed below by client group.

⁴ <http://www.pinsentmasons.com/ELP/The%20rising%20costs%20of%20a%20quiet%20'sleep-in'.pdf>

Domiciliary Care

The table below shows the costs paid for domiciliary care by comparator authorities:

Council	Older People	Learning Disabilities	Physical Disabilities	Mental Health
Cheshire East		£11.97 - 60 min £10.52 - 45 min £7.82 - 30 min £5.63 - 15 min		
Wiltshire	Commission outcomes not hours	£13.00 to £23.78	£13.00 to £23.78 per hour	£15.00
Poole	£14.28	£14.00	£14.28	£14.28
Warrington		£11.37 - 60 min £11.68 - 45 min £12.18 - 30 min £19.76 - 15 min		
Herefordshire		£13.98		
Flintshire		£14.78 - 60 min £11.09 - 45 min £9.82 - 30 min		
East Riding	Average £14.28 (provider prices used), with an additional cost of £0 - £10 per hour for rural locations			
Bedford Borough	£14.70 (average) for home care			
South Gloucestershire	Home care varies according to provider from £14.16 to £21.04 per hour. If a domiciliary care package is particularly hard to place, we may offer an enhanced hourly rate. Sleep ins vary according to provider.			
Central Bedfordshire	Home care varies according to provider from £11.75 to £19.00 per hour.			

Cheshire East are not the only authority to be currently paying fees on 15 minute blocks, with Warrington and Flintshire also doing so. Compared to those authorities who pay on an hourly rate the Cheshire East fee is lower than its peers, with the closest hourly rate being £13.00, which is 8.6% higher than Cheshire East. The majority of respondents have hourly rates within the range of £14-£15.

Direct Payments

Council	Direct Payments Hourly Rate			
	Older People	Learning Disabilities	Physical Disabilities	Mental Health
Cheshire East	£12.55	£12.55	£12.55	£12.55
Wiltshire	Range from £15.32-£17.22	£16.06 per hour	£16.06 per hour	£16.06 per hour

Poole	£14.28	£14.28	£14.28	£14.28
Warrington	£10.61			
Herefordshire	If Direct Payment for Domiciliary Care then based on standard rate, otherwise on need.			
Flintshire	Variable by negotiation			
East Riding	The usual rate for 2014/15 was £11.00 per hour but this is increased high needs.			
Bedford	Between £10.13 and £12.53 per hour.			
South Gloucestershire	£17.80	£17.80	£17.80	£17.80
Central Bedfordshire	£14.10	£14.10	£14.10	£14.10

Personal Assistants

Council	Personal Assistants			
	Older People	Learning Disabilities	Physical Disabilities	Mental Health
Cheshire East	£12.55	£12.55	£12.55	£12.55
Wiltshire	£11.84 - £13.65	£11.84 - £13.65	£11.84 - £13.65	£11.84 - £13.65
Poole	n/a			
Warrington	n/a			
Herefordshire	n/a			
Flintshire	FCC provides £10.56 per hour for people to employ PA's. Includes employment on costs.			
East Riding	n/a			
Bedford	£7.50 per hour (payable to the PA)			
South Gloucestershire	£11	£11	£11	£11
Central Bedfordshire	£7.89 ph (payable to the PA)			

Outcome based commissioning

Outcome-based commissioning is widely regarded as an important aspect of the personalisation agenda (see Appendix 2 for more information). Commissioning on the basis of individual outcomes, rather than placements, shifts the emphasis away from systems and processes, and onto the quality of the service and the impact on the SU. It focuses on reducing the care needs of SUs, improving their quality of life and maximising their independence.

With growing pressure on adult social care resources, the goal of promoting efficient, outcome-focused services has never been more important. As the Care Act introduces market shaping and commissioning responsibilities, and a greater focus on outcomes within assessments, the use of outcomes based commissioning has considerable merit.

Benefits of an outcome based commissioning model

The benefits of an outcome based commissioning model are:

1. It is person-centred and focuses on the outcomes that service users (SUs) say matter most to them.
2. It maximises SUs capabilities, delaying or reducing the need for services, and promoting their independence.
3. It empowers SUs to have choice and control in their lives and over their care and support.
4. It minimises costs by reducing the long term needs of SUs.
5. It reduces waste and helps to improve the financial efficiency of the service.
6. It holds providers directly to account for the service they provide.
7. It maximises SUs support within their communities from family, friends and community and voluntary sector providers.
8. It incentivises providers:
 - to look at the most efficient and effective way of delivering what the SU needs, which may include community and voluntary sector providers or other services;
 - not to create dependency; and
 - to invest in their staff who will need support and training to work in a way in which they enable SUs to achieve the outcomes they have identified that they want to achieve.
9. It supports providers to pay care workers (CWs) at least the UKLW and guaranteed hours contracts because they have agreed volumes of work in a geographical area.
10. Providers have a geographical area in which they provide services to all the SUs so they can make economies of scale, and reduce CWs travelling time between SUs. This makes the work more attractive to CWs.
11. It supports collaborative working and sharing between providers, because they are not in competition with each other for SUs or for CWs.
12. Having one provider for both re-ablement support and home care services would improve the continuity of care for SUs and reduce administrative costs and information sharing issues.
13. It is consistent with the increased focus on outcomes and payment by results/use of tariffs within the NHS.
14. It is consistent with the national policy drive towards payment by results as seen in a number of major policy areas (e.g. substance misuse treatment, offender rehabilitation, employment services).

Consultation with Domiciliary Care Providers

The Council has 90 domiciliary care providers on its list of providers, and commissions 70 to provide domiciliary care for approximately 1,150 people.

Domiciliary care provider feedback from the workshops

We held two workshops with domiciliary care providers. They were attended by 27 representatives from 21 domiciliary care provider organisations. These were: Care Connect, SureCare Cheshire East, Intercare Services, Valleywood Care, You Like Your Way, Alice Chilton In-Home Care Services Ltd,

Care Needs Ltd, Kare Plus, Cheshire and Staffordshire Homecare Ltd, Quality Care (Staffordshire) Ltd, Lantern Care Services Crewe, AR1 Homecare, Insafehands, Lady Verdin Trust, Evolving Care Ltd, Embrace Group, Homecare4u, Salopian Care, Spiritual Inspiration Ltd, SOS Homecare Ltd and Lantern Care Services (see Appendix 2 for detailed feedback).

Workshop One was attended by representatives from Care Connect, SureCare Cheshire East, Intercare Services, Valleywood Care, You Like Your Way, Alice Chilton In-Home Care Services Ltd, Care Needs Ltd, and Kare Plus.

The key issues raised by members of the workshop were:

- Recruitment and retention is very difficult, because of the salary levels they pay to domiciliary care workers. This is compounded when they do not pay travel time between calls;
- Providers risk having to hand work back to the Council because they cannot recruit staff to do it;
- They have cost pressures;
- Provider forums are not held regularly and are poorly attended; they suggested that they could be improved by allowing providers to put forward agenda items, and having senior Council staff attend;
- They are paid two different rates, depending on the geographical area, which they disagree with;
- It is difficult to get a package of care changed when a service user's needs change;
- Allowing service user's to choose their provider makes it difficult for providers to make economies of scale by caring for a number of service users living near to each other;
- Social workers specifying what time a service user should have, for example, breakfast, makes it difficult for providers to meet the demand at that time – they need to be able to negotiate this with the service user;
- The Council has stopped commissioning 15 minute calls, but these are needed for some tasks, for example, giving eye drops, so it should be the service user's decision;
- There was some interest in outcome based commissioning as a way of dealing with these issues, but some scepticism that it would make any difference; and
- Better crisis management, and planning for the end of reablement would reduce the number of requests for providers to deliver emergency domiciliary care.

Workshop Two was attended by representatives from Cheshire and Staffordshire Homecare Ltd, Quality Care (Staffordshire) Ltd, Lantern Care Services Crewe, AR1 Homecare, Insafehands, Lady Verdin Trust, Evolving Care Ltd, Embrace Group, Homecare4u, Salopian Care, Spiritual Inspiration Ltd, SOS Homecare Ltd and Lantern Care Services.

The key issues raised by members of the workshop were:

- Recruitment and retention – this is not necessarily improved by offering travel time and a higher hourly rate;
- Providers are unable to take work because they cannot recruit the staff to do it;
- It is particularly hard to recruit in rural areas because care staff want to work where they live, and this is not necessarily where the service user is;
- It is hard to recruit staff for palliative care because they are only required for a short period of time for a service user;

- Providers are experiencing cost pressures as a result of the increasing cost of living;
- There has been an increase in the amount of administration involved in running a domiciliary care agency;
- It is difficult to get a package of care changed when a service user's needs change;
- A fixed allowance of time per day does not give providers the flexibility to deal with people whose needs are fluctuating on a daily basis;
- They were positive about outcome based commissioning as a way to deal with the issues they are experiencing, and some had had experience of this in other areas;
- They were concerned that outcome based commissioning may result in the use of fewer domiciliary care providers, but service users who do not want to use the provider delivering domiciliary care in their area can commission their own care from another provider using Direct Payments; and
- The Council pays them promptly which is good.

Conclusions

The issues raised in the two workshops were very similar, with both of them highlighting the difficulty in recruiting and retaining staff when they could obtain higher paid work elsewhere; the cost pressures providers were experiencing as a result of the increasing cost of living; the difficulties involved in getting a package of care changed; and the issues associated with providing a service across a geographical area that is flexible enough to meet service user needs, at a competitive price. Workshop Two included people who had experience of using outcome based commissioning elsewhere and were positive about it. However, Workshop One did not have anyone with any experience of it and was a bit sceptical that a change to outcome based commissioning would help to address the issues they were experiencing. (See Appendix 3 for more information on outcome based commissioning).

Discussion and recommendations for fee levels

Home care, supported living and Direct Payments

The Council needs to take account both of the actual cost of care and the need to retain market diversity when setting home care fees. There are a number of factors to consider

1. Home care average weekly costs for older people are significantly above comparators; this seems to be due to greater commissioning of hours as rates are not out-of-kilter with comparator authorities
2. Direct Payment average weekly costs and activity are both greater than comparators; again this seems to be due to greater commissioning of hours as rates are not out-of-kilter with comparator authorities
3. The current rates are overall probably a little below average compared to comparator authorities although like-for-like comparisons are hard to make
4. There are geographic pockets within the Borough where placements are increasingly difficult to make

5. Providers are claiming a high proportion of cost relating to indirect costs. We believe these costs to be largely genuine but we strongly query a model of provision of care where a third to a quarter of all costs are in back-office and indirect functions rather than directly associated with carer costs
6. the current practice of the Council setting fees based on actual costs of care, combined with the current time and task approach to commissioning care will lead to greatly increased costs in this area in the future: provider costs will continue to increase and there are few incentives currently in the system to reduce the number of hours commissioned

We recommend the following in relation to fees:

1. The Council moves to paying a single rate for home care across the Borough with no east/south split in pricing and no differential rates for 15, 30 and 45 minute packages
2. This will be quite a complex process to implement: we therefore recommend that new arrangements for home care should be introduced from 1st April 2016 and the rate of £15.32 per hour set until 31st March 2017
3. There should be separate rates for personal assistants at £10.53 and other Direct Payments at £13.33 for 2016/17
4. The rates for 2017/18 should be £16.38 for home care, £11.19 for personal assistants and £13.72 for Direct Payments respectively
5. Providers should be allowed the option of proposing higher rates for Direct Payment clients on a case by case basis provided they can give a clear rationale for this and with a ceiling of the home care rate
6. Supported living rates should be £13.33 for 2016/17 and £13.72 for 2017/18; these should be set as ceilings
7. The Council should not increase fees for 2014/15 but should be prepared to listen to arguments from individual providers for fee increases, provided that provider costs are shown on an open-book basis
8. The Council should develop its plans to introduce outcome-based commissioning of home care and include providers in this process
9. The sleep-in rate should be calculated as the NLW hourly rate (plus NI and leave on-costs) multiplied by 9 hours where workers are being paid at NLW levels; the rate should remain the same as at present otherwise

We recommend the following in relation to commissioning:

10. The Council should move towards developing an outcome-based approach to commissioning of home care as soon as possible. The current time and task approach to commissioning will prove very expensive if allowed to continue
11. as part of this approach the Council should tender for a much smaller number of providers to provide home care (with the tender evaluation partly based on price), perhaps on a cost and volume basis as in Wiltshire and perhaps within geographically based localities as is Wiltshire and Cheshire West and Chester
12. Alongside this the Council should strongly promote the use of DPs and, in particular, PAs as an alternative way of meeting care needs. PAs in particular can offer better outcomes

at lower cost and with more money going to the carer; this will require some investment in infrastructure to support PAs and a review of current assessment and placement practices

13. Supported living packages should be retendered on an outcome-focused basis with the aim of reducing the number of commissioned hours where safe and appropriate to do so and with part of the tender evaluation being based on price

Appendix 1: Feedback from consultation with domiciliary care providers

Workshop 1

It was attended by ten domiciliary care providers:

- Richard Wyatt, Littleton Hall Ltd, Care Connect
- Sue Ritchie, SureCare Cheshire East
- Paul Brandrick, SureCare Cheshire East
- Mike Doherty, Intercare Services
- Stuart Coxon, Valleywood Care
- Grace Moffitt, You Like Your Way
- Karen Perry, Alice Chilton In-Home Care Services Ltd
- Andy Wardle, Care Needs Ltd
- Lesley Crowe, Kare Plus
- Jamie Hickson, Kare Plus.

They made the following comments:

- Recruitment is their biggest problem. They risk having to hand work back to the Council because they can't get the staff, because they go to other jobs where they can be paid more. It is especially an issue when they do not pay travel time. It is more of an issue in Crewe, but not in Bury.
- Retention is also a big issue.
- Recruitment and retention are both harder now than 6 yrs ago, even when they pay travel time.
- Current position is unsustainable because providers can't pay staff enough because the Council doesn't give them enough money;
- Some can't bid for work because they have not got staff to do it.
- The skill level drops because good staff leave.
- No collective feedback from the Council from the previous consultation 3 years ago, and they have been unable to get feedback when they have approached the Council individually.
- They don't do whole hours of care they do parts of an hour.
- The length of calls has reduced.
- 1 provider does 1 hour calls only so it doesn't pick up LA work.
- Provider forums not well attended so one provider said they didn't go because it was not well represented by the market.
- Provider forums supposed to be quarterly but they are not held quarterly, and not attended by senior Council people. Providers should be allowed to put forward agenda items.
- Their relationships with care arrangers are ok.
- It is difficult if they need to increase the package of care (POC). They have to contact the duty team because SWs have closed the case. This takes longer and the duty team don't know the case.
- When they get the package increased it is often not reflected in the contract, so they have to push for the money to be backdated.
- They have to wait 3 weeks before an increase will be considered. SWs say they don't increase the POC until they contact them with a decision, but the extra is required earlier.

- This also works the other way when they need to reduce the POC; they email SWs to say need to reduce the POC.
- Short calls are a false economy. 1 provider had done an analysis of it and had wanted to discuss it with the Council but the Council was not interested.
- Paid more in Congleton than Crewe /hr and they don't think it is right.
- SWs define what time they want the call, which makes it hard to provide the call at that time.
- Block contracts assume that the service user is willing to accept the provider /carer on offer. But choice of where to go destroys the provider's ability to manage geographical areas.
- Cheshire West & Cheshire pay the minimum wage + travel time.
- They all need to look at things differently.
- Crisis management, re-ablement and planning for when it ends, and better care would help avoid requests for emergency domiciliary care.
- Council staff changes lead to inconsistent ways of doing things.
- Some cynicism about outcome based commissioning (OBC) – 'is another way to pay them less'.
- Insulting to staff to pay them to do the work and not pay travel time. They need to pay carers more /hour.

Workshop 2

It was attended by 17 domiciliary care providers:

- Clair Scott, Cheshire and Staffordshire Homecare Ltd
- John Mussell, Cheshire and Staffordshire Homecare Ltd
- Paul Ravenscroft, Quality Care (Staffordshire) Ltd
- Kirsty Burns, Lantern Care Services Crewe
- Irene Merricks, AR1 Homecare
- Rachel Wright, Insafehands
- Charlotte Parton, Insafehands
- Chris Yearsley, Lady Verdin Trust
- Carol Vickers, Evolving Care Ltd
- Jenny Payne, Embrace Group
- Ryan Brummitt, Embrace Group
- Stephanie Roberts, Homecare4u
- Heather Haley, Salopian Care
- Tracy Ault, Spiritual Inspiration Ltd
- Richard Jackson, SOS Homecare Ltd
- Chris Atherton, SOS Homecare Ltd
- Moira Mccumskey, Lantern Care Services.

They made the following comments:

- They have recruitment issues. It is not just about salary. They have tried offering £12.00 / hour and still only got four applicants – normally they pay £8.30 / hour.
- Zero based contracts are an issue for some people but others don't want contracts.

- People are not applying for jobs. Low unemployment locally so there is a limited pool of people. All potential staff have been round all the agencies and decided where they want to work.
- Petrol price is an issue, so that people don't want to go out of their own area.
- Providers can't take on more hours because they can't recruit staff.
- In Staffordshire the Council offered better terms and conditions and one provider lost 4 staff to the Council. Providers can't compete with this but it has not happened in Cheshire East.
- There are people on a Council list that they can't provide care for.
- All service users want breakfast at the same time, and providers can't do it.
- Increasing numbers of domiciliary care providers.
- Travel time is an issue.
- For palliative care, and end of life the Council will pay whatever the domiciliary care providers ask for the last 2-3 weeks of life.
- Providers can do as much palliative care as they want – a list of people needing it goes out every day, but staff don't want to go out to rural areas, and staff are only required for short period of time, so it is hard to recruit them.
- Self-funders come from word of mouth.
- Providers charge the same rate for Council funded service users and self-funders. The self-funders ring the Council to check the price before they ring the domiciliary care agency and ask for the same rate.
- Cost pressures – 1 provider pays double time on bank holidays to keep staff but they don't get the money from the Council.
- One said they had spoken to their company solicitor who had said they will be breaking the law if they don't pay travel time.
- When new care agencies open they are using the same group of carers – it is someone deciding to set up on own, whilst others close.
- Schools had stopped doing health and social care courses so young people have not been doing care, and older workers are retiring so there is a staff shortage; colleges /schools have now started to do them again this year.
- Low status of carers – you only hear about nurses pay in the media and not social care pay.
- Perception that care is an easy thing to go into, but when the young people start and see the training and NVQ they have to do when they are people who have already failed academically, it puts them off.
- CQC now use key lines of enquiry (KLOEs) – this has increased workload for providers.
- Care Certificate – it must be obtained within a specified number of weeks, so their practice has to be observed.
- Extra documentation is required for CQC.
- Fees have to cover staff in the office to meet the regulations as well as provide care. The amount of administration has increased significantly.
- The Council has stopped commissioning 15 min calls, but it is needed for some calls, e.g. giving eye drops. Thinks the Council should not take a blanket approach – it should be at the service user's request.
- 15 min calls should be paid proportionally more because of travel time involved, and because two 15 min calls is double the admin of a 30 min call.

