

## Cabinet Agenda

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**Date:** Tuesday, 12th April, 2016  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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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.

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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 - 8)

To approve the minutes of the meeting held on 8<sup>th</sup> March 2016.

6. **Jobs Regeneration and Assets Overview and Scrutiny Committee - Section 106 Agreements Task and Finish Group Report** (Pages 9 - 44)

To consider the report of the Task and Finish Group.

7. **Jobs Regeneration and Assets Overview and Scrutiny Committee - Apprenticeships Task and Finish Group Report** (Pages 45 - 72)

To consider the report of the Task and Finish Group.

8. **Visitor Economy Strategy 2016 - 2020** (Pages 73 - 104)

To consider the adoption on the Visitor Economy Strategy 2016-20.

9. **Municipal Parks Strategy 2030** (Pages 105 - 134)

To consider the adoption of the Municipal Parks Strategy 2030.

10. **Commissioning Children's Nurseries in Crewe** (Pages 135 - 140)

To seek approval to proceed with the procurement and award of contracts for nursery provision in Crewe following the Public Contracts Regulations 2015.

11. **Residential Redesign** (Pages 141 - 154)

To consider a report on the redesign of residential homes for children in care.

12. **Review of Arrangements for the Delivery of Youth Justice Services in Cheshire East** (Pages 155 - 160)

To consider a review of arrangements for the delivery of youth justice services in Cheshire East.

13. **Policy for the Allocation of Community Grants 2016/17** (Pages 161 - 168)

To consider the Policy for the Allocation of Community Grants 2016/17.

14. **Community Right to Challenge Policy** (Pages 169 - 186)

To consider the Community Right to Challenge policy.

15. **Social Value Policy** (Pages 187 - 206)

To consider a proposed Social Value Policy for Cheshire East.

16. **Cheshire East Council Community Equipment Service Model - Leading the Region** (Pages 207 - 210)

To seek approval for other named local authorities to join the Council's Adult Equipment Procurement Framework.

**THERE ARE NO PART 2 ITEMS**

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet**  
held on Tuesday, 8th March, 2016 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor Rachel Bailey (Chairman)

Councillors A Arnold, P Bates, J Clowes, L Durham, J P Findlow, S Gardner,  
P Groves and D Stockton

**Members in Attendance**

Councillors Chris Andrew, Rhoda Bailey, G Baxendale, S Corcoran,  
L Durham, S Edgar, D Flude, S Gardiner, M Grant, G Hayes, L Jeuda,  
R Menlove, D Newton, M Parsons, S Pochin, J Saunders, G Wait and  
B Walmsley

**Officers in Attendance**

Mike Suarez, Kath O'Dwyer, Peter Bates, Caroline Simpson, Bill Norman,  
Stephanie Cordon and Paul Mountford

**Apologies**

Councillor D Brown

The Chairman opened the meeting by saying that it was a great honour for her to have been elected Leader of Cheshire East Council. She then welcomed Councillors P Bates and L Durham to their first meeting as newly-appointed members of the Cabinet.

On the occasion of International Women's Day, the Chairman took the opportunity to thank Caroline Simpson, Executive Director for Economic Growth and Prosperity, for her years of service to the Council; this would be Caroline's last Cabinet meeting before she leaves the authority.

The Chairman congratulated Councillors O Hunter and A Moran on being elected Mayor elect and Deputy Mayor elect respectively at the last Council meeting.

The Chairman referred to the Corporate Plan approved by Council which would be a living document over the next few years, revisited on many occasions.

Finally, the Chairman thanked everyone who had been involved with the Council's efforts in support of the national 'Clean for the Queen' campaign.

**119        DECLARATIONS OF INTEREST**

There were no declarations of interest.

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## **PUBLIC SPEAKING TIME/OPEN SESSION**

Sue Helliwell, speaking on behalf of Alsager Town Council, asked whether, with the local plan looking to be finalised in 2017, it was still possible for town and parish councils who had not started a neighbourhood plan to pursue one now. The Portfolio Holder for Housing and Planning replied that neighbourhood plans were useful tools which fed into the Borough Council's own development plan and which could enable local communities to benefit from community infrastructure levies. He therefore encouraged any area to formulate a neighbourhood plan. The Chairman added that in relation to the Local Plan the Council was now moving forward and going out to consultation.

Maeve Kelly referred to the Council's proposals to reorganise children's centre provision, commenting that Cheshire East would have fewer children's centres than Cheshire West and Chester when taking into account the difference in population between the two authorities. She also made comparisons between Ofsted reports on the children's centres of the two authorities, referring to four Cheshire East centres 'needing improvement'. Finally, she questioned how the figure of £500,000 savings had been arrived at in the Council's budget, given the apparent lack of a detailed implementation plan for the changed service; she asked that the Council release the plan as soon as possible.

The Chairman thanked Maeve Kelly for her comments and replied that what she had promoted as Portfolio Holder for Children and Families was the sustaining of the children's centre service. In relation to the Ofsted report she emphasised that the term 'requires improvement to be good' did not mean that the service was poor but that it was on its way to being good. Cheshire East Council had looked at four of its children's centres in terms of whether two of them were in the best position to serve their communities and whether the footfall in relation to the other two actually compromised the effective delivery of the service. With the removal of ring-fenced funding, it was important to ensure that the funding available was focussed on children's services and not on other areas. Kath O'Dwyer, Director of Children's Services, having been National Director at Ofsted, confirmed the Chairman's comments in relation to the Ofsted report on Cheshire East's children's centres. She added that it would have been inappropriate to work up a detailed implementation plan before Council had made a decision on the future direction of its children's centres. However, it had been possible to identify the necessary financial savings from the outline proposals.

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## **QUESTIONS TO CABINET MEMBERS**

Councillor D Flude referred to a 'pop up' car park that had appeared on the site of the former railway offices and Royal Mail sorting office in Crewe, with access onto the railway station bridge. The Council's Highways Engineers had informed her that no permission had been given for the car

park. She mentioned that the Council had purchased the sorting office and railway offices at a cost of approximately £2M in order to improve the access to the town and specifically to enable Network Rail to develop a car park and new station entrance. However, she wondered if some of the land had now been sold by Network Rail for other purposes. She sought clarification as to what exactly the Council had given to Network Rail and for what purpose. The Chairman undertook to provide a written reply.

Councillor Flude also referred to an issue with the call centre service where it appeared that a choice on the 'voice activated' options given was unable to deal with enforcement enquiries. She asked that the matter be addressed.

Finally, Councillor Flude referred to a meeting of the Children's Scrutiny Committee in April which she felt was likely to attract a significant amount of public interest. Given that the meeting was scheduled to start at 2.00 pm, she asked if the meeting could be recorded for the benefit of those who would be unable to attend. The Chairman replied that the Constitution Member Working Group had made a recommendation on the recording of meetings and that Chairman of the Scrutiny Committee would need to be consulted on the matter.

Councillor B Walmsley asked about the Council's plans regarding apprenticeships in Cheshire East in relation to the Skills & Growth Company. The Portfolio Holder for Communities and Health replied that the Skills and Growth Company ASDV was coming forward at exactly the right time to help businesses, both public and private, to understand the wide-ranging policy and legislative changes and boost apprenticeship numbers across the Borough. Now was the ideal time for the Council to lead by example on the Apprenticeship agenda, empowering the Skills and Growth company to develop and deliver the Council's apprenticeship programme, acting as a leading light to businesses across Cheshire East.