- Outcome based commissioning (OBC) would be better because people's needs fluctuate.
- Unless they have pods of carers in different places, it takes longer to travel to rural areas.
- Don't want rural 15 min calls because of travel time and admin costs involved.
- Pay enhanced sleep in rate which is higher than the Council pays – other councils recognise this following legal challenge.
- Travel time has to be counted as part of the minimum wage – HMRC has said so and they are blitzing care companies, asking them to do it.
- One provider had experience of OBC in South Wales – 'it is brilliant': the provider meets the assessor to write the POC, and then the provider can change it, and so long as they deliver the agreed number of hours/week they are all happy. The provider talks to the service user to talk about how they should deliver the hours. The SW is not there, but provisionally accepts it, depending on the discussions with the service user about times, etc.
- Under current arrangements, when the provider meets the service user to talk about delivering the care, and family wants breakfast at a different time to what the service user has agreed with the SW, the provider has to go back to the SW to agree the change. OBC would cut out all that to'ing and fro'ing.
- Once the POC has been in place for 6 weeks, the SW closes the case and the provider has to go back through the duty team if there are any problems or the package needs changing; this takes extra time. They have to wait 2 weeks before get a response. It is difficult to get an assessor. They get paid when the case is assessed and agreed by the SW manager even though they are already providing the extra care. Some others are done within the same day. So the time it takes is variable. If it needs reducing they get an immediate response.
- Current way of being given times to call on the service users is not sensible because their needs vary on a daily basis.
- In Newcastle they are looking at swapping service users into geographical areas, so e.g. if 4 domiciliary care agencies are going to 1 block, they would swap service users so they all go into one.
- Staffordshire say that all the work has to go on the framework first – it can't just be swapped from 1 domiciliary care agency to another.
- In another area they have put proximity to another service user as a criterion for winning the tender.
- With OBC - how would the Council assess whether the outcome has been achieved – in South Wales it is: 'is the SU happy?'
- OBC is better for the service user than task based commissioning and better for the agency – there was no opposition in the room to it.
- There are a lot of providers here so reducing them to approx. six for OBC would mean that a lot will go out of business.
- There is a risk of the price going down to the lowest and company folding.
- Paying in advance would remove the uncertainty about when providers are paid; some LA's pay weekly, monthly, some 3 months in arrears; all were happy with the Council's approach.
- It would need to be transparent and monitored for OBC to work properly.
- It is harder to develop outcomes for older people, easier for LD and MH.
- OBC is good for people with dementia because the care is flexible to meet their need; the flexibility if they are bed bound and need a hoist is not an issue.

- Positive about OBC.
- If a service user doesn't want the provider under OBC they can take a DP; this allows other agencies to exist.
- The Council's rate is low, but they pay promptly which is good.
- For some service users providers wait for payment whilst the SW puts it on the portal.
- The Council can pay a salary enhancement for reablement, etc, which they provide in house and which providers cannot compete with. But the Council has to pay inherited terms and conditions, and also the Council is the provider of last choice for service users who cannot be placed with any other provider.

Appendix 2 Outcome Based Commissioning

Outcomes Based Accountability

Outcomes Based Accountability (OBA) is an approach to planning services and assessing their performance that focuses attention on the results – or outcomes – that the services are intended to achieve. It was developed by Mark Friedman and described in his book, 'Trying Hard Is Not Good Enough', in 2009. OBA is the basis for Outcomes Based Commissioning. The OBA model has been used in the USA and several countries worldwide as a way of structuring planning to improve outcomes for whole populations and for improving services. It is seen as more than a tool for planning effective services. It can become a way of securing strategic and cultural change: moving organisations away from a focus on 'efficiency' and 'process' as the arbiters of value in their services, and towards making better outcomes as the primary purpose of their organisation and its employees.

Key features of OBA include:

- population accountability, which is about improving outcomes for a particular population within a defined geographical area; and
- performance accountability, which is about the performance of a service and improving outcomes for a defined group of service users.

The approach involves:

- The use of simple and clear language;
- The collection and use of relevant data;
- The involvement of stakeholders, including service users and the wider community, in achieving better outcomes; and
- The distinction between accountability for performance of services or programmes on the one hand, and accountability for outcomes among a particular population on the other.

What are Outcomes?

An outcome is 'an impact on quality of life conditions for people or communities'. There are three types of performance measure in OBA:

1. How much did we do? (our traditional pre-occupation)
2. How well did we do it? (important, but not as important as...)
3. Is anyone better off/what difference did we make?

Answering the third question has driven recent work on outcome based commissioning within Adult Social Care (ASC), most notably in Wiltshire Council with its Help to Live at Home Service.

There are two types of outcomes in OBA:

1. Individual outcomes; and
2. Broader community or service level outcomes, in which providers are paid to reduce the number of SUs going into residential care in a year.

Outcomes Based Commissioning

The use of outcomes in local government is developed by Richard Selwyn, in his book, 'Outcomes & Efficiency: Leadership Handbook', 2012. This describes how to implement a new outcomes and efficiency model to build a resilient government organisation that is able to radically and quickly transform. It includes designing the system of services, partners and citizens; implementing a full commissioning model to manage the system; and realising the benefits through dynamic change management.

Outcome-based commissioning is widely regarded as an important aspect of the personalisation agenda. Commissioning on the basis of individual outcomes, rather than outputs, shifts the emphasis away from systems and processes, and onto the quality of the service and the impact on the SU.

Most outcomes have value, both 'soft' (improved SU well-being) and 'hard' (financial). Therefore, investing in them may initially increase expenditure in the short term but deliver subsequent and sustainable larger saving in the medium term. Most outcomes can be realised in the short or at least medium term – often within a year and potentially in time for the next regular care review. If this is implemented well, then the net cost in one budget year should be similar to earlier commissioning budgets. In subsequent years, savings will accumulate and deliver against Council expenditure targets and/or in part, fund more invest to save initiatives in social care, in concert with health partners.

Outcomes Based Commissioning and Payment by Results

The process of paying providers on the basis of the outcomes they achieve is less widely used than outcomes based commissioning. Payment by Results (PbR) can be introduced into new outcomes based frameworks in pre-declared phases, initially monitored and reported in shadow format ("if PbR were already live this would have been your payment"), and ultimately as a major component of payment, allowing a modest guaranteed element to cover basic staff costs. This approach to payment was introduced in Wiltshire in 2012 in the Help to Live at Home Project.

The Care Act: Market Shaping and Commissioning

The Care Act introduces new duties on local authorities to facilitate a vibrant, diverse and sustainable market for high quality care and support in their area, for the benefit of their whole local population, regardless of how the services are funded. The Council's commissioning and procurement practices must take account of these wider 'market shaping' duties. These relate to the market shaping and commissioning section of the regulations and guidance for implementation of part one of the Care Act in 2015/16.

To support these developments, Birmingham University has published, 'Commissioning for Better Outcomes – a Route Map'. This was commissioned by the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS). The standards are designed to drive improvement, and provide a framework for councils to self-assess their progress against best practice in commissioning and enable them to identify areas for further improvement. It is being piloted by a small number of local authorities and will be rolled out in January 2015.

With the Care Act requiring a greater focus on outcomes within assessments the use of outcomes based commissioning has considerable merit. Many councils are introducing it. However, it requires considerable change to ASC assessment and care planning arrangements, supporting systems, the providers' approaches to delivering care, the expectations of SUs and carers, and the expectations of community and voluntary sector organisations.

Benefits of an Outcomes Based Commissioning Model

The benefits of an outcome based commissioning model are:

1. It is person-centred and focuses on the outcomes that SUs say matter most to them.
2. It maximises SUs capabilities, delaying or reducing the need for services, and promoting their independence.
3. It empowers SUs to have choice and control in their lives and over their care and support.
4. It minimises costs by reducing the long term needs of SUs.
5. It reduces waste, and helps to improve the financial efficiency of the service.
6. It holds providers directly to account for the service they provide.
7. It maximises SUs support within their communities from family, friends and community and voluntary sector providers.
8. It incentivises providers to:
 - look at the most efficient and effective way of delivering what the SU needs - which may include community and voluntary sector providers or other services;
 - not to create dependency; and
 - to invest in their staff who will need support and training to work in a way in which they enable SUs to achieve the outcomes they have identified that they want to achieve.
9. The Council aims to ensure an integrated approach to commissioning health and social care services; this is a fundamental part of the council's vision to become a commissioning authority. A key focus is on achieving positive agreed outcomes with service users that increase their independence and wellbeing.
10. It is consistent with the national policy drive towards payment by results as seen in a number of major policy areas (e.g. substance misuse treatment, offender rehabilitation, employment services).

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 8th December 2015
Report of: Director of Adult Social Care and Independent Living
Brenda Smith
Subject/Title: The Quality Assurance of Care Services in Adult Social Care
Portfolio Holder: Cllr Janet Clowes – Care and Health in the Community

1.0 Report Summary

- 1.1 This Council is committed to providing a range of excellent local care and support services for the residents of Cheshire East. We are proud of the care and support services provided to citizens who need both short and long-term care in the community. To support the development of the care market and to ensure that care and support services are of a high quality for our citizens this Council has invested additional resources in the development of a new Quality Assurance function. To this end the Council is delivering on its commitment to ensure residents are supported to live well for longer and to remain as independent as possible.
- 1.2 The Contract Management and Quality Assurance Team is hosted by Cheshire East Council (CEC) and is supported by input from NHS East Cheshire Clinical Commissioning Group (ECCCG) and NHS South Cheshire Clinical Commissioning Group (SCCCG). The team have strong links with the Care Quality Commission (CQC). It is now twelve months since the new function was established. Regular updates have been provided to Overview and Scrutiny Committee. This report is intended to update Cabinet on the work of the unit over the last year and to seek approval for continued investment in this function.
- 1.3 There is a large market for care and support provision that responds effectively to the needs of the residents in Cheshire East. The majority of the Adult Social Care services currently commissioned are focused on meeting eligible care needs utilising the national eligibility criteria. These services include residential and nursing care, domiciliary care services, day services and supported tenancy schemes. Services are provided across the public, private and voluntary care sectors.
- 1.4 The Contract Management and Quality Assurance Team is responsible for the quality monitoring of the adult social care market for care and support

with a view to establishing and maintaining standards, minimising risk and ensuring continuous improvement. In addition the team has oversight and management of provider and market failure on behalf of the Council. Recruitment to the new team was completed in December 2014. Appointments to date include a Commissioning Manager, Quality Assurance Manager and five Quality Assurance Officers. The new officers have been recruited from different service backgrounds including contracts, social care and provider services and are supported by colleagues from health when undertaking quality assurance visits to nursing homes.

- 1.5 An annual programme of reviews of all registered social care providers is in place and is supported by a Framework and Toolkit for the Contract Management and Quality Assurance of Commissioned Services. The primary purpose of the contract monitoring and quality assurance visit is to ensure that commissioned services are meeting the standards and requirements of their contracts, to review the safety, quality and effectiveness of services commissioned by CEC, SCCCG, and ECCCG and to ensure continuous improvement.
- 1.6 The review is also an opportunity for commissioners to engage with customers of care services. When reviewing care homes the reviews provide the opportunity to observe interaction between staff and residents, view the physical environment of the home and to talk to relatives and staff about services and to seek their views about their experiences. As well as ensuring that providers are meeting their contractual obligations, the quality of the providers care provision is also monitored in line with the 6+1 C's as outlined within the Compassion in Practice Three Year Strategy for Nursing, Midwifery and Care Staff which was launched in December 2012 by Jane Cummings, the Chief Nursing Officer for England and the CQC 5 Key Lines of Enquiry. The 6+1 C's are Care, Compassion, Competence, Communication, Courage, Commitment and Culture. The 6+1 Cs are detailed in Appendix 1. The CQC 5 Key Lines of Enquiry are Safe, Effective, Caring, Responsive and Well Led.
- 1.7 At the conclusion of a review visit officers will share initial observations and findings and if required agree immediate actions as appropriate. Following completion of the visit the Contract Management and Quality Assurance Team collate all review findings and populate a standardised report template. The report details the purpose of the review and visit, the methodology, findings and any required actions. The report is sent to the provider within two weeks. Where actions and improvements are required an action plan is produced detailing the area that needs to be remedied. The provider is required to update and return the action plan to the commissioners within two weeks detailing how and by when they intend to address the actions required. Copies of the report are shared with other relevant professionals as required.

The progress of the provider is then monitored against the agreed action plan and timescales until the actions have been completed to a satisfactory level.

- 1.8 The Skilled Multi Agency Response Teams (SMARTs) are responsible for the management of safeguarding investigations and they are represented by a Senior Manager in all governance meetings. As safeguarding investigations may be an indication of poor quality care the Contract Management and Quality Assurance Team work closely with the front line social work teams to identify when this is the case. Officers from the Contract Management and Quality Assurance Team are informed of safeguarding investigations involving independent sector care providers and attend planning meetings as required. The number and nature of safeguarding investigations are reviewed by the Contract Management and Quality Assurance Team as part of the quality assurance process to help inform and prioritise visits. The Commissioning Manager for the Contract Management and Quality Assurance Team attends the Adults Safeguarding Governance Meeting to share findings on contracts and quality assurance.
- 1.9 The work of the Contract Management and Quality Assurance Team is supported by joint governance arrangements with our health commissioners. Lower level concerns and intelligence regarding commissioned services are discussed at a multidisciplinary Contract Management and Quality Assurance Planning Meeting. This meeting is held every fortnight and provides a robust system of co-ordination and sharing of intelligence for all agencies including, but not limited to: health, social care, palliative care, Healthwatch and infection control. The Contract Management and Quality Assurance Team also communicate regularly with CQC to share intelligence on Providers and findings from inspections and quality assurance visits.
- 1.10 More serious concerns regarding commissioned services, which require consideration by senior management, are raised at the Joint Quality Assurance Governance Meeting. This meeting is held monthly and is attended by senior managers from CEC, ECCCG, SCCCG and CQC. The group makes recommendations in relation to suspensions on placements, contract defaults and, in exceptional circumstances, contract termination. These recommendations are then presented to the respective Directors of each commissioning body for approval.
- 1.11 CQC, as a statutory regulator of care provision, is required to undertake regular inspections of all registered health and social care services. CQCs approach to inspections changed in October 2014 and all care providers are now inspected under the 5 Key Lines of Enquiry. Following a CQC Inspection the findings are published on CQCs public website. There is often a delay of several months between the Inspection Visit and the report being published,

during which time the Contract Management and Quality Assurance Team will have already worked with the Provider to address the areas of concern. The rating will also remain in place until the provider is re-inspected. This can result in inspection reports being published on the CQC website which show Providers rated as 'Inadequate' by the regulators when the Council feels that the Provider has already resolved the areas of concern and are continuing to contract with them. This can lead to mixed messages regarding the quality of care being provided locally and has been raised as an issue for CQC to address. In addition CQC also have their own independent alert processes and can call a 'Management Review' meeting with a Provider at any time if they have any serious concerns.

- 1.12 As a result of this work there has been continuous improvement in the quality of care and support provision in Cheshire East. The support to providers as a result of the teams' intervention has resulted in a reduction in the number of cases of serious concern. The number of providers who had been assessed as being at high risk of provider failure has reduced from eight in September 2014 to none in December 2015. All providers have responded positively to the Council's intervention and have continued to raise their performance by remedying any defaults identified within their action plan within the required timescale. The improvement in the quality of care and support services has directly benefited the users of care services in Cheshire East.

2.0 Recommendations

It is recommended that

- 2.1 Cabinet note the work of the Contract Management and Quality Assurance Team, hosted by Cheshire East Council (CEC) within the Adult Social Care Strategic Commissioning Business Unit.
- 2.2 Cabinet approve the continued investment in the Contract Management and Quality Assurance Team.

Sourcing local care and support services for customers remains integral to the Council's plans. This proposal will ensure that the quality of the care and support services commissioned from the independent sector will continue to be monitored by the Contract Management and Quality Assurance Team.

3.0 Reasons for Recommendations

- 3.1 The Care Act has introduced a requirement for Local Authorities to encourage a diverse range of high quality care providers. Local authorities therefore have a duty to stimulate the care provider markets so that individuals have a range of options to choose from.

- 3.2 This proposal will assist the Council to meet this duty by continuing to support the availability of a range of high quality provision in a range of locations across Cheshire East so that people can choose support in the location that works best for them and from a provider who can deliver to their personal requirements.
- 3.3 As a result of this work there has been continuous improvement in the quality of care and support provision in Cheshire East. The support to providers as a result of the team intervention has resulted in a reduction in the number of cases of serious concern. The number of providers who had been assessed as being at high risk of provider failure has reduced from eight in September 2014 to none in December 2015. All providers have responded positively to the Council's intervention and have continued to raise their performance by remedying any defaults identified within their action plan within the required timescale.
- 3.4 The continued improvement of the quality of care and support services in Cheshire East is of direct benefit to the users of these services, their relatives and carers. This includes the many residents who purchase their own care independently of Adult Social Care services.
- 3.5 The establishment of the new function by Cheshire East Council has also resulted in strengthened joint commissioning arrangements between the Council, NHS East Cheshire Clinical Commissioning Group (ECCCG) and NHS South Cheshire Clinical Commissioning Group (SCCCG). An excellent working relationship with the statutory regulator of care provision - Care Quality Commission (CQC) has also been established.

4 Wards Affected

- 4.1 All wards will be affected by this proposal.

5 Local Ward Members

- 5.1 All ward members will be affected by this proposal.

6 Policy Implications

- 6.1 This proposal is in keeping with the requirements of the Care Act 2014.

7 Financial Implications

- 7.1 It is proposed that the existing investment of £354k is maintained in this activity.

7.2 This represents less than 0.5% of the overall spend on externally commissioned services.

7.3 This is within the existing affordability envelope and no changes are proposed to next years budget as part of the Pre-Budget Report which is currently out to consultation.

8 Implications for Rural Communities

8.1 The proposal will support those in rural communities to access high quality provision in a range of locations across Cheshire East.

9.0 Legal Implications

9.1 The proposals support the Council's ability to demonstrate its fulfilment of its duties under the Care Act, in particular in relation to market-shaping and commissioning activity; and the Council's clear focus on the key issues of outcomes and wellbeing; promoting quality services; supporting sustainability; ensuring choice; and co-production with partners.

10 Risk Management

10.1 Ensuring adequate services in the independent sector market to meet current and future needs of local residents is critical. Carefully planned work to secure quality care and support in the independent sector should mitigate this risk, both for the Council and residents. The Contract Management and Quality Assurance Team will continue to ensure that residents can access quality care. This team provides the Council with additional assurance that residents' needs can be appropriately met.

10.2 The Council is aware of its responsibilities in relation to the Equality Act 2010. Our priority is to ensure that no groups are disadvantaged. We are proud of what we do to ensure that we uphold the rights of our citizens.

11 Background and Options

11.1 Work commenced in November 2014 with a joint stakeholder event to agree the shared priorities of the new function. The event, held at Sandbach Town Hall, was well supported with attendees including General Practitioners, health employees, council employees, Care Quality Commission and Councillors. Care providers and service users were also consulted on the proposals for the new function. Support for the Contract Management and Quality Assurance Team from these stakeholders has continued to date.

- 11.2 Sourcing local care and support services for customers remains integral to the Council's plans. This proposal will ensure that the quality of the care and support services commissioned from the independent sector will continue to be monitored by the Contract Management and Quality Assurance Team.

12 Access to Information

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

Name: Sarah Smith
Designation: Corporate Commissioning Manager
Tel No: 01625 378209
Email: sarah.smith@cheshireeast.gov.uk

This page is intentionally left blank

Appendix 1 – The Quality Assurance of Care Services

6+1 C's

Care - Care is our core business and that of our organisations and the care we deliver helps the individual person and improves the health of the whole community. Caring defines us and our work. People receiving care expect it to be right for them consistently throughout every stage of their life.

Compassion - Compassion is how care is given through relationships based on empathy, respect and dignity. It can also be described as intelligent kindness and is central to how people perceive their care.

Competence - Competence means all those in caring roles must have the ability to understand an individual's health and social needs. It is also about having the expertise, clinical and technical knowledge to deliver effective care and treatments based on research and evidence.

Communication - Communication is central to successful caring relationships and to effective team working. Listening is as important as what we say and do. It is essential for "no decision about me without me". Communication is the key to a good workplace with benefits for those in our care and staff alike.

Courage - Courage enables us to do the right thing for the people we care for, to speak up when we have concerns. It means we have the personal strength and vision to innovate and to embrace new ways of working.

Commitment - A commitment to our patients and populations is a cornerstone of what we do. We need to build on our commitment to improve the care and experience of our patients. We need to take action to make this vision and strategy a reality for all and meet the health and social care challenges ahead

Culture - Culture is symbolic of communication, behaviours and values that are accepted generally without thinking about them. Some of these symbols include skills, knowledge attitudes, values and motives and are passed along by communication and imitation from one individual or group to another. The meaning of these symbols are learned and perpetuated through the group. They are demonstrated by the behaviours and actions.