Councillor M Parsons, referring to the proposal to proceed with the Middlewich Bypass, asked if the Council would follow this up by showing similar commitment to the reopening of the Sandbach to Northwich Railway line to passenger traffic and providing the much needed Middlewich Station; and to the creation of traffic/pedestrian safety schemes in Lewin St. and at Town Bridge. The Chairman replied that the Council was focussed on delivering on its promises in Middlewich and that the Local Plan had identified and safeguarded an area for the provision of a railway station. The Council had also secured financial contribution from the developments on Warmingham Lane to improve the Town Bridge junction. Pedestrian facilities would be included in the improvements. Cabinet had also authorised a major commitment toward the delivery of the bypass at last month's meeting. This was a high priority for the Council and the delivery of its Local Plan. The bypass would help to alleviate some of the traffic and pedestrian safety issues, particularly along Lewin Street, by removing traffic from that part of Middlewich. However, it was

recognised that the Bypass would not open immediately and so the Cabinet was looking at local schemes that could be delivered sooner.

Cllr Corcoran asked if local councillors could be involved in the working up of the outline plan for children's centres. The Chairman reminded Councillor Corcoran that the Chairman of the Children and Families Scrutiny Committee had pledged to overview the process. The Director of Children's Services added that she would be happy for local councillors to be involved in the discussions on how the services are to be delivered in an alternative way.

Before moving on to the next item, the Chairman reported back on a matter raised by Councillor M Grant at the previous meeting in relation to the repairs at Manchester Bridge, Crewe. The Highways Team had visited the site and there had been a pledge by Network Rail to be mindful of its impact on the local community. Councillor Grant confirmed that the situation had improved and thanked Councillor Brown for his intervention.

### 122      **MINUTES OF PREVIOUS MEETING**

#### **RESOLVED**

That the minutes of the meeting held on 23<sup>rd</sup> February 2016 be approved as a correct record.

### 123      **CHESHIRE SCIENCE CORRIDOR ENTERPRISE ZONE**

Cabinet considered a report on the Cheshire Science Corridor Enterprise Zone and its implications for Alderley Park.

The multi-site Zone encompassed a total of 133ha spread across Alderley Park, Thornton, Birchwood, and a number of smaller sites in Ellesmere Port. The report set out the details of the proposals for the Enterprise Zone, particularly in terms of the implications for Alderley Park, and sought the relevant approvals to implement the proposals ready for a launch of the Enterprise Zone on the 1<sup>st</sup> April 2016.

#### **RESOLVED**

That Cabinet

1. delegates authority to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and Assets, to determine applications for business rates relief within the boundaries of the Cheshire Science Enterprise Zone (as at Appendix 1 to the report) and to agree a policy framework with sub-regional partners on how applications for discounts will be managed;
2. approves that any business rates growth achieved within the boundaries of the Cheshire Science Enterprise Zone on the Alderley

Park site (as at Appendix 1) be ring-fenced for reinvestment in the Cheshire Science Enterprise Zone area to support priorities agreed at the sub-regional level by the Cheshire and Warrington Local Enterprise Partnership, with final approval of spending to be agreed by the Section 151 Officer; and

3. delegates authority to the Director of Growth and Regeneration, in consultation with the S151 Officer and Portfolio Holders for Finance and Assets and Regeneration, to develop the governance arrangements with the Local Enterprise Partnership.

124      **UPDATE ON SUPPORT FOR ASYLUM SEEKERS AND  
REFUGEES AND UNACCOMPANIED CHILDREN**

Cabinet received an update on the Council's work with partners to provide support for asylum seekers, refugees and unaccompanied children.

Work was ongoing with partners, the Home Office and the North West Regional Strategic Migration Partnership to establish the detail and implications at a voluntary level in both Compass, which supported asylum seekers, and the Syrian Vulnerable Persons Relocation scheme that supported refugees. The Council had registered its intent with the Home Office to participate in Syrian Vulnerable Persons Relocation scheme in future phases once the details had been worked out.

The Central Government funding announcement had not provided the level of clarity that had been anticipated and there was a degree of uncertainty about the levels of support proposed. The Local Government Association was seeking clarification.

In addition, the Council has received a request from Central Government to assist Kent County Council with unaccompanied children on a voluntary basis as they had been overwhelmed with demand.

**RESOLVED**

That Cabinet agrees to

1. thank, and show its continued appreciation to, the faith communities in particular for the work that they are doing in preparation of welcoming refugees and asylum seekers;
2. continue working at a sub-regional and local level to agree a co-ordinated approach and delegate authority to the Head of Communities to work with Cheshire West and Chester Council and Warrington Borough Council (and more widely if appropriate) to plan for and deliver collectively the Syrian Vulnerable Persons Relocation (SVPR) scheme and Compass programme in collaboration with the Council's local key partners once the financial implications are known;

3. support a maximum of three unaccompanied children and give delegated authority to the Director of Children's Services to work in partnership with Kent County Council to achieve this; and
4. receive a further update on progress with the SVPR and Compass programme in three months' time from the Head of Communities.

125      **BETTER CARE FUND 2016/17**

Cabinet received an update on proposals for the implementation and delivery of the Cheshire East Better Care Fund in 2016/17.

The report sought Cabinet support for the Council to continue the 2015/16 arrangements and enter into two s75 Partnership Agreements from 1<sup>st</sup> April 2016 until 31<sup>st</sup> March 2017 with local health partners (namely Eastern Cheshire CCG and South Cheshire CCG) with the option to continue for a further period of one year, subject to there being a national requirement to operate the Better Care Fund as a s75 pooled budget agreement.

Councillor J Saunders, Chairman of the Health and Adult Social Care Overview and Scrutiny Committee, reported that the Committee at its meeting on 3<sup>rd</sup> March 2016 had supported the proposal but had expressed concern that a decision by Eastern Cheshire CCG not to increase its contribution to the pooled budget would create inequitable services across the Borough.

**RESOLVED**

That

1. the Council continue the 2015/16 arrangements and enter into two s75 Partnership Agreements from 1<sup>st</sup> April 2016 until 31<sup>st</sup> March 2017 with local health partners (namely Eastern Cheshire CCG and South Cheshire CCG) with the option to continue for a further period of one year provided that there is a national requirement to operate the Better Care Fund as a s75 pooled budget agreement;
2. delegated authority be given to the Director of Adult Social Care and Independent Living to make decisions and agreements on behalf of the Council in relation to the commissioning of schemes funded by the Better Care Fund, such delegated authority to be subject to consultation with the Director of Children's Services should Young Carers be agreed as a joint work area for 2016/17;
3. it be acknowledged that the continuation of the two s75 arrangements is proposed to reflect the local integrated care system programmes (Caring Together being led by Eastern Cheshire CCG and Connecting Care being led by South Cheshire CCG);
4. the proposal that the Council enter into a pooled budget for 2016/17 be approved; and

5. the Better Care Fund Governance Group be responsible for reviewing the delivery of the agreement.

126      **REGIONAL ADOPTION AGENCY**

Cabinet considered proposals for Cheshire East Council to join a Regional Adoption Agency with Trafford, Stockport, Manchester and Salford Councils.

For a number of years Cheshire East Council had worked closely with Tameside, Stockport and Trafford Councils as part of 'Four4adoption'. Cheshire East Council now looked to build on this work to form an effective Regional Adoption Agency bid. Tameside had taken the early decision to join a South Pennines partnership. The remaining three authorities had subsequently developed a strong bid which added Manchester and Salford, thus ensuring the requisite number of prospective children and adopters to meet bid requirements.

**RESOLVED**

That

1. Cheshire East Council enter a Regional Adoption Agency with Trafford, Stockport, Manchester and Salford Councils; and
2. decisions concerning the specific detail of the arrangements be delegated to the Portfolio Holder in consultation with the Director of Children's Services and the Director of Legal Services.