CQC 5 Key Lines of Enquiry (KLOEs)

- **Safe** (are people protected from abuse and avoidable harm).
- **Effective** (people's care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence).
- **Caring** (staff involve and treat people with compassion, kindness, dignity and respect).
- **Responsive** to individual needs (services are organised so that they meet people's needs).
- **Well-led** (leadership, management and governance of the organisation assures the delivery of high-quality, person-centered care, supports learning and innovations, and promotes an open and fair culture).

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 8th December 2015
Report of: Miss Kim Evans – Licensing Team Leader
Subject/Title: Revised Statement of Gambling Principles
Portfolio Holder: Cllr Les Gilbert – Communities

1.0 Report Summary

- 1.1 The Gambling Act 2005 requires Local Authorities to prepare and publish a statement of the principles that they propose to apply when exercising their functions under the Act during the three year period to which the statement applies.
- 1.2 The Council is required to review its existing statement of principles and publish the revised version by no later than 31st January 2016. In preparing a revised statement the Council must undertake a consultation exercise with stakeholders.
- 1.3 The Licensing Committee previously considered the draft statement (appendix 1) on the 8th June 2015 prior to consideration by the relevant Cabinet Member and public consultation.

2.0 Recommendation

- 2.1 That Cabinet support the content of the Statement of Principles as set out in Appendix 1 and recommend it for formal adoption by Council.

3.0 Reasons for Recommendations

- 3.1 The statement of principles under the Gambling Act 2005 forms part of the Council's Policy Framework and it is necessary for it to be considered by the Licensing Committee and Cabinet.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The Council is required to revise and adopt a Statement of Gambling Principles every three years.

7.0 Financial Implications

- 7.1 None identified

8.0 Legal Implications

- 8.1 By virtue of section 349 of the Gambling Act 2005 ('the 2005 Act') the Licensing Authority is required to prepare and publish a statement of the principles that it proposes to apply in exercising its functions under the 2005 Act during the three year period to which the policy applies. Statements must usually be revised and published in respect of every period of three years, that being 2016 – 2019.
- 8.2 The Statement of Principles forms part of the Council's Policy Framework. As such, the final decision to approve a statement of principles or a revision of the statement rests with full Council. In addition, in developing a revised statement of principles, the Authority must comply with its Budget and Policy Framework Procedure Rules (as set out within the Constitution).
- 8.3 Sub-section 349(3) of the 2005 Act prescribes that in preparing a revision of a statement a licensing authority is required to consult:
- (a) the chief officer of police for the authority's area;
 - (b) one or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area; and
 - (c) one or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the 2005 Act.
- 8.4 The drafting of the Statement of Principles must take into account the requirements of The Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006 ('the 2006 Regulations'). In addition, the Gambling Commission's Guidance to Licensing Authorities ('the Guidance') prescribes that in determining its policy, the Licensing Authority must have regard to the Guidance and give appropriate weight to the views of those it has consulted.
- 8.5 Regulation 7 of the 2006 Regulations prescribes that before a revised statement comes into effect the authority must advertise the publication of the statement by way of a notice published on the authority's website and in one or more of the following places: (i) a local newspaper circulating in the area covered by the statement; (ii) a local newsletter, circular or similar document circulating in the area covered by the statement; (iii) a public notice board in or near the principal office of the authority; (iv) a public notice board on the premises of public libraries in the area covered by the statement.

- 8.6 Consideration has been given to the application of the 'public sector equality duty' (as per section 149 Equality Act 2010) to the decision requested within paragraph 2.0 above. It is suggested that the decision requested would have a neutral impact in terms of its impact on those individuals with 'protected characteristics.'

9.0 Risk Management

- 9.1 Compliance with the provisions of section 349 of the 2005 Act and the 2006 Regulations, having regard to the provisions of the Guidance, compliance with the Budget & Police Framework Procedure Rules, and giving appropriate weight and consideration to any consultation responses received will mitigate the risk of a successful challenge of the final Statement of Principles.

10.0 Background

- 10.1 As set out above, the Gambling Act 2005 requires Licensing Authorities to prepare and publish a statement of principles that it proposes to apply in exercising its functions under the Act. The current statement of principles was approved in 2013 and took into account the requirements of the Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006 in terms of its form and content.
- 10.2 The draft statement, a copy of which is attached as Appendix 1, incorporates some minor amendments, changes in legislation or practices (such as specific sections on the splitting of premises and primary gambling activity) and takes into account the request from the Gambling Commission that Licensing Authorities prepare a local area assessment.
- 10.3 The revised statement was considered by the Licensing Committee on 8th June 2015 who approved the content. The revised policy was considered by the Cabinet Member for Communities on the 20th July 2015. The Committee and Cabinet Member approved the content and confirmed it was appropriate to be consulted upon.
- 10.4 The consultation was conducted between 24th August 2015 and 21st September 2015. This consultation was conducted by:
1. Placing a Notice confirming the consultation on the Council's website
 2. Placing a Notice confirming the consultation at the Council's principal offices (ie Westfields, Macclesfield Town Hall and Delamere House).
 3. Notification to all premises licence holders
 4. Notification to all Responsible Authorities
 5. Notification to the Town and Parish Councils
 6. Notification to various gambling support groups and charities
 7. Notification to the Council's Public Health and Safeguarding Teams

- 10.5 The statement was also considered by the Council's Communities Overview and Scrutiny Committee on the 24th September 2015 who confirmed their support for the content.
- 10.6 The Licensing Committee at its meeting on 16th November 2015 considered the responses to the consultation and agreed a number of minor changes which have been incorporated into the attached Appendix.
- 10.7 The Council is required to discharge its responsibilities under the Act with a view to promoting the three licensing objectives:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime,
 - Ensuring that gambling is conducted in a fair and open way,
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.
- 10.8 Within the last three years, the period the Council's current statement has principles has been in operation, there has been no significant increase or decrease in the number of premises requiring a gaming permit or a premises licence.
- 10.9 Section 153 of the Gambling Act 2005 provides that, in exercising its functions under Part 8 of the Act, a licensing authority shall aim to permit the use of premises for gambling in so far as it thinks it is:
- i. In accordance with any relevant code of practice under section 24 of the Gambling Act 2005 (i.e. the Licence conditions and codes of practice prepared by the Gambling Commission)
 - ii. In accordance with any relevant guidance issued by the Commission under section 25 of the Gambling Act 2005
 - iii. Reasonably consistent with the Licensing Objectives, and
 - iv. In accordance with the Licensing Authority's Statement of Licensing Principles.
- 10.10 Section 153 also makes it clear that in deciding whether or not to grant a licence, a Licensing Authority must not have regard to the expected demand for gambling premises that are the subject of the application.
- 10.11 Similarly, section 210 (1) of the Gambling Act 2003 states that 'in making a decision in respect of an application...a licensing authority should not have regard to whether or not a proposal by the applicant is likely to be permitted in accordance with law relating to planning or building'.
- 10.12 The Licensing Authority can only consider matters within the scope of the Gambling Act, Guidance and associated Codes of Practice and cannot become involved in the moral issues relating to gambling.

10.13 Whilst there is a presumption in favour of permitting the relevant premises to be used for gambling, the Licensing Authority may not do so unless satisfied that such use would be in accordance with this Guidance, any relevant Commission code of practice, its own statement of licensing policy, and the licensing objectives.

10.14 In reviewing the statement of principles we have considered (amongst other things):

- The promotion of the three licensing objectives
- The guidance issued under Section 25 of the Gambling Act 2005 and the update guidance that was prepared by the Gambling Commission and subject to consultation of its own during this review
- The Council's current Statement of Gambling Principles
- Equality legislation and requirements

11.0 Access to Information

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

Name: Miss Kim Evans

Designation: Licensing Team Leader

Tel No: 0300 123 5015

Email: kim.evans@cheshireeast.gov.uk

This page is intentionally left blank



Cheshire East Council

Statement of Gambling Principles

Gambling Act 2005

January 2016 to January 2019

1	Introduction
2	General Principles
3	Gambling Prevalence and Problem Gambling
4	Cheshire East Area Profile
5	The Gambling Act 2005
6	Responsible Authorities
7	Interested Parties
8	Premises Licences
9	Adult Gaming Centres
10	Betting Premises (other)
11	Betting Tracks including other sporting venues
12	Bingo Premises
13	Casinos
14	(Licensed) Family Entertainment Centres
15	Licence Conditions
16	Primary Gambling Activity
17	Buildings divided into more than one premises
18	Separation of premises within a single building
19	Access to premises
20	Provisional Statements
21	Reviews of Licences
22	Permits
23	(Alcohol) Licensed Premises Gaming Machine Permits
24	Club Gaming and Club Machines Permits
25	Prize Gaming Permits
26	Unlicensed Family Entertainment Centre Gaming Machine Permits
27	Temporary Use Notices
28	Occasional Use Notices
29	Travelling Fairs
30	Small Society Lotteries
31	Exchange of Information
32	Enforcement
33	Scheme of Delegation
34	Definitions of Gambling Activities
35	Glossary of Terms

Appendices

- Appendix 1 Cheshire East Area Profile
- Appendix 2 Summary of gaming machine categories and entitlements
- Appendix 3 Summary of machine provisions by premises
- Appendix 4 Summary of gaming entitlements for clubs and alcohol-licensed premises
- Appendix 5 Scheme of Delegation

Appendices 1 - 5 are included to provide further information to those interested in these matters. As the information contained within these appendices are subject to change by Central Government, they are not to be considered a part of the Statement of Principles required by section 349 of the Act. They will be subject to reasonable amendment to ensure that they remain accurate and correctly reflect the appropriate entitlements. Any amendment of this nature will not be considered a review of the Statement. As such the requirements for consultation will not apply.

1 Introduction

- 1.1 This Statement of Gambling Principles is published by Cheshire East Council, as the Licensing Authority, in accordance with Section 349 of the Gambling Act 2005. The Act requires the Licensing Authority to prepare and publish a Statement of Principles which sets out the policies that the Licensing Authority will generally

apply to promote the Licensing Objectives when making decisions on applications made under the Act.

- 1.2 The Licensing Authority has produced this Statement of Principles in accordance with the provisions of the Act and having regard to the provision of the Guidance issued by the Gambling Commission under Section 25 of the Act.
- 1.3 In exercising most of its functions under the Act, the Licensing Authority must have regard to the Licensing Objectives as set out in section 1 of the Act. The Licensing Objectives are:
 - Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
 - Ensuring that gambling is conducted in a fair and open way
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling
- 1.4 As required by the Gambling Act 2005, the draft Statement of Principles was subject to formal consultation with:
 - Cheshire Constabulary
 - Representatives of those carrying on gambling businesses within the Borough of Cheshire East.
 - Representatives of those persons likely to be affected by the exercise of the Licensing Authority's functions under the Act

2 General Principles

- 2.1 The Licensing Authority recognises the need to avoid, so far as possible, duplication of existing legislation and other regulatory regimes.
- 2.2 The Licensing Authority recognises that it may only consider matters within the scope of the Guidance issued by the Gambling Commission, the Act and the Codes of Practice. It is also recognised that there may be issues raised, such as the likelihood of the applicant obtaining planning permission, which are not relevant for the purposes of the Act.
- 2.3 Nothing in this Statement will undermine the rights of any person to make an application under the Act and have the application considered on its individual merits; or undermine the right of any person to make representations on any application or seek a review of a licence or permit where provision has been made for them to do so within the Act.
- 2.4 The Licensing Authority recognises that unmet demand is not a criterion for it when considering an application for a premises licence under the Act. Each application will be considered on its merits without regard to demand.
- 2.5 The Licensing Authority also recognises that the location and proximity of premises to be used for gambling to other premises such as, for example, schools and premises used by vulnerable persons, may be a relevant consideration with respect to the objective of protecting children and other vulnerable persons from being

harmed or exploited by gambling. The type of gambling which is to be offered will also be relevant.

- 2.6 Each application will be considered on its merits and the Licensing Authority will take into account any proposals by the applicant or licence holder which show how the licensing objectives may be satisfied.
- 2.7 In carrying out its licensing functions under the Act the Licensing Authority will aim to permit the use of premises for gambling as long as it is considered to be:
- In accordance with any relevant Codes of Practice issued by the Gambling Commission
 - In accordance with any relevant Guidance issued by the Gambling Commission in accordance with this Statement of Principles, and
 - Reasonably consistent with the licensing objectives

3 Gambling Prevalence and Problem Gambling

- 3.1 In 2010 NatCen's British Gambling Prevalence Survey showed that 73% of the population, had participated in some form of gambling in the past year with 56% of the population participating in some form of gambling other than the National Lottery.
- 3.2 The most popular gambling activities are:

Type	% of adult population
National Lottery	59%
National Lottery scratch cards	24%
Betting on horse races	16%
Playing slot machines	13%
Online gambling	5%
Placed bets by internet	4%
Fixed Odds Betting Terminals	4%
Gambled in a casino	4%

- 3.3 Men were more likely to gamble than women (75% compared with 71%). People in higher income households were more likely to gamble; 72% in the highest income households; 61% in the lowest income households. Those with higher levels of education were less likely to gamble; 61% of those with a degree gambled compared with 73% who were educated to GCSE/O level equivalent.
- 3.4 Gambling participation was lowest among the youngest and oldest age groups and highest among those aged 44-64.
- 3.5 Gambling prevalence rates were highest among those who were either married or had been married (75%), respondents who were White/White British (76%), those whose highest educational attainment was GCSEs or equivalent (76%) or had other qualifications (78%), those from lower supervisory/technical households (79%), those in paid work (78%), those with the highest personal income (79% for the 4th income quintile and 76% for the highest income quintile) and those living in the East Midlands (80%).

- 3.6 Two measures of problem gambling showed rates of problem gambling in the general population of 0.9% and 0.5%. A significant association was found between problem gambling and being a young male with parents who gambled. It was also associated with smoking and poor health.
- 3.7 The GamCare Annual Review 2013/2014 shows that there has been a reduction in the number of inbound calls made to their Help Line compared to the 2012/2013 figures (30,648 in 2013/2014 and 32,733 in 2012/2013). Similarly, the number of 'chat hours' offered fell from 699 in 2012/2013 to 499 in 2013/2014. However, there was an increase in the number of unique visits to their website.
- 3.8 GamCare's Annual Review reiterates that when gambling becomes a problem it can have devastating repercussions on a person's everyday life and functioning. For many clients who come to GamCare for counselling, this may mean the breakdown or near breakdown of their relationships, damage to their physical and psychological health and substantial financial loss and debt. It should be acknowledged that the harm caused by problem gambling extends beyond the problem gambler themselves to include their family and friends.

4 Cheshire East Area Profile

- 4.1 Cheshire East's administrative area contains the industrial town of Crewe, the old mill towns of Macclesfield, Bollington and Congleton, the market towns of Alsager, Nantwich, Knutsford and Sandbach, the salt town of Middlewich, the town of Wilmslow as well as the smaller settlements of Holmes Chapel and Poynton.
- 4.2 A full profile of the Borough is set out at Appendix 1.
- 4.3 As the persons most at risk from problem gambling are white, young males from a low income background this is most likely to affect the residents of Crewe and to a lesser extent Macclesfield. These are also the areas that already have the highest numbers of licensed gambling premises. It will therefore be incumbent upon applicants to demonstrate that they will take appropriate steps to follow the Gambling Commission's relevant Codes of Conduct and the Council's Statement of Gambling Principles to ensure that none is exploited or harmed by gambling.

5 The Gambling Act 2005

- 5.1 Gambling is defined in the Act as either gaming, betting, or taking part in a lottery.
- Gaming means playing a game of chance for a prize
 - Betting means making or accepting a bet on the outcome of a race, competition, or any other event ; the likelihood of anything occurring or not occurring; or whether anything is true or not
 - A lottery is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process which relies wholly on chance
- 5.2 The Act provides for three categories of licence:
- Operating licences
 - Personal licences

- Premises licences

5.3 In accordance with the Act, the Gambling Commission has responsibility for issuing operating and personal licenses and the Licensing Authority is responsible for issuing premises licenses.

5.4 The main functions of the Licensing Authority, and the functions subject to this Statement, are:

- Licence premises for gambling activities
- Grant permits for gambling and gaming machines in clubs
- Regulate gaming and gaming machines in alcohol licensed premises
- Grant permits to family entertainment centres for the use of certain lower stake gaming machines
- Grant permits for prize gaming
- Consider notices given for the temporary use of premises for gaming
- Consider occasional use notices for betting at tracks
- Register small societies lotteries

5.5 It should be noted that:

- Spread betting is regulated by The Financial Services Authority
- Remote (on-line) gambling is dealt with by the Gambling Commission
- The National Lottery is regulated by The National Lottery Commission (which merged with the Gambling Commission in October 2013)

5.6 This Statement of Principles relates to all those licensable premises, notices, permits and registrations identified as falling within the provisions of the Act, namely:

- Casinos
- Bingo Premises
- Betting Premises
- Tracks
- Adult Gaming Centres
- Family Entertainment Centres
- Club Gaming and Club Machine Permits
- Prize Gaming and Prize Gaming Permits
- Temporary and Occasional Use Notices
- Registration of small society lotteries

5.7 The Categories of Gaming Machine Regulations 2007 (as amended) define four classes of gaming machine, categories A, B, C and D, with category B divided into a further 5 sub-categories. A full list of the categories of Gaming Machine, together with the current maximum stakes and prizes, is set out in Appendix 2.

5.8 A breakdown of automatic entitlements in gambling premises is set out appendix 3 and a break down of automatic entitlements in alcohol licensed premises is set out at appendix 4.

6 Responsible Authorities

6.1 A Responsible Authority may make representations about an application for a premises licence or may request a review of a premises licence. For the purposes of sections 157 and 349 of the Gambling Act 2005, the following are responsible authorities in relation to premises in Cheshire East:

- The licensing authority in whose area the premises are wholly or mainly situated
- The Gambling Commission
- Cheshire Constabulary as the police authority
- Cheshire Fire & Rescue Service as the fire and rescue authority
- The Planning Authority (Cheshire East Council)
- Environmental Health Service (Cheshire East Council)
- A body designated in writing by the licensing authority to advise about the protection of children from harm
- Her Majesty's Revenue and Customs
- Any other person prescribed, for the purposes of Section 157 of the Act, by regulations made by the Secretary of State.

6.2 The Licensing Authority will apply the following principles when designating, in writing, a body which is competent to advise the authority about the protection of children from harm:

- the need for the body to be responsible for an area covering the whole of the licensing authority's area
- the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group etc

6.3 Therefore the Licensing Authority will continue to designate the Cheshire East Local Safeguarding Children Board for the purpose of advising it on the protection of children from harm.

6.4 Section 211(4) of the Act provides that in relation to a vessel, but to no other premises, responsible authorities should also include navigation authorities within the meaning of section 221(1) of the Water Resources Act 1991 that have statutory functions in relation to the waters where the vessel is usually moored or berthed or any waters where it is proposed to be navigated at a time when it is used for licensable activities. These would include:

- The Environment Agency
- The British Waterways Board
- The Secretary of State acting through the Maritime and Coastguard Agency

6.5 The contact details of all the Responsible Bodies under the Gambling Act 2005 will be available on the Licensing Authorities website.

7 Interested Parties

7.1 In addition to Responsible Authorities, 'Interested parties' can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in Section 158 of the Gambling Act 2005 as follows:

- Lives sufficiently close to the premises to be likely to be affected by the authorised activities, or

- Has business interests that might be affected by the authorised activities, or
- Represents persons in either of the two groups above

7.2 In determining whether someone lives sufficiently close to a particular premises so as to be affected the Licensing Authority will take into account, among other things:

- The size of the premises
- The nature of the premises
- The distance of the premises from the person making the representation
- The nature of the complainant
- The potential impact of the premises

7.3 In determining whether a person has a business interest which could be affected the Licensing Authority will consider, among other things:

- The size of the premises
- The catchment area of the premises, and
- Whether the person making the representation has business interests in the catchment area that might be affected

7.4 Business interests will be given a wide interpretation and could include for example partnerships, faith groups and medical practices.