127      **COUNCIL TAX EXEMPTION FOR CARE LEAVERS**

Cabinet considered a report seeking approval to provide 100% exemption from the payment of Council Tax to Cheshire East care leavers.

A recent report by The Children's Society had suggested that care leavers were a particularly vulnerable group for council tax debt. One of the report's recommendations was that care leavers be made eligible for council tax exemption. This would help to relieve some of the pressure on care leavers and would sit alongside a number of other financial support arrangements available to them.

**RESOLVED**

That

1. the proposal to provide 100% exemption to Cheshire East's care leavers from the payment of Council Tax, including those living outside the Borough, be approved; and

2. amendments be made to the S13A policy and procedure to include the above as appropriate.

The meeting commenced at 2.00 pm and concluded at 2.56 pm

Councillor Rachel Bailey (Chairman)



## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 12 April 2016  
**Report of:** Director of Legal Services and Monitoring Officer  
**Subject/Title:** Jobs Regeneration and Assets Overview and Scrutiny Committee - Section 106 Agreements Task and Finish Group Report  
**Portfolio Holder:** Councillor Ainsley Arnold

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#### 1.0 Report Summary

- 1.1 This report introduces the Section 106 Agreements Task and Finish Group's (the Task Group) Report on its findings, conclusions and recommendations following its review.

#### 2.0 Recommendations

- 2.1 That Cabinet receive the Task Group's Report (attached).
- 2.2 That Cabinet note the Task Group's recommendations, which are contained in the attached report at page 3, section 2.1.
- 2.3 That a response to the Task Group's report be submitted to the Jobs Regeneration and Assets Overview and Scrutiny Committee at its meeting on 18 July 2016.

#### 3.0 Reasons for Recommendations

- 3.1 The Task Group was established to consider how Member Involvement in Section 106 agreements could be improved; and ensuring that the involvement of Members is effective in providing better outcomes for communities. The Task Group's findings and recommendations are provided to advise Cabinet and Officers in the development of future strategies and services.

#### 4.0 Wards Affected

- 4.1 All

#### 5.0 Local Ward Members

- 5.1 All

#### 6.0 Policy Implications

- 6.1 The Task Group's report provides recommendations that may effect some of the Council's policies in relation to: planning, member training, and communications.

## **7.0 Financial Implications**

- 7.1 Full consideration of financial implications is not required at this stage.

## **8.0 Legal implications**

- 8.1 Full consideration of the legal implications is not required at this stage.

## **9.0 Risk Management**

- 9.1 Section 106 Agreements are legal agreements between the Council and developers, if these agreements are not developed effectively then the Council may not be able to claim funds from developers for community projects. Many Section 106 Agreements also have deadlines for when the funds must be spent by therefore there is a risk of losing funds through ineffective processes.
- 9.2 A lack of understanding of the Section 106 Agreements process among councillors, town and parish councils and the public may lead to misunderstanding about decisions that have been made or money that is being spent which can lead to reputational damage for the Council.

## **10.0 Background**

- 10.1 Members of the Council have raised concerns about the lack of information being received regarding S106 Agreements in their wards. This has been a particular issue for new members who feel they have not received sufficient information about S106 Agreements since being elected in May 2015. Concern has also been expressed by Members regarding the desire to be more involved in how agreements are made, what the money is raised for and how the money is being spent. There has been coverage in the local press suggesting that the Council was holding onto £14m in S106 monies that it was not spending. A lack of understanding about how S106 Agreements work and how money was spent had impacted negatively on the reputation of the Council therefore the Corporate Overview and Scrutiny Committee decided to consider the issue.
- 10.2 In October 2015 the Corporate Overview and Scrutiny Committee received a briefing on Section 106 Agreements during which it was agreed that further consideration of the issue should be carried out by the Jobs Regeneration and Assets Overview and Scrutiny Committee (JRA Committee). The Corporate Scrutiny Committee also suggested that Members training sessions about S106 Agreements were needed and these took place in early December 2015. Following a meeting with officers and the Portfolio Holder responsible for planning the Chairman recommended to the JRA Committee that a Task and Finish Group be set up. The Task and Finish Group was established with its membership at the JRA Committee's November 2015 meeting.
- 10.3 At its first meeting on 14 December 2015 the Task and Finish Group developed the objectives and project plan for the review. The scope of the review was to consider how S106 Agreements were developed and managed at Cheshire East and would lead to recommendations regarding how these practices might be improved,

specifically in relation to member involvement in the process and how town and parish councils might become more involved.

10.4 The objectives for the review were:

- To develop a standard approach to member involvement to all future S106 Agreements.
- To improve communication with members, and town and parish councils.
- To ensure information is shared with members in an effective way
- To involve members more in how the money is spent
- To improve communication with the community

10.5 The Task and Finish Group held several meetings with officers to discuss the rules governing the use of Section 106 Agreements, how the current system within the Council operates, the issues that members have with the current system and possible ways in which improvements could be made.

10.6 The Task and Finish Group developed a questionnaire to gather the views of Councillors regarding their current level of understanding, the level of involvement they have had with the S106 Agreements process, and how they think improvements might be made. Using the information from the survey the Task and Finish Group developed its recommendations which are contained within this report.

10.7 The Group's report documents its findings, conclusions and recommendations.

### **11.0 Access to Information**

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

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## **Jobs Regeneration and Assets Overview and Scrutiny Committee**



Meriton Road Park funded by S106

# **Section 106 Agreements Task and Finish Group**

**Final Report**

**March 2016**

## 1.0 Chairman's Foreword

- 1.1 When I recommended to the Jobs Regeneration and Assets Overview and Scrutiny Committee in November 2015 that this Task and Finish review be established I did so to ensure that all Councillors had an opportunity to be involved in Section 106 Agreements that affect their ward and to ensure that their involvement is effective. The excellent response to our Member Survey shows that this is an important issue to all Councillors.
- 1.2 For many Councillors there has been a feeling of frustration about an apparent lack of involvement in something that affects their ward in a tangible way. This frustration may in part be down to a lack of understanding from Councillors and Town and Parish Councils as much as it is down to an ineffective system. The training sessions for Councillors have been important, particularly for new members like me, to help us understand what can and can't be done. There are a lot of new councillors at town and parish level as well and the Council needs to help their understanding. As Borough Councillors we also have a responsibility to ensure our town and parish councils and residents also have an accurate understanding of the S106 processes and support the Council.
- 1.3 The lack of a Section 106 Officer recently has contributed to a lot of the problems Councillors have raised and we hope that a strong candidate can be found to fill the post quickly. The role of the S106 Officer is extremely important in ensuring that all officers involved in the preparation of S106 agreements and the spending of funds know to involve the local councillors through out the process. Borough Councillors and Town and Parish Councils have the local knowledge and experience to ensure funding is raised and spent in the most effective way to support their community.
- 1.4 I would like to thank my Councillor Colleagues who have worked with me during this review and in compiling this report. We all thank the officers who have contributed their knowledge and experience to this review.
- 1.5 I commend this report to Cabinet and hope that our recommendations can be supported.

**Councillor Hayley Wells-Bradshaw**

**Chairman of the Section 106 Agreements Task and Finish Group**

### Task Group Membership



Cllr Hayley Wells-Bradshaw, Cllr Jon Weston, Cllr Suzanne Brookfield and Cllr Craig Browne