7.5 Representations made on the grounds that an applicant would be in competition with an existing business or that there is allegedly no demand for additional gambling premises will not be considered to be relevant.

7.6 Trade associations, trade unions, residents' and tenants' associations will not, however, generally be viewed as interested parties unless they have a member who can be classed as one under the terms of the Gambling Act 2005 i.e. lives sufficiently close to the premises to be likely to be affected by the authorised activities.

7.7 Representatives of interested parties may include MPs, Ward Councillors and Parish Councillors. Residents' and tenants' associations, trade unions and trade associations may also represent interested parties if they have members living sufficiently close to the premises. Except in the case of Councillors or MPs representing the ward or wards likely to be affected, when written evidence will be required that a person or body represents an interested party.

7.8 If individuals approach Ward Councillors or Parish Councillors, care should be taken that the Councillor is not a member of the Licensing Committee or Licensing Act Sub-Committee, which will deal with the application, nor has a prejudicial interest which would prevent them from addressing the Committee or Sub-Committee. If there is any doubt, advice should be sought from the Legal Team or Licensing Team.

7.9 Details of those persons making representations will be made available to applicants and, in the event of a hearing being held, will form part of a public document (including publication on the Council's website).

8 Premises Licences

- 8.1 Premises can be 'any place' but the Act prevents more than one premises licence applying to any one place. A single building could be subject to more than one premises licence provided they are for different parts of the building and those parts can be genuinely regarded as being different 'premises'.
- 8.2 There are particular requirements for entrances and exits from parts of a building covered by one or more licences to be separate and identifiable so that the separation of the premises is not compromised and that people are not allowed to 'drift' accidentally into a gambling area. The Gambling Act 2005 (Mandatory and Default Conditions) Regulations 2007 set out the access provisions for each type of premises.
- 8.3 A licence to use premises for gambling will normally be issued only in relation to premises that are ready to be used for gambling. Where premises have not yet been constructed, an applicant may apply for a provisional statement – See Section 20.
- 8.4 An application for a premises licence may only be made by persons who have a right to occupy the premises.
- 8.5 Except in the case of a betting track premises licence, an application for a premises licence can only be made by a person who either holds an operating licence authorising him to carry on the activity in respect of which a premises licence is sought, OR has made an application for an operating licence which has not yet been determined.
- 8.6 When considering applications for premises licences the licensing authority cannot take into consideration the expected 'demand' for facilities. It should also be noted that moral objections to gambling are not a valid reason to reject applications.
- 8.7 Applications for the grant, transfer or variation of a Premises Licence should be accompanied by an assessment that demonstrates how the applicant will promote all the Licensing Objectives.
- 8.8 Premises licences granted must be reasonably consistent with the licensing objectives as follows:

Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- 8.9 The Gambling Commission will be taking a leading role in preventing gambling from being a source of crime.
- 8.10 The Gambling Commission will deal with Operating Licences and Personal Licences so the Licensing Authority will not be concerned about the suitability of an applicant. If concerns arise about a person's suitability, the Licensing Authority will bring those concerns to the attention of the Commission.
- 8.11 The Licensing Authority will take into consideration the proposed location of gambling premises in terms of this Licensing Objective. Where an area has known

high levels of organised crime, the Licensing Authority will consider carefully whether gambling premises are suitable to be located there.

- 8.12 Where appropriate, conditions may be attached to a premises licence requiring the provision of door supervisors. For example, if the premises cannot be adequately supervised from the counter, door supervision may be necessary.
- 8.13 There is a distinction between disorder and nuisance. The Licensing Authority will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see or hear it in determining that distinction. It should be noted that issues of nuisance cannot be addressed under the Act.

Ensuring that gambling is conducted in a fair and open way

- 8.14 The Gambling Commission does not expect Licensing Authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will either be a matter for the management of the gambling business or will relate to the suitability and actions of an individual. Both issues will be addressed by the Commission through the Operating and Personal Licensing regime.
- 8.15 Because betting track operators do not need an operating licence from the Commission the Licensing Authority may, in certain circumstances, require conditions to ensure that the environment in which betting takes place is suitable.

Protecting children and other vulnerable persons from being harmed or exploited by gambling

- 8.16 Apart from one or two limited exceptions, the intention of the Act is that children and young persons should not be allowed to gamble and should therefore be prevented from entering gambling premises which are 'adult-only' environments.
- 8.17 In practice, steps will generally be taken to prevent children from taking part in, or being in close proximity to, gambling. There may also be restrictions on advertising so that gambling products are not aimed at children or advertised in such a way that makes them particularly attractive to children.
- 8.18 The Licensing Authority will not normally grant a premises licence for premises which are located close to schools.
- 8.19 When considering whether to grant a premises licence or permit the Licensing Authority will consider whether any measures are necessary to protect children, such as the supervision of entrances, the segregation of gambling from areas frequented by children and the supervision of gaming machines in non-adult gambling specific premises, such as pubs, clubs, betting tracks etc.
- 8.20 The Act does not define the term 'vulnerable persons' but the Licensing Authority considers that this will include people who gamble more than they want to, people who gamble beyond their means, and people who may not be able to make informed or balanced decisions about gambling, perhaps due to a learning disability, the state of their mental health or the effects of alcohol or drugs.

- 8.21 Licence Holders will be expected to make information publicly available about organisations that can provide advice and support, both in relation to gambling itself and to debt e.g. GamCare, Gamblers Anonymous, Gordon House Association, National Debtline, local Citizens Advice Bureau and relevant independent advice agencies.
- 8.22 The Licensing Authority is aware of the general concern surrounding betting machines that permit high volumes of betting activity by individuals, for example Fixed Odds Betting Terminals (FOBTs). Applicants should consider where such betting machines are located and monitor use to ensure excessive gambling does not take place. The Licensing Authority is also aware that Central Government is taking steps to change the category of use of betting shops under planning legislation.

9 Adult Gaming Centres

- 9.1 The Licensing Authority will expect applicants to demonstrate that there will be sufficient measures in place to meet the Licensing Objectives, for example, to ensure that under 18 year olds do not have access to the premises.
- 9.2 Appropriate licence conditions may cover issues such as:
- Proof of age schemes
 - CCTV Supervision of entrances / machine areas
 - Physical separation of areas
 - Location of entry
 - Notices / signage
 - Specific opening hours
 - Self-barring schemes
 - Provision of posters and/or information leaflets and helpline numbers/website addresses for organisations such as GamCare, Gamblers Anonymous, Gordon House Association, National Debtline and local Citizens Advice Bureau and other relevant independent advice agencies.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

10 Betting Premises (other)

- 10.1 The Licensing Authority must be satisfied that the primary use of the premises is to operate as a betting premises in accordance with the principles outlined in paragraph 16 of this Statement. The applicant will be expected to demonstrate that they can offer sufficient facilities for betting and, unless it does so, should not be making gaming machines available on the premises.
- 10.2 The Licensing Authority will take the following into account when considering the number, nature and circumstances of betting machines an operator wants to offer:
- the size of the premises
 - the number of counter positions available for person-to-person transactions
 - the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people

11 Betting Tracks including other sporting venues

- 11.1 Tracks may be subject to one or more than one premises licence, provided that each licence relates to a specified area of the track.
- 11.2 The Licensing Authority will expect applicants to demonstrate that there will be sufficient measures in place to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas and do not have access to adult only gaming facilities.
- 11.3 It should be noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.
- 11.4 Appropriate licence conditions may cover issues such as:
- Proof of age schemes
 - CCTV
 - Supervision of entrances / machine areas
 - Physical separation of areas
 - Location of entry
 - Notices / signage
 - Specific opening hours
 - Self-barring schemes
 - Provision of information leaflets / helpline numbers for organisations such as GamCare

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

- 11.6 Where the applicant holds a Pool Betting Operating Licence and is going to use the entitlement to four gaming machines, if these machines are above category D, the applicant must demonstrate that they will be located in areas from which children are excluded. Children and young persons are not prohibited from playing category D gaming machines on a track.
- 11.7 The Licensing Authority will consider restricting the number and location of betting machines in respect of applications for track premises licences.
- 11.8 When considering the number, nature and circumstances of betting machines an operator wants to offer, the Licensing Authority will take into account:
- the size of the premises
 - the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people
- 11.9 The Licensing Authority will normally attach a condition to track premises licences requiring the track operator to ensure that the rules are prominently displayed in or near the betting areas, or that other measures are taken to ensure that they are

made available to the public. For example, the rules could be printed in the race-card or made available in leaflet form from the track office.

12 Bingo Premises

- 12.1 It is important that, if children are allowed to enter premises licensed for bingo, they do not participate in gambling, other than on category D machines.
- 12.2 Where category C or above machines are available in premises to which children are admitted the Licensing Authority will expect applicants to demonstrate that there will be sufficient measures in place to ensure that:
- all such machines are located in an area of the premises separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance
 - only adults are admitted to the area where the machines are located
 - access to the area where the machines are located is supervised
 - the area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder
 - at the entrance to, and inside any such area, there are prominently displayed notices indicating that access to the area is prohibited to persons under 18
- 12.3 The Licensing Authority will take account of any guidance issued by the Gambling Commission about the particular issues which should be taken into account in relation to the suitability and layout of bingo premises and appropriate conditions will be attached to the premises licence.

13 Casinos

- 13.1 This Licensing Authority has not passed a 'no casino' resolution under Section 166 of the Gambling Act 2005 but is aware that it has the power to do so. Should the Council decide in the future to pass such a resolution, this Statement of Principles will be updated. Any such decision must be made by the full Council.
- 13.2 This Licensing Authority is not currently able to issue premises licences for casinos. Should the Government propose that more casinos can be licensed in the future, the Licensing Authority will review its position and this Statement of Principles will be updated.

14 (Licensed) Family Entertainment Centres

- 14.1 The Licensing Authority will expect applicants to demonstrate that there will be sufficient measures in place to meet the Licensing Objectives, for example, to ensure that under 18 year olds do not have access to the adult only gaming machine areas.
- 14.2 Appropriate licence conditions may cover issues such as:
- CCTV
 - Supervision of entrances / machine areas
 - Physical separation of areas
 - Location of entry

- Notices / signage
- Specific opening hours
- Self-barring schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare, Gamblers Anonymous, the Gordon House Association, National Debtline and local Citizens Advice Bureau.
- Measures / training for staff on how to deal with suspected truant school children on the premises

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

15 Licence Conditions

15.1 There are three types of conditions that can be attached to premises licences:

- Mandatory – Conditions prescribed in regulations made by the Secretary of State which must be attached
- Default – Conditions prescribed in regulations made by the Secretary of State which will be attached unless specifically excluded by the Licensing Authority
- Conditions attached by the Licensing Authority

15.2 Any conditions imposed by the Licensing Authority will be appropriate, proportionate and will be:

- relevant to the need to make the proposed building suitable as a gambling facility
- directly related to the premises and the type of licence applied for
- fairly and reasonably related to the scale and type of premises
- reasonable in all other respects

15.3 Applicants are encouraged to offer their own suggested conditions to demonstrate how the Licensing Objectives can be met.

15.4 There are conditions which the Licensing Authority cannot attach to premises licences which are:

- any condition which makes it impossible to comply with an operating licence condition
- conditions relating to gaming machine categories, numbers, or method of operation
- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs)
- conditions in relation to stakes, fees, winnings or prizes

15.5 Where a condition is attached to a premises licence requiring door supervisors, the Licensing Authority will normally require those door supervisors to be Security Industry Authority (SIA) registered.

15.6 Door supervisors employed in house at casinos or bingo premises are exempt from being registered by the SIA but the Licensing Authority considers that it is best

practice for door supervisors working at casinos or bingo premises to have SIA training or similar. The Licensing Authority will also expect door supervisors employed at casinos or bingo premises to have a clear Disclosure and Barring check over the previous three years prior to their employment at the casino or bingo premises.

16 Primary Gambling Activity

16.1 The primary activity of each premises licence type is specified on the premises licence when it is issued. Section 150 of the Gambling Act 2005 authorises the provision of gambling facilities for the following types of premises licences:

- Casino premises
- Bingo premises
- Betting premises, including tracks and premises used by betting intermediaries
- Adult gaming centre premises (for category C and D machines)
- Family entertainment centre premises (for category C and D machines) (note that, separate to this category, the Licensing Authority may issue family entertainment centre gaming machine permits, which authorise the use of category D machines only).

16.2 In betting premises the primary activity will be betting, with gaming machines as an ancillary offer on the premises. The Commission have provided information relating to the primary gambling activity. This guidance sets out the requirements on the operator to ensure that their premises operate within the terms of the Act and the relevant conditions. It should be noted that the Act does not permit a premises to be licensed for more than one gambling activity.

16.3 The Licensing Authority will take decisions in accordance with the Commission's guidance and codes of practice on primary gambling activity, and will have regard to the advice which it issues from time to time, and will expect applicants to operate premises in line with the Commissions Guidance and conditions on their operator licence. The Licensing Authority will monitor the operation of premises and report any potential breach of operating licence conditions to the Commission. Applications for new premises licences, or to vary an existing licence, will be expected to be clear that the premises are intended to be used for the primary gambling activity proposed. For example a betting (other) premises licence application that only has 4 gaming machines but no betting counter or associated betting facilities shown on the proposed plans, will not be considered as offering the primary gambling activity in accordance with that indicated on the application.

17 Buildings divided into more than one premises

17.1 The Guidance states that a building can, in principle, be divided into more than one premises, and subject to more than one premises licence provided they are for different parts of the building, and the different parts of the building can be reasonably regarded as being different premises. An example is given of the units within a shopping mall, where each unit is a separate self-contained premises that is contained within one building. It is also possible for licensed premises to be located next to each other. The Licensing Authority will follow this guidance.

- 17.2 Whether different parts of a building can be reasonably regarded as different premises will depend on the circumstances of the individual building and how any division is proposed. To agree to accept applications to grant or vary a licence for a building which has been divided, the Licensing Authority will need to be satisfied that the different premises are genuinely separate premises, and not an artificially created part of what is readily identifiable as a single premises.
- 17.3 In considering whether different areas of a building are genuinely separate premises the Licensing Authority will take into account factors which will include:
- whether there are separate registrations for business rates in place for the premises
 - whether the premises are owned or operated by the same person
 - whether the premises are operated independently of each other

18 Separation of premises within a single building

- 18.1 When considering proposals to divide a building into genuinely separate premises the Licensing Authority will also need to be satisfied that the form of separation between the premises is appropriate.
- 18.2 The separation between one premises and another must be clearly defined. Any barrier used to separate one premises from another must be permanent and constructed so the public cannot go from one premises to another. The Licensing Authority would not, for example, be likely to consider that separation of areas of a building by ropes, or by low level, or moveable partitions to be appropriate.
- 18.3 It may be acceptable for staff working in adjacent premises to have access through barriers between premises to enable them access one premises from the other. The applicant must demonstrate that in providing this staff access there are suitable control measures in place that will ensure the safety and security of staff and that will effectively prevent the public from using the same access point to enter the other premises.

19 Access to premises

- 19.1 The Gambling Act 2005 (Mandatory and Default Conditions) Regulations 2007 restrict access to different types of licensed gambling premises. In considering proposals to divide a building into different premises the Licensing Authority will have to be satisfied that proposals to divide buildings are compatible with the mandatory conditions which relate to access between premises.
- 19.2 The requirement and restrictions relating to access are set out in paragraph 7.26 of the Commission's Guidance. In certain circumstances customers are restricted from accessing different types of gambling premises directly from other licensed premises.
- 19.3 The Guidance at paragraph 7.25 states 'There is no definition of "direct access" in the Act or regulations. However, it could be said that there should be an area separating the premises concerned (for example a street or café), which the public go to for purposes other than gambling, for there to be shown to be no direct access.'

- 19.4 It is the Licensing Authority's opinion that any area which separates licensed premises, and from which those premises can be accessed, must be genuinely separate premises which are habitually and actually used by members of the public other than those using the licensed premises.
- 19.5 The Licensing Authority does not consider that provisions which prohibit direct access between licensed premises are satisfied where licensed premises are separated by an area created artificially within a building principally for members of the public attending the licensed premises, irrespective of whether this area is unlicensed or provides non-gambling facilities, for example refreshments or ATMs.
- 19.6 Where the Licensing Authority is satisfied that a building can be divided into separate premises and properly satisfy the statutory provisions, the Licensing Authority will expect applicants to ensure that:
- Premises are configured so that children are not invited to participate in, have accidental access to, or closely observe gambling to which they are prohibited from taking part
 - Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not 'drift' into a gambling area. In this context it should be possible to access the premises without going through another licensed premises or premises with a permit
 - Customers should be able to participate in the activity named on the premises licence

This is not an exhaustive list and the Licensing Authority will consider other aspects based on the merits of the application.

20 Provisional Statements

- 20.1 An applicant may apply for a provisional statement in respect of premises expected to be constructed, altered or acquired.
- 20.2 Applications for provisional statements will be dealt with in a similar manner to applications for a premises licence.
- 20.3 Where a provisional statement is granted and an application subsequently made for a premises licence, the Licensing Authority will disregard any representations made which address matters that could have been addressed when the provisional statement was considered unless there has been a change of circumstances.
- 20.4 A premises licence will be granted in the same terms as the provisional statement unless
- representations are received which address matters that could not have been addressed when the provisional statement was considered
 - there has been a change of circumstances
 - the premises have been constructed or altered otherwise than in accordance with the plans and information included with the application for the provisional statement

21 Reviews of Licences

- 21.1 Requests for a review of a premises licence can be made by interested parties or responsible authorities, including the Licensing Authority. However, it is for the Licensing Authority to decide whether the review is to be carried out. This will be on the basis of whether the request for the review is relevant to the matters listed below:
- any relevant code of practice issued by the Gambling Commission
 - any relevant guidance issued by the Gambling Commission
 - the Licensing Objectives
 - the Licensing Authority's Statement of Principles
- 21.2 The Licensing Authority may reject an application for review if it thinks that the grounds on which the review is sought:
- are not relevant to the relevant code of practice or guidance issued by the Gambling Commission, the Licensing Objectives or the Licensing Authority's Statement of Principles
 - are frivolous
 - are vexatious
 - 'will certainly not' cause the Licensing Authority to revoke or suspend the licence or to remove, amend or attach conditions on the premises licence
 - are substantially the same as grounds cited in a previous application relating to the same premises (the Licensing Authority will consider the length of time that has passed since the earlier application in deciding whether this is a reasonable reason to reject the review application)
 - are substantially the same as representations made at the time the application for the premises licence was considered. While the licensing authority will consider the length of time that has passed since the representations were made, it will not normally review a licence on the basis of the same arguments considered on the grant of the premises licence
- 21.3 General objections to gambling as an activity are not likely to be considered relevant reasons for a review. Other examples of irrelevant considerations include demand for gambling premises, issues relating to planning, public safety and traffic congestion.
- 21.4 The Licensing Authority itself, as a responsible authority can initiate a review of a particular premises licence, or any particular class of premises licence, for any reason which it thinks is appropriate. This includes reviewing a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them, or to ensure that the principle of primary use is applied.
- 21.5 The Licensing Authority may review any matter connected with the use made of a particular premises if it has reason to believe that the premises licence conditions are not being observed, or for any other reason which gives it cause to believe a review may be appropriate.

- 21.6 A responsible authority or interested party may apply to the Licensing Authority to review a premises licence. Such reviews can be made in relation to, amongst other things:
- if there are repeated incidents of crime and disorder associated with the premises or the gambling activity which the premises operator has failed to adequately address
 - where incidents that have adversely affected one or more Licensing Objectives have occurred at a premises that could have been prevented if advice and guidance from a responsible authority had been heeded
 - if the premises due to the activities being undertaken is either attracting children or people likely to be involved in crime and disorder
- 21.7 As a review of a premises licence can lead to its revocation the Licensing Authority will consider whether informal actions to ensure timely or immediate compliance have been exhausted prior to an application being made. The Licensing Authority accepts that an application for review may be appropriate without informal measures being taken, but will seek to establish that all options have been considered in determining review applications.