## 2.0 Recommendations

- 2.1 To ensure the Council enables effective involvement of local councillors and towns and parish councils in the setting up and use of Section 106 Agreements the Task Group recommends that:
- 2.1.1 Ward Councillors be involved at the earliest possible stage about all possible Section 106 agreements for developments in their ward through the pre-planning application stages.
  - 2.1.2 The Section 106 Officer position be filled as soon as possible to avoid issues associated with the post being vacant and that other officers in the department have sufficient knowledge to cover the Section 106 Officer during absences to avoid issues recurring in future.
  - 2.1.3 Further training on S106 Agreements be provided for councillors who were unable to attend the sessions held in December 2015 to ensure councillors have opportunities to become more familiar to S106s.
  - 2.1.4 A fact sheet on Section 106 Agreements be created and shared with Borough Councillors and Town and Parish Councils to provide a better understanding of the process. This should be followed by briefing sessions for Town and Parish Councils on at least a North and South basis so that parish councillors have an opportunity to become fully informed about S106s.
  - 2.1.5 The fact sheet and training session information be published on the Council's website in the appropriate webpages so that they can be access by the public and referred to by councillors when needed to improve understanding.
  - 2.1.6 Once councillors are sufficiently informed about the Section 106 process ward members be encouraged to proactively work with their town and parish councils to develop a wish list of projects in their area which could potentially be allocated funding through Section 106 agreements.
  - 2.1.7 Based on the feedback to question 7 of the Member Survey data on S106 Agreements in their ward be provided to all councillors in a streamlined way to make it more user friendly.
  - 2.1.8 Six monthly Section 106 update meetings to be facilitated by the Section 106 Officer, with appropriate support from other relevant officers, be established for ward members based on the seven former Local Area Partnership boundaries on a trial basis for a 12 month period.
  - 2.1.9 A follow up member survey be carried out in March 2017 to review whether changes to the current process have improved member involvement and communication in relation to Section 106 Agreements.

## 3.0 Background

- 3.1 Members of the Council have raised concerns about the lack of information being received regarding S106 Agreements in their wards. This has been a particular issue for new members who feel they have not received sufficient information about S106 Agreements since being elected in May 2015. Concern has also been expressed by Members regarding the desire to be more involved in how agreements are made, what the money is raised for and how the money is being spent. There has been coverage in the local press suggesting that the Council was holding onto £14m in S106 monies that it was not spending. A lack of understanding about how S106 Agreements work and how money was spent had impacted negatively on the reputation of the Council therefore the Corporate Overview and Scrutiny Committee decided to consider the issue.

- 3.2 In October 2015 the Corporate Overview and Scrutiny Committee received a briefing on Section 106 Agreements during which it was agreed that further consideration of the issue should be carried out by the Jobs Regeneration and Assets Overview and Scrutiny Committee (JRA Committee). The Corporate Scrutiny Committee also suggested that Members training sessions about S106 Agreements were needed and these took place in early December 2015. Following a meeting with officers and the Portfolio Holder responsible for planning the Chairman recommended to the JRA Committee that a Task and Finish Group be set up. The Task and Finish Group was established with its membership at the JRA Committee's November 2015 meeting.

## 4.0 Methodology

- 4.1 At its first meeting on 14 December 2015 the Task and Finish Group developed the objectives and project plan for the review. The scope of the review was to consider how S106 Agreements were developed and managed at Cheshire East and would lead to recommendations regarding how these practices might be improved, specifically in relation to member involvement in the process and how town and parish councils might become more involved.
- 4.2 The objectives for the review were:
- To develop a standard approach to member involvement to all future S106 Agreements.
  - To improve communication with members, and town and parish councils.
  - To ensure information is shared with members in an effective way
  - To involve members more in how the money is spent
  - To improve communication with the community
- 4.3 The Task and Finish Group held several meetings with officers to discuss the rules governing the use of Section 106 Agreements, how the current system within the Council operates, the issues that members have with the current system and possible ways in which improvements could be made.
- 4.4 The Task and Finish Group developed a questionnaire to gather the views of Councillors regarding their current level of understanding, the level of involvement they have had with the S106 Agreements process, and how they think improvements might be made. Using the information from the survey the Task and Finish Group developed its recommendations which are contained within this report.