22 Permits

- 22.1 Permits regulate gambling and the use of gaming machines in a premises which does not hold a premises licence. They are required when a premises provides gambling facilities but either the stakes are very low or gambling is not the main function of the premises.
- 22.2 The Licensing Authority is responsible for issuing the following permits:
- alcohol licensed premises gaming machine permits
 - club gaming permits and club machine permit
 - prize gaming permits
 - unlicensed family entertainment centre gaming machine permits
- 22.3 The Licensing Authority can only grant or reject an application for a permit and cannot attach conditions. Therefore, the Licensing Authority will consider a number of factors before determining an application for a permit to ensure that the permit holder and the premises are suitable for the proposed gambling activities.

23 (Alcohol) Licensed Premises Gaming Machine Permits

- 23.1 Premises licensed to sell alcohol are automatically entitled to have 2 gaming machines of categories C or D provided that:
- the requisite notice has been served on the Licensing Authority
 - the appropriate fee has been paid
 - any code of practice relating to the location and operation of gaming machines is complied with
- 23.2 The Licensing Authority can remove the automatic authorisation if:

- provision of the machines is not reasonably consistent with the pursuit of the Licensing Objectives
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with)
- the premises are mainly used for gaming
- an offence under the Gambling Act has been committed on the premises

23.3 If a licensed premises wishes to have more than 2 machines, then a permit is required.

23.4 The Licensing Authority must take account of the Licensing Objectives and any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005 when considering an application for a permit. The Licensing Authority may also consider such matters as it thinks are relevant. Such matters will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from being harmed or exploited by gambling.

23.5 The Licensing Authority will expect the applicant to demonstrate that there will be sufficient measures to ensure that children and young people do not have access to the adult only gaming machines. Such measures may include notices and signage, adult machines being in sight of the bar or in sight of staff that will monitor that the machines are not being used by those under 18. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as GamCare, Gamblers Anonymous, the Gordon House Association, National Debtline, local Citizens Advice Bureau, and any other relevant and independent advice agencies.

23.6 It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.

23.7 The Licensing Authority may decide to grant an application with a smaller number of machines and/or a different category of machines than that applied for. No other conditions can be attached to the permit.

23.8 The holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machines.

24 Club Gaming and Club Machines Permits

24.1 Members clubs and Miners' welfare institutes (but not commercial clubs) may apply for a club gaming permit or a club machine permit. Commercial clubs may apply for a club machine permit. The club gaming permit will enable the premises to provide gaming machines (three machines of categories B, C or D), equal chance gaming, and games of chance as set out in regulations. A club machine permit will enable the premises to provide gaming machines (three machines of categories B4, C or D).

24.2 A club must meet the following criteria to be considered a members' club:

- It must have at least 25 members
- It must be established and conducted wholly or mainly for purposes other than gaming (unless the gaming is permitted by separate regulations)
- It must be permanent in nature
- It must not be established to make a commercial profit
- It must be controlled by its members equally

Examples of these include working men's clubs, branches of the Royal British Legion and clubs with political affiliations.

24.3 The Licensing Authority may only refuse an application on the grounds that:

- the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied
- the applicant's premises are used wholly or mainly by children and/or young persons
- an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities
- a permit held by the applicant has been cancelled in the previous ten years
- an objection has been lodged by the Gambling Commission or the Police

24.4 There is also a 'fast-track' procedure available under the Act for premises which hold a club premises certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). Under the fast-track procedure there is no opportunity for objections to be made by the Gambling Commission or the Police, and the grounds upon which a Licensing Authority can refuse a permit are reduced. The grounds on which an application under this process may be refused are:

- that the club is established primarily for gaming, other than gaming prescribed under schedule 12
- that in addition to the prescribed gaming, the applicant provides facilities for other gaming
- that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled

24.5 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

25 Prize Gaming Permits

25.1 Gaming is prize gaming if the prize is not affected by the number of people playing or the amount paid for or raised by the gaming. Prize gaming may take place without a permit in various premises. These are casinos, bingo halls, adult gaming centres, licensed and unlicensed family entertainment centres and travelling fairs.

- 25.2 In exercising its functions in respect of prize gaming permits, the Licensing Authority need not, but may, have regard to the Licensing Objectives and must have regard to any guidance issued by the Gambling Commission.
- 25.3 It should be noted that there are conditions in the Act with which the permit holder must comply, but that the Licensing Authority cannot attach conditions. The conditions in the Act are:
- the limits on participation fees, as set out in regulations, must be complied with
 - all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day
 - the game must be played and completed on the day the chances are allocated and the result of the game must be made public in the premises on the day that it is played
 - the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize)
 - participation in the gaming must not entitle the player to take part in any other gambling
- 25.4 The Licensing Authority cannot attach any other conditions to this type of permit.
- 25.5 During the application process, the applicant will be expected to set out the types of gaming that they are intending to offer and will also be expected to demonstrate:
- an understanding of the limits to stakes and prizes set out in regulations
 - That the gaming offered is within the law
 - Clear policies that outline the steps to be taken to protect children from harm
- 25.6 The Licensing Authority will only grant a permit after consultation with the Chief Officer of Police. This will enable the Licensing Authority to determine the suitability of the applicant in terms of any convictions that they may have that would make them unsuitable to operate prize gaming, the suitability of the premises in relation to their location, and issues about disorder.
- 25.7 Given that the prize gaming will particularly appeal to children and young persons, the licensing authority will give weight to child protection issues.

26 Unlicensed Family Entertainment Centre (uFEC) Gaming Machine Permits

- 26.1 Where Category D gaming machines are to be provided at premises which do not have a premises licence but will be wholly or mainly used for making Category D gaming machines available for use, an application may be made for a permit.
- 26.2 A uFEC can form a part of larger premises provided it is separate and identifiable.
- 26.3 In exercising its functions in respect of uFEC permits, the Licensing Authority need not, but may have regard to the licensing objectives and must have regard to any guidance issued by the Gambling Commission.
- 26.4 The Licensing Authority cannot attach conditions to this type of permit but will consider the following matters in determining the suitability of an applicant for a permit.

26.5 Applicants will be expected to show that there are policies and procedures in place to protect children from harm. These may include appropriate measures and training for staff in dealing with:

- Suspected truant school children on the premises
- Unsupervised young children on the premises
- Children causing problems on or around the premises

26.6 Applicants will be expected to demonstrate a full understanding of the maximum stakes and prizes of the gambling that is permissible in uFECs and that staff are trained to have a full understanding of the maximum stakes and prizes.

26.7 Applicants will be required to demonstrate that they have no relevant convictions as set out in Schedule 7 of the Act.

26.8 The Licensing Authority will not normally grant a uFEC permit for premises that are located close to schools.

27 Temporary Use Notices

27.1 Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for gambling would include hotels, conference centres and sporting venues.

27.2 The Licensing Authority can only grant a Temporary Use Notice to a person or a company holding a relevant operating licence.

27.3 Currently, Temporary Use Notices can only be used to permit the provision of facilities for equal chance gaming, where the gaming is intended to produce a single overall winner.

27.4 The Licensing Authority will object to temporary use notices where it appears that they are being used to permit regular gambling in a set of premises.

27.5 A set of premises may not be the subject of temporary use notices for more than 21 days within a 12 month period.

27.6 In determining whether a place falls within the definition of a 'set of premises' the Licensing Authority will take into consideration ownership/occupation and control of the premises. For example, a large exhibition centre will normally be regarded as one set of premises and will not be allowed separate temporary use notices for each of its exhibition halls. Individual units in a shopping centre may be regarded as different sets of premises if they are occupied and controlled by different people.

28 Occasional Use Notices

28.1 The Licensing Authority has little discretion but to accept occasional use notice at 'tracks'. However the Licensing Authority must ensure that the statutory limit of 8 days in a calendar year is not exceeded. The Licensing Authority will, however, consider the definition of a 'track'. The applicant will also need to demonstrate that

they are responsible for the administration of the 'track' or is an occupier, and therefore permitted to make use of the notice. It should be noted that the definition of track in the Act is wider than dog tracks or horse racecourses and includes places where races or other sporting events take place. This could include major halls, hotels and other venues in Cheshire East. If notices are given for a single track which would permit betting to occur for more than 8 days per year the Licensing Authority has an obligation to issue a counter notice preventing such a breach occurring.

- 28.2 Where betting takes place on a track on eight days or less in a calendar year, betting may be permitted by an occasional use notice without the need for a full premises licence.
- 28.3 A track includes a horse racing course, a dog track or any other premises on any part of which a race or other sporting event takes place or is intended to take place. This could include, for example, agricultural land upon which a point-to-point meeting takes place. The track need not be a permanent fixture. Those giving occasional use notices will be expected to demonstrate that the premises fall within the definition of a track.

29 Travelling Fairs

- 29.1 The Act defines a travelling fair as 'wholly or principally' providing amusements and they must be on a site that has been used for fairs for no more than 27 days per calendar year. Travelling fairs do not require a permit to provide gaming machines but must comply with legal requirements about the way the machines are operated.
- 29.2 It will fall to the Licensing Authority to decide whether, where category D machines and/ or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.
- 29.3 The Licensing Authority will also consider whether the applicant falls within the statutory definition of a travelling fair. The Licensing Authority notes the 27 day statutory maximum for the land being used as a fair each calendar year applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The Licensing Authority will monitor any travelling fairs that take place in Cheshire East that offer gambling as an ancillary use to the fair through liaison with the Event Safety Advisory Group. The Licensing Authority will ensure that the 27 day statutory maximum for the land being used is not breached. The Licensing Authority will advise travelling fair operators if requested of the statutory time period remaining for the land they intend to use.

30 Small Society Lotteries

- 30.1 The Licensing Authority is responsible for the registration of small society lotteries.
- 30.2 A society is a non-commercial organisation established and conducted:
- for charitable purposes
 - for the purpose of enabling participation in, or of supporting sport, athletics or a cultural activity

- for any other non-commercial purpose other than that of private gain and the proceeds of any lottery must be devoted to those purposes
- 30.3 The total value of tickets to be put on sale per single lottery must be £20,000 or less or the aggregate value of tickets to be put on sale for all lotteries in a calendar year must not exceed £250,000. If either of these values is exceeded, the society will need to be licensed by the Gambling Commission to operate large lotteries.
- 30.4 Applications for registration must be made in accordance with the Small Society Lotteries (Registration of Non-Commercial Societies) Regulations 2007.
- 30.5 An application may be refused on the following grounds:
- An operating licence held by the applicant for registration has been revoked or an application for an operating licence by the applicant for registration has been refused within the past 5 years
 - The applicant is not a non-commercial society
 - A person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence
 - Information provided in or with the application for registration is found to be false or misleading
- 30.6 Registrations run for an unlimited period, unless the registration is cancelled or revoked.
- 30.7 The limits placed on small society lotteries are as follows:
- At least 20% of the lottery proceeds must be applied to the purposes of the society
 - No single prize may be worth more than £25,000
 - Rollovers between lotteries are only permitted where every lottery affected is also a small society lottery promoted by the same society and the maximum single prize is £25,000
 - Every ticket in the lottery must cost the same and the society must take payment for the ticket before entry into the draw is allowed
- 30.8 No later than three months after each lottery draw, returns must be sent to the Licensing Authority containing the following information:
- The arrangements for the lottery
 - The total proceeds of the lottery
 - The amounts deducted for prizes
 - The amounts deducted for expenses
 - The amount applied to the purposes of the society
 - Whether any expenses incurred in connection with the lottery were not paid for by deduction from the proceeds and, if so, the amount of such expenses and the sources from which they were paid

31 Exchange of Information

- 31.1 The Licensing Authority will act in accordance with the provisions of Section 350 of the Act in its exchange of information with the Gambling Commission; this includes

a provision that the Data Protection Act 1998 will not be contravened. The Licensing Authority will also have regard to Guidance issued by the Gambling Commission to Local Authorities on this matter, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Act.

32 Enforcement

32.1 The Licensing Authority will operate within the principles of natural justice and take into account the Human Rights Act 1998. It will have regard to Commission Guidance and will endeavour to avoid unnecessary duplication with other regulatory regimes as far as possible and to be:

- Proportionate: only intervening when necessary and remedies will be appropriate to the risk posed, and costs identified and minimised
- Accountable: able to justify its decisions, and be subject to public scrutiny
- Consistent: implementing rules and standards fairly in a joined-up way
- Transparent: open, and keep conditions placed on premises licences simple and user friendly
- Targeted: focusing on the problems, and aiming to minimise the side effects

32.2 The main enforcement and compliance role for the Licensing Authority is to ensure compliance with the premises licences and other permissions which it grants itself. The Gambling Commission will be the enforcement body for operating licences and personal licences. Similarly, concerns about manufacture, supply or repair of gaming machines will not be dealt with by the Licensing Authority, but the Licensing Authority will be alert to the way premises are operated and will notify the Gambling Commission if it becomes aware of matters of concern in the operation of the premises.

32.3 The Licensing Authority will comply with its own enforcement policies which will be available on request.

33 Scheme of Delegation

33.1 The Licensing Committee has delegated certain decisions and functions and has established a Sub-Committee to deal with them.

33.2 Many of the decisions and functions will be purely administrative in nature and the grant of non-contentious applications, including for example those licences and permits where no representations have been made, will be delegated to Licensing Authority Officers. The table shown at Appendix 5 sets out the agreed delegation of decisions and functions to the Licensing Committee, Sub-Committee and Officers. This form of delegation is without prejudice to Officers referring an application to a Sub-Committee or Full Committee if considered appropriate in the circumstances of any particular case.

34 Definitions of Gambling Activities

Adult Gaming Centres

Adult gaming centres (AGCs) are a category of gambling premises contained within the Act. Persons operating an AGC must hold a gaming machines general operating licence from the Commission and must seek a premises licence from the licensing authority. The

holder of an adult gaming centre premises licence may make available for use up to four category B3 or B4 machines, any number of category C or D machines.

Amusement arcades

These are not referred to as such in the Act. See Adult Gaming Centres and licensed and unlicensed family entertainment centres.

Betting

Betting means making or accepting a bet on the outcome of a race, competition, or any other event; the likelihood of anything occurring or not occurring; or whether anything is true or not true.

Bingo

Bingo has no statutory definition in the Act. It has its ordinary and natural meaning. The distinction between cash bingo, where cash prizes are derived from the stakes, and prize bingo, where prizes were not directly related to the stakes paid, under the previous legislation has been removed for commercial operators, and the holder of a bingo operating licence will be able to offer any type of bingo game, whether cash or prize. That means that premises with a bingo premises licence, or a casino premises licence (where the operator holds a bingo as well as a casino operating licence), will be able to offer bingo in all its forms. So too will alcohol-licensed premises, club and miners' welfare institutes (up to a total weekly prize value of less than £2,000).

Prize bingo is traditionally played in arcades, or travelling funfairs. For these operators, prize bingo is subsumed within the allowances for prize gaming in the Act. This means that adult gaming centres, both licensed and unlicensed family entertainment centres, travelling fairs, and any premises with a prize gaming permit will be able to offer prize gaming, which includes prize bingo. There will be Government Regulations issued setting the prize limits.

Casino

'An arrangement' whereby people can participate in one or more casino games.

Casino Games

Games of chance not being equal chance gaming ie games in which players stake against a 'bank'.

Equal chance gaming

This is a game where the chances of winning are equally favourable to all participants, and which does not involve playing or staking against a "bank". It is immaterial how the 'bank' is described and whether or not it is controlled by a player.

Exempt activities

Private betting is betting which takes place between inhabitants of the same premises or between employees of the same employer.

Private gaming (which is gaming that takes place in private dwellings and on domestic occasions) is exempt from licensing or registration providing that no charge is made for participating; only equal chance gaming takes place; and it does not occur in a place to which the public have access.

Non commercial Gambling is when no part of the proceeds/profits will be for private gain. The proceeds/profits are the sums raised by the organisers, for example, by way of fees for entrance or participation, or by way of stakes, minus an amount deducted by the

organiser in respect of costs reasonably incurred in organising the event including the provision of a prize. The following conditions would also have to apply:

- The profits will be for a purpose other than that for private gain;
- The players are informed that the purpose of the gaming is to raise money for a specified purpose other than that of private gain;
- The event must NOT take place in premises which either have a premises licence or on premises relying on a temporary use notice under the new act;
- The gaming must not be remote.

Any Regulations made by the Secretary of State will need to be complied with and will include for example regulations limiting the amounts staked and limiting participation fees. If the profits from the activity used for a purpose other than that which was specified, an offence would be committed.

Gambling

Gambling is defined as either gaming, betting or participating in a lottery.

Games of chance

Includes games that involve elements of both chance and skill. This includes games in which skill can eliminate an element of chance and includes games that are presented as involving an element of chance. It does not include a sport. Playing a game of chance need not involve other participants.

Gaming

Gaming means playing a game of chance for a prize

Gaming machines – Categories

The table at appendix 2 sets out the different categories with the maximum stakes and prizes that apply.

Gaming Machines by Premises Type

The table at appendix 3 sets out the different automatic entitlements at each type of premises.

Fixed Odds Betting Terminals

Fixed odds betting terminals (FOBTs) are electronic machines, sited in betting shops, which contain a variety of games, including roulette. Each machine accepts bets for amounts up to a pre-set maximum and pays out according to fixed odds on the simulated outcomes of games.

The Act classifies FOBTs as B2 gaming machines. Up to four machines can be sited on betting premises. The maximum stake on a single bet is £100, the maximum prize is £500.

Licensed Family Entertainment Centres

These premises require operating licences from the Gambling Commission. They will be able to offer gaming machines in categories C and D. Gaming machines are a form of gambling which is attractive to children and Licensed Family Entertainment Centres may contain machines of the Category D machines on which they are allowed to play as well as category C which they are not permitted to play on.

Lottery

A lottery is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process which relies wholly on chance.

Operating Licence

The Act requires that individuals or companies who intend to provide facilities for certain types of gambling must obtain an operating licence from the Gambling Commission. In general, these licences cover the principal commercial forms of gambling operation. Operating licences may be issued for the following forms of gambling:

- A casino operating licence
- A bingo operating licence
- A general betting operating licence
- A pool betting operating licence
- A betting intermediary operating licence
- A gaming machine general operating licence (for an adult gaming centre)
- A gaming machine general operating licence (for a family entertainment centre)
- A gaming machine technical operating licence (to manufacture, supply, install, adapt, maintain or repair a gaming machine or part of a gaming machine)
- A gambling software operating licence (to manufacture, supply, install or adapt gambling software)
- A lottery operating licence

Premises Licence

A premises licence issued by a Licensing Authority authorises the provision of facilities on casino premises, bingo premises, betting premises, including tracks, adult gaming centres and family entertainment centres.

Track

A horse-race course, dog track or other premises on any part of which a race or other sporting event takes place or is intended to take place.

Unlicensed Family Entertainment Centres

These premises can provide category D machines providing prizes of up to £5 cash or £8 in goods. Stakes are limited to 10p (or 30p for a goods prize). They can also offer prize bingo.

35 Glossary of Terms

Act:	The Gambling Act 2005
Adult:	Means an individual who is not a child or young person
Applications:	Applications for licences and permits as defined separately in this Policy and the Guidance.
Borough:	The area of Cheshire administered by Cheshire East Borough Council
Child and Young Person:	The Act includes the definition of a child at S.45 as: Meaning of “child” and “young person” (1) In this Act “child” means an individual who is less than 16 years

old

(2) In the Act “young person” means an individual who is not a child but who is less than 18 years old.

Code of Practice:	Means any relevant code of practice under section 24 of the Gambling Act 2005
Council:	Cheshire East Council
Default Condition:	Means a specified condition provided by regulations to be attached to a licence, unless excluded by Cheshire East Council
GamCare:	GamCare is a leading provider of information, advice, support and free counselling for the prevention and treatment of problem gambling. GamCare is a national charity and was founded in 1997.
Guidance:	The Gambling Commission under section 25 of the Act are required to issue guidance on the manner in which local authorities are to exercise their functions under the Act, in particular, the principles to be applied by local authorities in exercising their functions under the Act.
Interested Party:	Interested parties are defined under section 158 of the Act. To accept a representation from an interested party, the council must take the view that the person: (a) lives sufficiently close to the premises to be likely to be affected by the authorised activities, (b) has business interests that might be affected by the authorised activities (c) represents persons in either of these groups. Interested parties can also be a councillor or an MP
Licensing Authority:	Cheshire East Council
Licensing Objectives:	The Act contains three licensing objectives which underpin the functions that the licensing authorities will perform 1. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime 2. Ensuring that gambling is conducted in a fair and open way 3. Protecting children and other vulnerable persons from being harmed or exploited by gambling
Mandatory Condition:	Means a specified condition provided by regulations to be attached to a licence
NatCen:	National Centre for Social Research. Conducted the British Gambling Prevalence Surveys of 1999, 2007 and 2010 on behalf of the Gambling Commission

Notifications:	Means notification of temporary or occasional use notices
Premises:	Any place, including a vehicle, vessel or moveable structure
Regulations:	Regulations made under the Gambling Act 2005
Representations:	In dealing with applications the Council is obliged to consider representations from two categories of person, referred to in the Act as interested parties and responsible authorities.
Responsible Authority:	<p>Responsible authorities are public bodies that must be notified of applications and that are entitled to make representations to the Licensing Authority in relation to applications for, and in relation to, premises licences. All representations made by responsible authorities are likely to be relevant representations if they relate to the licensing objectives.</p> <p>Section 157 of the Act identifies the bodies that are to be treated as responsible authorities.</p> <p>They are:</p> <ul style="list-style-type: none">(a) a licensing authority in England and Wales in whose area the premises is wholly or partly situated(b) the Gambling Commission(c) the chief officer of police or chief constable for the area in which the premises is wholly or partially situated(d) the fire and rescue authority for the same area(e) (i) in England and Wales, the local planning authority, or(ii) in Scotland, the planning authority(f) the relevant authority as defined in section 6 of the Fire (Scotland) Act 2005(g) an authority which has functions in relation to pollution to the environment or harm to human health(h) anybody, designated in writing by the licensing authority as competent to advise about the protection of children from harm(i) HM Revenue & Customs(j) any other person prescribed in regulations by the Secretary of State.

Cheshire East – Area Profile (spring 2015)

Introduction

Cheshire East is the third biggest unitary authority in the North West and the thirteenth largest in the country. It therefore has a wide breadth of social grades, age profiles and ranges of affluence. There is a clear link between these measures and the likelihood of a person gambling. It also needs to be acknowledged that there are clear differences between the type of person who gambles responsibly and the type who is identified as a problem gambler. This profile will therefore concentrate on the measures that can contribute to gambling and problem gambling.



People

Cheshire East has an estimated population of 372,700¹, the population density is 3.2 residents per hectare², making Cheshire East less densely populated than the North West (5.0 per hectare) and England (4.1 per hectare).

Between the 2001 and 2011 Census, the median age of residents has increased from 40.6 years to 43.6 years³. Between the same years, the number of over 65s has increased by 11,700 residents or 26%, which is a greater increase than the North West (15%) and England & Wales (20%).

¹ 2013 Mid-year population estimates, Office for National Statistics, NOMIS, Crown Copyright

² 2011 Mid-year population estimates and UK Standard Area Measurements (SAM) 2011, Office for National Statistics, Crown Copyright

³ 2001 and 2011 Census, Office for National Statistics, Crown Copyright

From 2011 to 2021 the population is expected to increase by 15,700 people (4.2%) to 385,800, a greater increase than the North West (3.7%) but less than England (7.5%)⁴. The number of children (aged 0-14) is estimated to increase by 4%, with a slight decrease (-2%) in those of working age (15-64). The number of residents over the age of 65 is expected to increase substantially by 19%, however this increase is similar to England (20% increase). Caution should be exercised when using any predictions about the future population, as they assume trends in recent years will continue into future years.

Figure 1: Proportion of residents by broad age groups – change over 20 years⁵



Economy

Cheshire East contains 5.1% of the North West region's working-age residents⁶, but accounts for an even greater share (5.7%) of the region's employees⁷. In terms of economic output, its contribution is much greater still, at 6.9%⁸.

The proportion of working age residents who are claiming job seekers allowance benefit is low (1.0%) when compared to the North West (2.0%) and England (1.9%) averages⁹. Within Cheshire East there are large disparities – from 0.1% in Adlington & Prestbury to 2.7% in West Coppenhall and Grosvenor. If all out-of-work benefits are included rather than just those actively seeking work, 7.8% of residents of working age receive an out-of-work benefit¹⁰, ranging from 1.4% in

⁴ 2012 Sub-National Population Projections, Office for National Statistics, Crown Copyright

⁵ 2001 and 2011 Census, Office for National Statistics, Crown Copyright & 2012 Sub-National Population Projections, Office for National Statistics, Crown Copyright

⁶ 2013 Mid-year population estimates, Office for National Statistics, Crown Copyright

⁷ 2013 Business Register and Employment Survey, Office for National Statistics, Crown Copyright

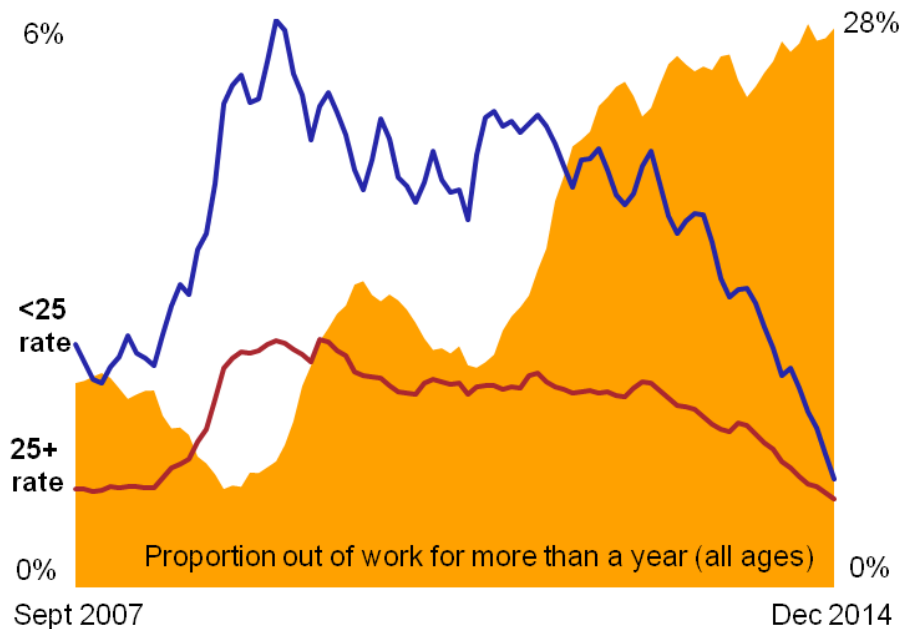
⁸ Regional GVA NUTS3 (1997-2013), Table 3.1, Regional Gross Value Added (Income Approach), Office for National Statistics

⁹ December 2014, JSA Claimant Count, DWP and 2013 mid-year estimates, Office for National Statistics, NOMIS, Crown Copyright

¹⁰ Out-of-work benefits, 4 quarter average July 2013 – June 2014, Department for Work and Pensions. Calculations consistent with NI 152/153

Macclesfield Town Tytherington to more than one in four residents of working age (26.5%) in East Coppenhall, Crewe.

Figure 2: Job Seekers Allowance claimants (unemployment) for young people (under 25) and others (over 25), with the proportion of people of all ages claiming for more than one year¹¹



Average (median) household income levels are high (£33,000) compared to Great Britain (£28,500)¹². However, there is a considerable range of average household income levels at ward level, from £18,800 in Crewe St Barnabas ward to £56,900 in Prestbury. Across Cheshire East there are 16 of 231 statistical areas (LSOAs)¹³ which are within the top 20% of most deprived areas in England (figure 3), affecting 28,800 or 7.7% of Cheshire East's population¹⁴. 11 of these areas are in Crewe, with 2 in Wilmslow/Handforth, 2 in Macclesfield and 1 in Congleton. Overall, relative deprivation levels were worse in 2010 than 2007, as only 14 areas were within the top 20% of most deprived areas.

Acorn data is socio-economic data that analyses the residents and places them in classifications, depending on various factors such as demographics, affluence and spending habits. There are seventeen Acorn groups, with the 'Executive Wealth' group being the largest in Cheshire East (27%) a considerably higher proportion than the UK average (12%). There are also approximately five times more residents in the 'lavish lifestyles' groups within Cheshire East compared to the UK, although this group constitutes a small proportion of all Cheshire East's residents (6%).

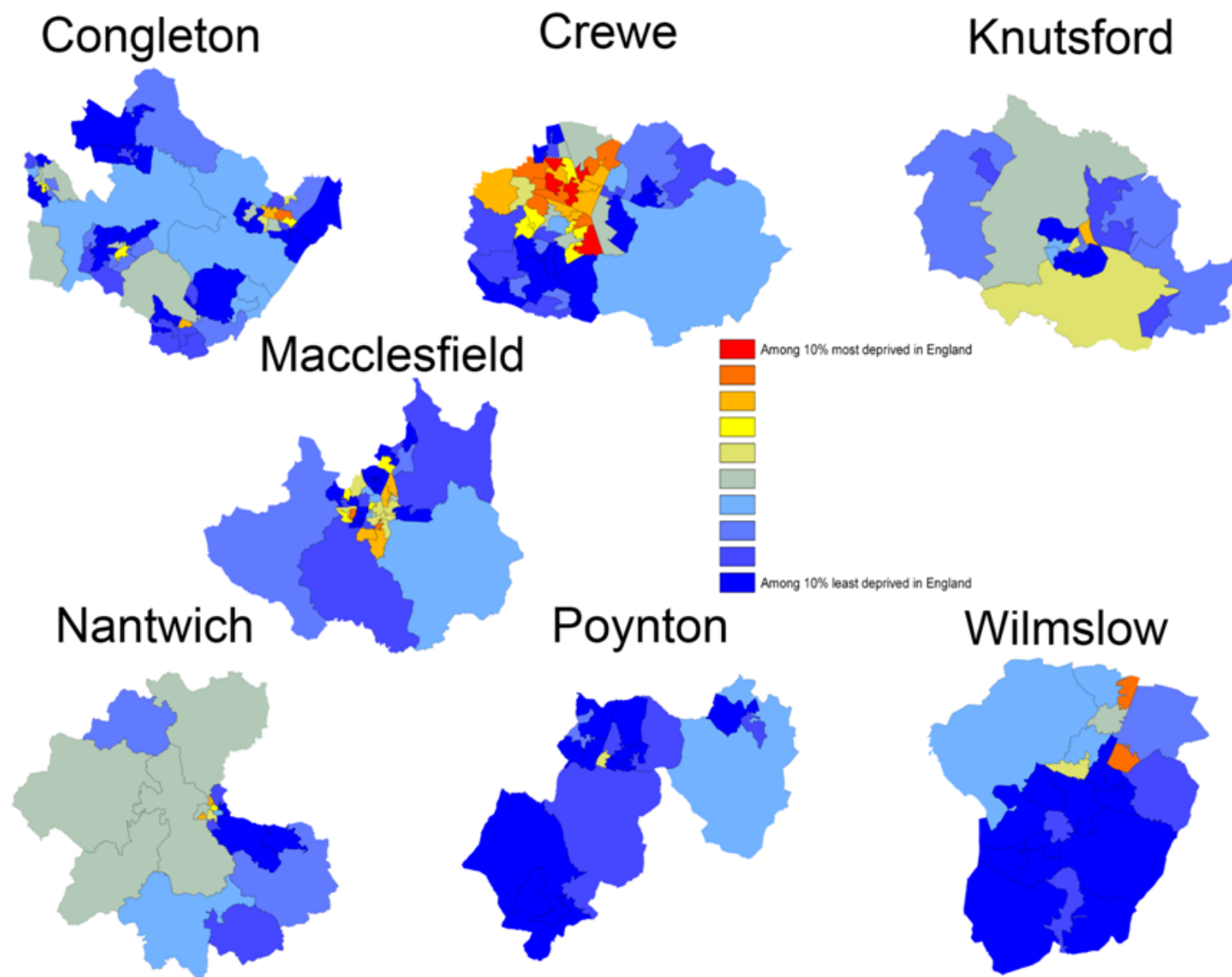
¹¹ December 2014, JSA Claimant Count, DWP and 2013 mid-year estimates, Office for National Statistics, NOMIS, Crown Copyright

¹² 2013/14 Paycheck, CACI Ltd. Figures are median values

¹³ Lower Super Output Areas

¹⁴ Indices of Deprivation 2007 and 2010, Department for Communities and Local Government with mid-year population estimates, 2013, Office for National Statistics

Figure 3 Deprivation by LAP, Index of Multiple Deprivation 2010



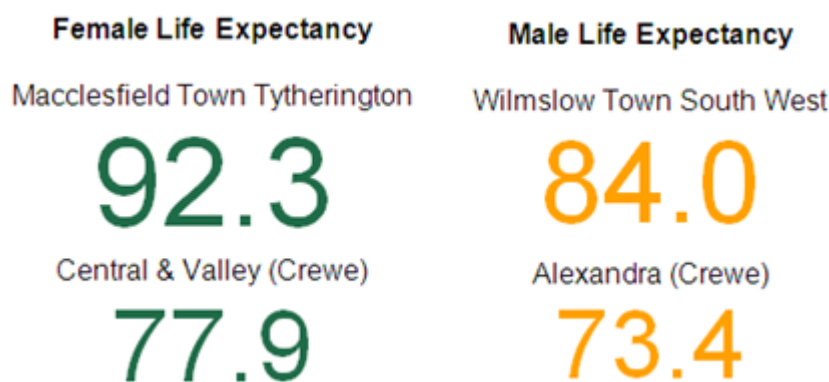
Health

In the 2011 Census, 17.5% of residents reported they had a long term problem or disability which limited their day to day activities, an increase from 16.7% in 2001¹⁵. In a recent survey of the Council's Citizens Panel, 74% of respondents described their general health as 'good or very good' and 5% described it as 'bad or very bad'¹⁶.

Life expectancy (LE) in Cheshire East is higher than regional (North West) and the national (England & Wales) averages. LE at birth for females is 83.6 years, compared to 81.8 years in the North-West and 83.1 years nationally¹⁷. LE at birth for males is 80.4 years, compared to 78.0 in the North West and 79.4 nationally.

There is a noticeable difference within the female population of around 14 years between the lowest rates in Central & Valley (Crewe) and the highest in Macclesfield Town Tytherington¹⁸. For males, there is an 11 year gap between the lowest rates in Alexandra and Crewe and the highest in Wilmslow Town South West.

Figure 4: Male and Female Life Expectancy at birth¹⁹



Smoking rates are generally relatively low. An estimated 16.6% of the adult population are current smokers, which is lower than the North West (23.6%) and England (22.2%). Rates vary from 7.9% in Adlington & Prestbury to 34.3% in St Barnabas²⁰.

Healthy eating rates are relatively high, with an estimated 31.4% regularly consuming their '5 a day', higher than both the North-West average (26.2%) and England (28.7%).

¹⁵ 2001 and 2011 Census, Office for National Statistics, Crown Copyright

¹⁶ Autumn 2011 Survey, InfluenCE, Cheshire East Research and Consultation Team

¹⁷ Life expectancy at birth and at age 65 by local areas in England and Wales, 2011-13, Office for National Statistics. National refers to the figure for England

¹⁸ Life Expectancy at Birth for MSOAs, 2006-10, Department for Health

¹⁹ Life Expectancy at Birth for MSOAs, 2006-10, Department for Health

²⁰ 2006-08 Estimates of Adults' Health and Lifestyles, Office for National Statistics (ONS)

Education

The qualification levels of working age residents in the Borough (aged 16-64) is high. An estimated 31% have a degree level qualification or equivalent and above, much higher than the North West (21%) and England & Wales (25%)²¹. Conversely, the proportion of residents with no qualifications (9%) is lower than the region (12%) and nationally (11%).

Prevalence of Licensed Gambling Premises

There are a total of 58 licensed gambling premises in Cheshire East, broken down into the following categories:

Town	Type	Number
Betchton	Adult Gaming Centre	2
Crewe	Adult Gaming Centre	3
Knutsford	Adult Gaming Centre	2
Macclesfield	Adult Gaming Centre	4
Total		11

Town	Type	Number
Alderley Edge	Betting Shop	1
Congleton	Betting Shop	4
Crewe	Betting Shop	17
Handforth	Betting Shop	1
Holmes Chapel	Betting Shop	1
Knutsford	Betting Shop	1
Macclesfield	Betting Shop	8
Middlewich	Betting Shop	2
Nantwich	Betting Shop	2
Poynton	Betting Shop	1
Sandbach	Betting Shop	3
Wilmslow	Betting Shop	4
Total		45

Town	Type	Number
Crewe	Bingo	1
Nantwich	Bingo	1
Total		2

There are no casinos and no licensed family entertainment centres.

The largest number of licensed premises are in the towns of Crewe and Macclesfield

²¹ Annual Population Survey January 2011 – December 2011, Office for National Statistics, Crown Copyright

Conclusion

According to NatCen's British Gambling Prevalence Survey of 2010 the rates of problem gambling in the general population are 0.9% and 0.5% (depending on the measures used). This would equate to a problem gambling population in Cheshire East of 33,543 and 18,635.

According to information available from the Gambling Commission there are 13,489 licensed gambling premises in the UK. Cheshire East's licences equate to 0.43% of this total.

Whilst gambling is prevalent across the country this prevalence appears to be concentrated in the main city areas and primarily in the London Boroughs. Compared to our neighbours Cheshire East has fewer licensed gambling premises per head of population:

Local Authority	Population	Number of Premises	Number PH
Cheshire East	372,700	58	0.00016
Cheshire West and Chester	331,000	79	0.00024
Stoke City	250,200	55	0.00022
Manchester	514,400	154	0.00029
Trafford	230,200	43	0.00019
Stockport	285,000	54	0.00019

As the persons most at risk from problem gambling are white, young males from a low income background this is most likely to affect the residents of Crewe and to a lesser extent Macclesfield. These are also the areas that already have the highest numbers of licensed gambling premises. It will therefore be incumbent upon applicants to demonstrate that they will take appropriate steps to follow the Gambling Commission's relevant Codes of Conduct and the Council's Statement of Gambling Principles to ensure that no one is exploited or harmed by gambling.

Summary of gaming machine categories and entitlements

Category of machine	Maximum stake (from Jan 2014)	Maximum prize (from Jan 2014)
A	Unlimited - No category A gaming machines are currently permitted	
B1	£5	£10,000*
B2	£100	£500
B3A	£2	£500
B3	£2	£500
B4	£2	£400
C	£1	£100
D - non-money prize (other than a crane grab machine or a coin pusher or penny falls machine)	30P	£8
D - non-money prize (crane grab machine)	£1	£50
D - money prize (other than a coin pusher or penny falls machine)	10P	£5
D - combined money and non-money prize (other than a coin pusher or penny falls machine)	10P	£8 (of which no more than £5 may be a money prize)
D - combined money and non-money prize (coin pusher or penny falls machine)	20P	£20 (of which no more than £10 may be a money prize)

Summary of machine provisions by premises

Premises Type	Machine Category						
	A	B1	B2	B3	B4	C	D
Large casino (machine/table ratio of 5-1 up to maximum)		Maximum of 150 machines. Any combination of machines in categories B to D (except B3A machines), within the total limit of 150 (subject to machine/table ratio)					
Small casino (machine/table ratio of 2-1 up to maximum)		Maximum of 80 machines. Any combination of machines in categories B to D (except B3A machines), within the total limit of 80 (subject to machine/table ratio)					
Pre-2005 Act casino (no machine/table ratio)		Maximum of 20 machines categories B to D (except B3A machines), or any number of C or D machines instead					
Betting premises and tracks occupied by pool betting			Maximum of 4 machines categories B2 to D (except B3A machines)				
Bingo premises				Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4**		No limit on category C or D machines	
Adult gaming centre				Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4**		No limit on category C or D machines	
Family entertainment centre (with premises licence)						No limit on category C or D machines	
Family entertainment centre (with permit)							No limit on category D machines
Clubs or miners' welfare institute (with permits)					Maximum of 3 machines in categories B3A or B4 to D*		
Qualifying alcohol licensed premises						1 or 2 machines of category C or D automatic upon notification	
Qualifying alcohol licensed premises (with gaming machine permit)						Number of category C-D machines as specified on permit	
Travelling fair							No limit on category D machines

* It should be noted that members' clubs and miners' welfare institutes are entitled to site a total of three machines in categories B3A to D but only one B3A machine can be sited as part of this entitlement. Commercial clubs are entitled to a total of three machines in categories B4 to D. ** Adult gaming centre and bingo premises are entitled to make available a number of Category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises. Premises in existence before 13 July 2011 are entitled to make available four (adult gaming centre premises) or eight (bingo premises) category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. Adult gaming centre premises and bingo premises licences granted on or after 13 July 2011 but before 1 April 2014 are entitled to a maximum of four or eight category B gaming machines or 20% of the total number of gaming machines, whichever is the greater; from 1 April 2014 these premises will be entitled to 20% of the total number of gaming machines only. But not B3A machines.

Summary of gaming entitlements for clubs and alcohol-licensed premises

	Members' club or MW institute with club gaming permit	Bridge or whist club	Members' club or commercial club with club machine permit	Members' club, commercial club or MW institute without a club gaming permit or club machine permit	Pubs and other alcohol licensed premises
Equal chance gaming	Yes	Bridge and/or Whist only	Yes	Yes	Yes
Limits on stakes	No limit	No limit	Poker £1000 per week £250 per day £10 per person per game Other gaming No limit	Poker £1000 per week £250 per day. £10 per person per game Other gaming No limit	Poker £100 per premises per day. Other gaming £5 per person per game Cribbage & dominoes No limit
Limits on prizes	No limit	No limit	Poker £250 per game Other gaming No limit	Poker £250 per game Other gaming No limit	Poker £100 per game Other gaming No limit
Maximum participate on fees – per person per day	Bridge and/or whist* £20 Other gaming £3	£18 (without club gaming permit) £20 (with club gaming permit)	Bridge and/or whist* £18 Other gaming £3 (commercial club) £1 (members' club)	Bridge and/or whist* £18 Other gaming £1	None permitted
Bankers or unequal chance gaming	Pontoon Chemin de Fer	None permitted	None permitted	None permitted	None permitted
Limits on bingo	Maximum of £2,000 per week in stakes/prizes. If more then will need an operating licence.	No bingo permitted	Maximum of £2,000 per week in stakes/prizes. If more then will need an operating licence.	Maximum of £2,000 per week in stakes/prizes. If more then will need an operating licence.	Maximum of £2,000 per week in stakes/prizes. If more then will need an operating licence.

* On a day when no other facilities for gaming are provided

TABLE OF DELEGATION OF LICENSING FUNCTIONS

MATTER TO BE DEALT WITH	FULL COUNCIL	SUB-COMMITTEE	OFFICERS
Three year licensing policy	X		
Policy not to permit casinos	X		
Fee Setting - when appropriate		X (Full Committee)	
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Review of a premises licence		X	
Application for club gaming /club machine permits		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Cancellation of club gaming/ club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice and occasional use notices			X
Decision to give a counter notice to a temporary use notice		X	

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 8th December 2015
Report of: Steph Cordon, Head of Communities
Subject/Title: Highway Asset Management Policy and Strategy
Portfolio Holder: Cllr David Brown, Highways

1.0 Report Summary

- 1.1 This report proposes that Cheshire East Council formalises the use of Asset Management principles for the future management and maintenance of its adopted Highway Infrastructure, ensuring maximum value for money is obtained for Cheshire East residents and businesses.
- 1.2 This will be achieved by adopting a new Highway Asset Management Policy and Highway Asset Management Strategy aligned to the current Department for Transport (DfT) spending review period of 2015 to 2021.
- 1.3 This approach will ensure that the Council can maintain the integrity and resilience of the highway infrastructure and business continuity whilst maintaining the public confidence, image and reputation of the Council.
- 1.4 It will also allow the Council the best opportunity to attain a high banding in terms of its performance, which is directly linked to the level of Incentive funding that will be awarded by the Department for Transport; and support the Council in bidding for Tranche 2 Challenge funding.

2.0 Recommendation

- 2.1 It is recommended that Cabinet approve the Asset Management Policy and Strategy. See Appendix 1 for Highway Asset Management Policy and Appendix 2 for the Highways Asset Management Strategy.

3.0 Reasons for Recommendation

- 3.1 In December 2014, the Secretary of State for Transport announced that £6 billion will be made available between 2015/16 and 2020/21 for local highways maintenance capital funding. Of this, £578 million has been set aside for an incentive fund scheme, to reward councils who demonstrate they are delivering value for money in carrying out cost effective improvements.

- 3.2 Each local highway authority in England will be invited to complete a self-assessment questionnaire, in order to establish the share of the incentive fund they will be eligible for in 2016/17.
- 3.3 Central Government, through the (DfT) have given clear indication that it expects local Highway Authorities to embed the use of Asset Management principles for the future maintenance of their highway infrastructure assets. This will be tested through the self-assessment questionnaire.
- 3.4 Furthermore, future funding that is allocated to local Highway Authorities for the purposes of highway maintenance will be directly linked to the use of Highway Asset Management, with additional 'incentive' funding being awarded to those Authorities that can demonstrate this approach is being used.
- 3.5 To satisfy this expectation the Highway Service has developed a suite of Highway Asset Management documents to be endorsed by the Council to embed Asset Management principles into the future management and maintenance of its Highway Infrastructure Assets.
- 3.6 The Highway Service is responsible for a wide range of assets including:
- Carriageways;
 - Footways and cycleways;
 - Street Lighting;
 - Structures;
 - Drainage;
 - Traffic signs and road markings;
 - Traffic Signals; and
 - Safety Barriers

4.0 Wards and Local Ward Members Affected

- 4.1 All Wards and Ward Members are affected by the proposal.

5.0 Policy Implications

- 5.1 The policy and strategy will have an influence on the service contribution to the delivery of the Cheshire East Council Three Year Plan outcomes:
- Outcome 1 – Our local communities are strong and supportive
 - Outcome 2 – Cheshire East has a strong and resilient economy
 - Outcome 4 – Cheshire East is a green and sustainable place
- 5.2 An effective Asset Management approach will ensure that the highway infrastructure assets support the delivery of services and the local economy, taking into account the long term performance of the asset. Local communities will see the positive effects of investment and will support initiatives to deliver the optimum community infrastructure within available resources.

6.0 Financial Implications

- 6.1 The Department for Transport allocates highway maintenance capital funding to local authorities based on local need, through a “needs based” formula. The DfT have calculated the “needs” allocations for the period 2015 -2021 with the first 3 years defined and the second 3 years indicative. This funding is then topped up with funding provided from an incentive fund.
- 6.2 The incentive funding allocations for Cheshire East Council are subject to achieving the highest performance band each year:

Year	Maximum Potential Needs Based Funding	Incentive Fund Element
2015/16	£10,450,000	£0
2016/17	£9,580,000	£580,000
2017/18	£9,290,000	£870,000
2018/19	£8,409,000	£1,751,000
2019/20	£8,409,000	£1,751,000
2020/21	£8,409,000	£1,751,000

- 6.3 If Cheshire East Council does not adopt an Asset Management approach to its Highway Infrastructure then there will be a significant risk to the level of Incentive funding that will be awarded to the Council.
- 6.4 From 2015/16 DfT will assess the level of performance being achieved by local authorities through the use of a questionnaire assessment and the Authority providing supporting evidence which will place the Council in one of three bands. Band three being the highest performing.
- 6.5 The level of Incentive award and the reductions in each Band can be seen in the table below along with a description of each of the bands.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Maintenance Fund	£10,450,000	£9,000,000	£8,420,000	£6,658,000	£6,658,000	£6,658,000
Incentive Fund	£0	£580,000	£870,000	£1,751,000	£1,751,000	£1,751,000
Band 1	100%	90% (£-58k)	60% (£-348K)	30% (£-1,226k)	10% (£-1,576k)	0% (£-1,751k)
Band 2	100%	100%	90% (£-87k)	70% (£-525k)	50% (£-875k)	30% (£-1,226k)
Band 3	100%	100%	100%	100%	100%	100%

- **Band 1** – Has a basic understanding of key areas and is in the process of taking it forward.

- **Band 2** – *Can demonstrate that outputs have been produced that support the implementation of key areas that will lead towards improvement.*
- **Band 3** – *Can demonstrate that outcomes have been achieved in key areas as part of a continuous improvement process.*

7.0 Legal Implications

- 7.1 The Highway Asset Management Policy and Strategy supports the Council's role as the Highway Authority for Cheshire East in meeting its statutory duty for maintenance, under the Highways Act 1980.

8.0 Risk Management

- 8.1 In order to best manage the Highways assets in Cheshire East, valued at approximately £4.97billion, it is essential that the proposed Asset Management Policy and Strategy is approved by Council.
- 8.2 If the use of Asset Management principles is not fully embedded for all highway infrastructure assets, they will not be managed and maintained effectively. This will result in further deterioration in their condition that will lead to an increased risk to the safety of highway users and an increased risk of third party claims against the Council. This could be both costly and damaging to the Councils current good reputation.
- 8.3 Additionally, the Council will not be awarded the highest banding for performance which will limit the level of Incentive funding and also limit the Councils ability to bid for future Challenge funding.
- 8.4 The risk of the Highways Service not following approved policies and strategies is that development of programmes could become fragmented and may not follow best practice guidance to provide best value. This could result in financial, operational and reputational risks to Cheshire East Council.

9.0 Background and Options

- 9.1 The highway network is the largest and most visible publicly owned asset. It is used daily by the majority of the travelling public for commuting, business, social and leisure activities. It is fundamental to the economic, social and environmental wellbeing of local communities and to the prosperity of the nation as a whole.
- 9.2 At a national level our economic prosperity relies on reliable movement of goods and people around the highway network. At a local level the highway network helps to shape the character and quality of local areas and makes an important contribution to wider local authority priorities, including regeneration, social inclusion, community safety, education and health.

- 9.3 Like any physical asset, the highway network requires maintenance and renewal to counter deterioration. New infrastructure, once built, also needs to be maintained over its useful life in order to deliver expected benefits. Poor quality roads can create congestion through road works and delays, which costs businesses and individuals through reduced productivity, increased fuel consumption, delayed deliveries and damage to vehicles.
- 9.4 The level of funding allocated to local highway authorities is now based on the local authority's record in pursuing efficiencies and asset management.

10.0 Access to Information

- 10.1 The background papers relating to this report can be inspected by contacting the report writer:
- Name: Paul Traynor
Designation: Strategic Commissioning Manager - Highways
Tel No: 01260 371055
Email: paul.traynor@cheshireeast.gov.uk

This page is intentionally left blank

Highway Asset Management Policy

Highway Asset Management Policy

The local highway network is the largest and most visible community asset for which local authorities are responsible. It is used daily by the majority of residents and those passing through the Borough and is fundamental to the economic, social and environmental wellbeing of the community. It helps to shape the character and quality of the local areas that it serves and makes an important contribution to wider local authority priorities, including regeneration, social inclusion, community safety and health.

Cheshire East's highway network is the single largest asset that the authority maintains. The current gross replacement cost for the highway network with associated assets and land value, stands at approximately £4.97 billion.

The Council recognises the vital role played by Cheshire East's local highway network in supporting the authority's vision and its strategic priorities. Our primary focus will be on achieving the following objectives:

1. Cheshire East Council is committed to making the best use of its budgets, and advocates an asset management approach for the maintenance of the local highway network, in order to help deliver the best long term outcomes for residents, businesses and highway users.
2. The Asset Management Strategy will set out how Highway Asset Management will be delivered in Cheshire East. This strategy will take into account current and projected financial pressures and will explain how available funds and resources should be utilised to maximise their benefit.
3. Cheshire East Council will continue to be a high performing authority that uses its resources well, investing in the '**right treatment, at the right place, at the right time**' to secure a long term sustainable future for the highway infrastructure for the borough.
4. The work we do contributes to the achievement of the outcomes and priorities, outlined in Cheshire East Council's Three Year Plan. In order to support its vision and help achieve and meet the outcomes the Highway Asset Management Strategy will seek to:

Outcome 1 – Our local communities are strong and supportive:

Adopt an effective Asset Management Strategy which will support the development of an effective transport system that helps facilitate a high quality of life, by meeting the needs of the individual, whilst remaining responsive to the changing needs of businesses and the local economy. This approach will ensure that the condition and performance of highway assets are enhanced and continuously monitored, in order to help optimise planned maintenance programmes.

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

Adopt an effective Asset Management approach that will ensure that the highway infrastructure assets support the delivery of services and the local economy, taking into account the long term performance of the asset. Local communities will see the positive effects of investment and will support initiatives to deliver the optimum community infrastructure within available resources.

Provide the most optimum levels of planned maintenance activities over the lifecycle of all asset types. This will allow the effective coordination of works to reduce road closures and their impacts, as well as providing maximum network availability and reliability, which supports the forward visibility of planned maintenance works.

Outcome 4 – Cheshire East is a green and sustainable place:

Set out a framework that will provide an integrated transport system that maximises cost over time, value to the community and environmental contribution, whilst keeping people healthy and supporting lower carbon transport choices. It will also integrate sustainable solutions and treatments, which minimise waste and landfill, at the centre of our approach to highway maintenance. In addition, an effective Asset Management Strategy will support the delivery of road safety initiatives, to help to reduce road traffic accidents.

DRAFT

This page is intentionally left blank



Highway Asset Management Strategy

1. Introduction

- 1.1. Cheshire East Council (CEC) recognises the importance of its highway infrastructure and how an effectively maintained and managed network contributes to the achievement of its corporate goals, and delivers the required outcomes for Cheshire East residents and businesses. It understands that effective Asset Management is a platform to deliver clarity around standards and levels of service, and to make best use of its available resources.
- 1.2. An Asset Management Policy has been developed that defines how the implementation of asset management will support CEC in delivering its corporate vision. The Highway Asset Management Strategy (HAMS) sets out how the Council will best manage the Highway Network taking into consideration customer needs, local priorities, asset condition and the best use of available resources through invest to save initiatives to realise the benefits of early intervention.
- 1.3. It has been produced following the assessment of customer needs, local priorities and asset condition. It also ensures that both short and long term needs are appropriately considered, whilst delivering a minimum whole life cost approach to our Highway Assets.
- 1.4. The Strategy will be used to inform the highway maintenance schemes that are to be implemented within Cheshire East's Council 3 Year Plan.
- 1.5. This strategy will be used to inform priorities in the Business Planning Process and will be used to support the continuous improvement of our highway asset management by capturing the outcomes of using the optimum treatments or interventions over the whole life cycle of the different asset groups.

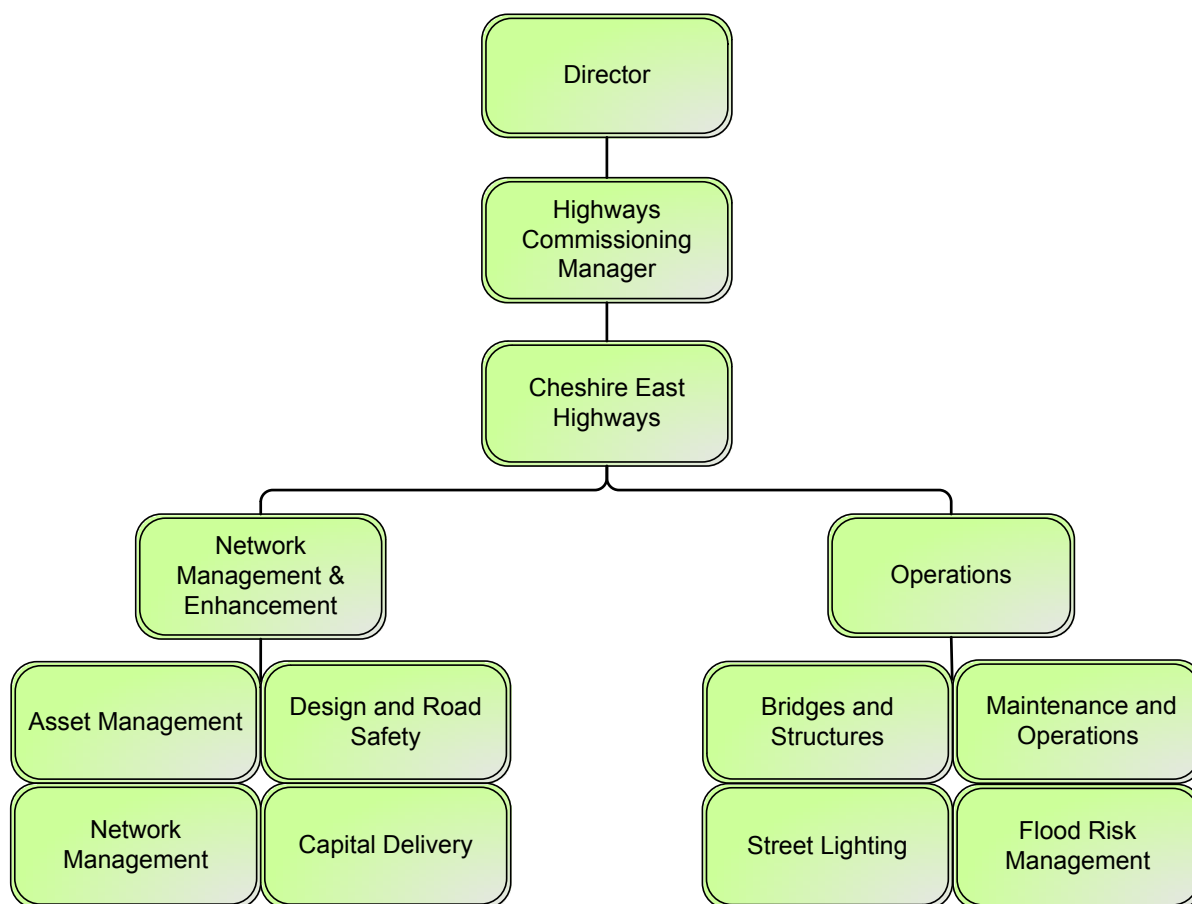
2. The Highway Asset

- 2.1. Cheshire East's highway network comprises just over 2,670 kms of carriageway. This is a mixture of rural and urban network either classified as A, B, C roads or unclassified local roads. The unclassified network represents 58% of the overall network length. The footway and cycleway network is 2,000 kms, of which just over 32 kms is shared cycleway/footway. The highway asset also includes 106 signalised junctions and 126 signal pedestrian crossings, 33,700 traffic signs of which 3,700 are lit, about 57 kms of safety fencing and approximately 40,000 street lights. In terms of structures, the Council is responsible for approximately 1,400 road bridges, foot bridges, underpasses, subways, culverts, and retaining walls. The highway asset also includes drainage, street furniture, road markings and soft estate.
- 2.2. The Council has calculated the asset value in accordance with the requirements for Whole of Government Accounts. In July 2015 the gross replacement cost was estimated to be £4.97 billion, and the depreciated replacement cost was £4.36 billion.
- 2.3. The Council, as the Highway Authority, has a statutory duty to maintain the highway network in a condition to enable the safe passage of the travelling public. The borough's highway network comprises many diverse assets; this strategy describes how the principles of asset management are applied to all highway infrastructure assets that are the responsibility of the Council.

3. Managing the Highway Asset

- 3.1 This HAMS sits within the wider Highway Asset Management Framework and is one of the key strategic documents related to the delivery of the Council's highways services.
- 3.2 Encompassed within the framework are a number of key documents including the Council's Highway Asset Management Policy and the Local Transport Plan. These documents reflect the guidance laid down in the suite of national Codes, in particular the following Codes of Practice:
- Well-maintained Highways;
 - Well Lit Highways; and
 - Management of Highway Structures.
- 3.3 In addition, the Department for Transport has worked with the highways sector to develop the Highway Maintenance Efficiency Programme (HMEP) which allows local highway authorities to connect and share their practices of 'what works' across the sector that will allow Cheshire East Council to achieve greater efficiency in maintaining its highway infrastructure assets in the future.
- 3.4 The Council has established an organisational structure (Figure 1) that reflects the importance that asset management plays in the delivery of its highways and transport services. This structure enables the development, continual review and embedment of strategic documents and promotes asset management practices.

Figure 1: Organisational Structure



- 3.5 This Asset Management Strategy describes the initiatives and processes that enable the implementation of asset management. It also makes reference to the enablers, both tools and information, necessary for delivering the highway service effectively and efficiently.
- 3.6 One of the Highway Service priorities for 2013 to 2018 has been the “Highway Investment Programme” which aimed to improve Cheshire East’s roads by developing a five year capital investment programme which began with £23m in 2013 and a further £16.5m from 2015.
- 3.7 Cheshire East has implemented asset management principles for a number of years. This approach is further demonstrated by the “Highway Investment Programme” which is providing additional capital funding to support the road asset and demonstrates the council’s objective to enhance the highway network, providing residents and the economy with a better place to live and do business in.

4. Asset Management

- 4.1 Asset management is defined as

“A systematic approach to meeting the strategic need for the management and maintenance of highway infrastructure assets through long term planning and optimal allocation of resources in order to manage risk and meet the performance requirements of the authority in the most efficient and sustainable manner”

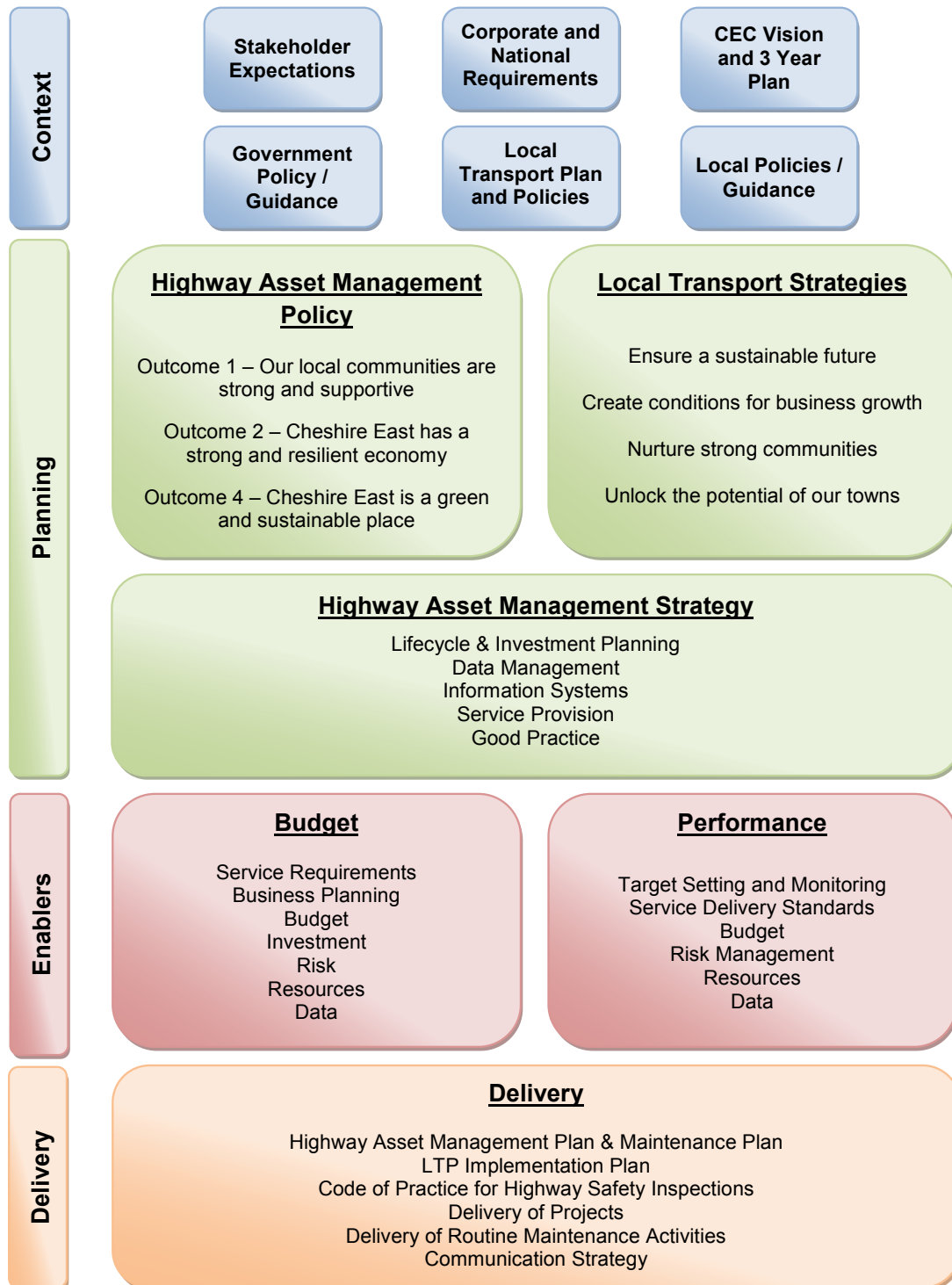
[Highway Infrastructure Asset Management Guidance – UKRLG/HMEP, May 2013]

- 4.2 This definition puts emphasis on the systematic approach that asset management plays in managing the strategic needs of highway assets within an organisation and highlights the need for optimal allocation of resources and long term planning.
- 4.3 The adoption and implementation of asset management principles, strategies and plans provides a means for CEC to face the challenges of managing the highway asset, through the development of a systematic approach. The aim is to deliver the most efficient and effective maintenance regime over the lifecycle of the asset, ensuring that the performance of that asset reflects the requirements of the Council.
- 4.4 In addition, the adoption of asset management is seen as a tool to enable the Council to establish appropriate budget allocations by demonstrating the effects of under-investment and the implications of not meeting safety and serviceability requirements of the customers using the network. "Highway Investment Programme" is a good example of how asset management has demonstrated the case for additional capital funding.

5. Asset Management Framework

- 5.1 This Strategy sets out how the Council's Highway Asset Management Policy will be achieved. In particular, it describes how the Service continues to work towards implementing an asset management approach to the management of the Authority's highway infrastructure and network. It provides the framework for delivering our corporate priorities through effective, informed and defensible decision making.
- 5.2 This strategy serves as a basis for the development of a detailed Highway Asset Management Plan and its implementation, including enabling the organisation, its technology and its processes to adapt to change.
- 5.3 This strategy is based on the framework shown schematically in Figure 2, and outlined in the following sections. This framework clearly identifies the relationships between asset management, the influences of corporate and national drivers and internally the Council's Local Transport Strategy and Plan.
- 5.4 The HAMS will inform priorities in the planning and delivery process and therefore support continual improvement in the management of the highway asset.

Figure 2: Asset Management Framework



- 5.5 This strategy covers all maintenance led activities including activities funded by capital and revenue streams. Decisions related to capital improvements and the transport needs of the network are not presently covered in this strategy.
- 5.6 This strategy explains how individual asset groups and components fit into the framework, describes how the asset management planning process is implemented and refers to tools currently employed, as well as links to other key documents.

- 5.7 Finally, the strategy describes how the Council will embed a continuous improvement approach to highway asset management, including how national developments and good practice are taken into consideration, as well as how the work carried out in Cheshire East can influence the regional and national asset management agenda.

6. Strategy for Individual Assets

- 6.1 As part of the highway asset management framework, and in accordance with other national guidance, the highway infrastructure assets have been divided into individual asset groups. Each group is then broken down into asset components and maintenance activities. The asset groups and components are described in the following sections.
- 6.2 A key function of the asset management process is to understand the spending needs of each asset group, component and maintenance activity against performance, aims and objectives. This means understanding funding needs to meet:
- Cheshire East Three Year Plan objectives;
 - Sustainable Community Strategy;
 - Local Plan;
 - Local Transport Plan;
 - Service Delivery and Planning; and
 - Performance Targets.
- 6.3 Inherent to this process is a need to understand the influence of budget decisions on customer satisfaction and delivery of the corporate priorities. Furthermore, the impact that investing on one asset component may have on the overall performance of other asset components, as well as the whole asset, is examined. To this end, a Needs Based Budgeting (NBB) approach has been developed and is being used.
- 6.4 In line with national guidance and good practice, Cheshire East Council is developing a lifecycle approach to managing its highway maintenance activities.
- 6.5 Understanding the individual asset's condition, how long specific maintenance treatments last, the relative cost of these treatments and the Levels of Service (LoS) provided are essential pre-requisites to good asset management. Cheshire East Council's goal is to improve residents' satisfaction with its highway services, whilst maintaining value for money and continuing to provide a safe highway network, in line with corporate priorities.
- 6.6 Cheshire East Council's NBB approach to delivering the principles of lifecycle management planning employs a risk management approach in assessing the influences across the following criteria; Legislative, Safety, Environmental, Economy and Customer.
- 6.7 This approach allows for the available budgets to be split at a strategic level based on a common set of criteria. Successful implementation of this approach relies on a good understanding of the asset, its current and future performance, expenditure and customer feedback; as well as an understanding of the various service levels that may be achieved for the different funding options.
- 6.8 This understanding can only be achieved through reliable, current and robust data. Cheshire East Council has developed a range of data and information capture systems and processes,

which prioritises its data collection needs, data management requirements and the IT infrastructure necessary to process, manage and present this information.

7. Asset Groups and Components

- 7.1 Cheshire East Council's highway infrastructure has been divided into key assets groups and components, as described in Table 1.

Table 1: Asset Groups and Components

Asset Group	Asset Component
All Classification of Roads	Carriageway, footways and cycleways,
Structures	Bridges, Retaining Walls, Culverts
Street Lighting	Street Lights, Illuminated Traffic Signs and Traffic Bollards
Surface Water Drainage	Pipes, Gullies, Chambers, Headwalls, Ditches
Traffic Signs and Street Furniture	Non-Illuminated Traffic Signs and Traffic Bollards, Street Name Plates
Traffic Signals and Information Systems	Traffic Signals, Information Signs and Control Equipment
Fences, Walls and Safety Barriers	Fences, Walls and Safety Barriers
Road Markings	Road Markings
Environment	Highway Verges, Trees, Weeds
Weather Emergencies	Depots, Pumps and Salt Storage Barn

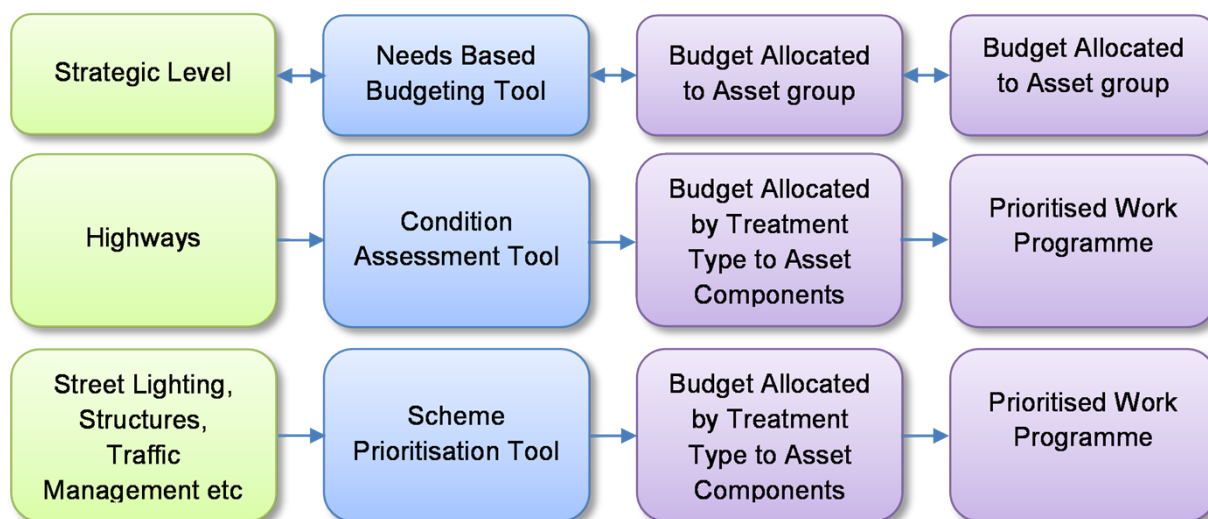
- 7.2 This approach has been adopted to allow a clear understanding of budget allocation across the different asset components and facilitating the recording of where money is invested linked to expenditure to activities.
- 7.3 Identifying where money is invested, allows the Council to monitor performance against service delivery and the implementation of a continuous improvement process, within the constraints of available funds.
- 7.4 Dividing the highway infrastructure into component parts and identifying the relative costs and demand for planned, routine and reactive maintenance activities is seen as an essential process upon which NBB can be developed.

8. Asset Management Planning

- 8.1 The asset management strategy supports continual review and improvement of its processes and procedures, ensuring, as far as possible, that the standards identified in relevant legislation and codes of practice are adopted and that our customers receive a good and efficient service that reflects the resources available.

- 8.2 At the asset group level the forward looking work programmes are developed and aligned to reflect the Government's Comprehensive Spending Review period, which runs from 2015-2021. This allows the Council to develop a longer term programme of work, which can be critical where short duration windows of opportunity exists to carry out preventative treatments, such as application of surface dressing treatments or protective coating systems.
- 8.3 Cheshire East Council considers that NBB is fundamental to good asset management planning and robust investment and lifecycle planning decisions. Substantial resources have therefore been focussed on and will continue to support the development of processes and tools to inform budget decisions at strategic and asset group levels. An overview of the budget allocation process is shown below in Figure 3.

Figure 3: Budget Allocation Process



- 8.4 This budget allocation approach allows a consistent process and relates high level aspirations to scheme level decisions. At the Strategic Level processes and tools have been developed which allow informed budget allocation decisions to be measured across a range of criteria.
- 8.5 In broad terms, three treatments sets have been developed for our Asset Groups;
- Planned Maintenance – replace or enhance;
 - Preventative Maintenance – arrest deterioration pro-long life cycle; and
 - Reactive Maintenance – maintain public safety.
- 8.6 Targeted investment and informed decisions are therefore encouraged, to deliver the '**right treatment, at the right time, in the right place**', by identifying the level of service that can be achieved for a given budget allocation.
- 8.7 We have also developed a number of tools to assess the impact of changing funding levels of each activity to the overall service. At the Highways service level, a tool for carriageways and footways has been developed, which allows lifecycle aspirations to be considered and compared with condition targets, budget constraints and stakeholders wishes, offering options for route and treatment strategies, with 'preventative' treatments having higher priority weightings.

- 8.8 Where suitable data is available and where appropriate this concept will be extended to encompass other asset groups, such as Street Lighting, Structures and Traffic Management. This will allow decisions to be made that consider criteria other than condition and determine programmes that are not necessarily 'worst condition first'. Unless the asset condition would pose a risk to public safety.
- 8.9 At the Asset Component level packages of information are prepared annually, allowing teams to formulate programmes of work based on the allocations identified in the previous strategic and service level decision phases.

9. Gross Replacement Cost and Depreciated Replacement Cost

- 9.1 Whole of Government Accounts (WGA) has set requirements for the way the value of the highway asset is reported to HM Treasury in the Authority's audited accounts. When the WGA process has been fully implemented, Authorities will be required to meet the strict requirements for financial reporting of their highway asset.
- 9.2 For this to be achieved there is a clear need for accurate and detailed inventory information and performance data. This requirement will support asset management by providing an improved understanding of network deterioration and combining that with the levels of service to be achieved.
- 9.3 A strategy has been developed with the Council's Section 151 Officer to ensure asset management practices are in place to satisfy the financial reporting requirements defined in the Transport Infrastructure Assets Code, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in May 2010.
- 9.4 Cheshire East Council embraces this approach and has developed the processes for collating the data needed to meet the WGA requirements, whilst developing good asset management practices that will lead ultimately, to a refinement of the service.

10. Data Management and Information Systems

- 10.1 Cheshire East Council recognises that good and robust data is critical to implementing asset management and delivering potential benefits. However, the Authority believes that the collection, management and use of data need to be based on a process, which identifies;
- Ownership;
 - Data Requirements;
 - Responsibilities; and
 - Costs to store, manage and maintain data;
- all of which need to be clearly defined.
- 10.2 To this end, Cheshire East Council has developed a comprehensive asset information system, backed up with condition surveys and data that provide the optimum use of available information. This system covers data collection, highway infrastructure data management, reporting requirements (business information) and corporate IT needs. It is used to inform current data collection needs for both inventory and condition information.

10.3 Cheshire East Council also recognises that effective asset management and its implementation relies on systems, which can be used as tools to support decision making at all levels. The following tools are currently in use by the Authority:

- Pitney Bowes Confirm Asset Management System - covering most of highway infrastructure management needs, including works order, public enquiries, asset register, street works register and inspection regimes;
- YOTTA Horizons system – asset condition modelling :
- GIS (as the corporate asset management mapping system)

11. Maintainability

11.1 One of the aims of good asset management is to improve co-ordination between highway improvement and highway maintenance schemes. Taking into account the cost and implications of maintaining the asset at the design stage will ensure that whole life costs of schemes are optimised. The HAMS aims to raise awareness of this issue, in accordance with national guidance, by ensuring that any new infrastructure has adopted the most appropriate design option and the most appropriate materials.

11.2 Cheshire East Council has developed and is implementing a process for incorporating new works into the existing highway network. The process advocates lifecycle management values and introduces early communication between developers or clients and the Council to ensure that asset management principles have been considered and agreed as part of the scheme implementation.

11.3 This process aims to ensure that all capital and revenue investment options have been considered fully, where new works should only require maintenance in line with expected lifecycles.

12. Good Practice

12.1 Cheshire East Council is committed to the development and implementation of good practice and benefits from lessons learnt at National, Regional and Local levels. Officers from Cheshire East Council regularly contribute to and attend:

- National and regional conferences;
- The Chartered Institute of Public Finance and Accountancy (CIPFA);
- Midland Service Improvement Group Highways Asset Management Partnership Network;
- HMEP events; and
- CIPFA Highway Asset Management Updates

12.2 Furthermore, Cheshire East Council is committed to the sharing of knowledge and experiences in implementing asset management with other Highway Authorities across the country. To this end, officers from Cheshire East Council present examples of good practice nationally at workshops and conferences and are members of the following groups:

- APSE Highways, Street Lighting and Winter Maintenance group
- North West Traffic Managers Group
- Institute of Asset Management
- Highways Maintenance Efficiency Programme (HMEP)

13. Review Process

13.1 This strategy will be updated annually with minor amendments if required and fully reviewed on a six yearly basis to align with the Government's current Integrated Transport Block capital funding cycle. This process will be managed and implemented by the Highways Asset Management Team.

14. Benefits of our Asset Management Strategy

14.1 The benefits of implementing the HAMS are summarised below:

- Encourages engagement with other stakeholders, including Elected Members, Senior Officers and the public;
- Readiness to respond to changes resulting from climate change, weather emergencies, contractors, resilience and finance;
- Close working and integration of efforts with other parts of the Council, including Corporate aims and objectives;
- Improved delivery within budget constraints – including procurement;
- Efficiencies and Collaboration – better ways of doing things, or improved service, enhancing performance in a challenging environment;
- Improved understanding of customer aspirations and expectations;
- Aids our understanding of what we do by identifying, explaining and providing outcomes to key stakeholders; and
- To influence and focus on the better use of resources.