## 5.0 Other Local Authority Scrutiny Reviews

- 5.1 The Task Group reviewed a number of S106 scrutiny reviews that have previously been carried out by other authorities which were obtained from the Centre for Public Scrutiny website. Below is a summary of some of the reasons for undertaking the review, findings and recommendations from the reviews as they relate to the remit of this Task Group.



### **Charnwood Borough Council – March 2015**

- 5.2 The most recent report from Charnwood Borough Council's Section 106 Funds Scrutiny Panel published in March 2015 is also the most relevant to this Task Group's remit. The Panel undertook a review of the extent to which communities and Borough Councillors could be involved in determining how Section 106 funds were used. The review was set up because current communication with councillors was poor and officers identified S106 projects without engaging ward councillors or town and parish councils.
- 5.3 The review identified areas of good practice elsewhere including: training for all councillors in S106s; developing 'Project Banks' as a means of identifying schemes suitable for using Section 106 contributions, which enabled proactive engagement of local groups and preparatory work on projects to strengthen the negotiation of S106s with developers; a protocol of codified practice, to ensure a consistent approach that could be monitored; and publicity of outcomes through an annual report to support effective communication with public.
- 5.4 The Panel recommended that:
- all councillors should be engaged as early as possible and throughout the S106 process,
  - training should be carried out for ward members, town and parish councillors and community groups,
  - ward councillors work with their town and parish councils to identify needs, and
  - that officers report regularly on S106 agreements.

### **Stoke-on-Trent City Council**

- 5.5 In September 2007 a scrutiny task group from Stoke-on-Trent City Council published a report on Section 106 Obligations. The task group had been set up because there were currently no set policies and procedures in place for negotiating and managing S106s and no formal records of agreements.
- 5.6 During the review the task group met officers and members from Macclesfield Borough Council (MBC). MBC had previously had similar problems to Stoke until a review they had undertaken themselves in 2005 following a 'public relations disaster'. MBC had developed a database for holding all records of S106 agreements which was monitored by a dedicated Section 106 monitoring officer. They had also introduced a public information leaflet which explained what S106 was and how it could be used. The Stoke task group also conducted a members survey which identified that councillors were not systematically involved in S106s and that they wanted greater involvement. It also established a need for better communication about S106 agreements in the wards and a need to identify local projects.
- 5.7 Among other things the task group recommended:
- The creation of a S106 database to monitor all agreements,
  - The development of a community priorities list for each ward,
  - Training for all councillors (particularly newly elected ones),
  - Information about S106 be shared on the council's website,

- A dedicated Section 106 monitoring officer post be created, and
- Twice yearly meetings of members, officers and developers to assess the planning process and consider potential improvements.

### **Bradford City Council – September 2006**

- 5.8 In September 2006 the Section 106/278 Agreements Working Group of Bradford City Council's scrutiny function published its report. One of the issues that the working group considered was community leadership, mainly from ward councillors and town and parish councils. The review found that knowledge and awareness of S106s was not consistent in each ward and that involvement of local representatives in developing S106s needed to be increased.
- 5.9 In relation to community involvement the Working Group recommended:
- That elected members be fully informed and involved in S106 discussions at the earliest possible stage and be provided with a named officer to contact,
  - That communities should identify S106 priorities to inform negotiations with developments during the planning stage,
  - That the content of S106 agreements and progress/outcomes of projects should be shared publicly through quarterly monitoring reports and an annual report, and
  - That training should be provided to members in S106s and that a form of this training should also be offered to town and parish councils.

## **6.0 Key Findings**

### **What are S106 Agreements?**

- 6.1 The term 'S106' refers to Section 106 of the Town and Country Planning Act 1990 (as amended). They are legally binding agreements which are negotiated between the Planning Authority and the applicant/developer and any others that may have an interest in the land. Alternatively agreements can be proposed independently by applicants; this is known as a 'unilateral undertaking' and does not require the same legal frameworks.
- 6.2 The purpose of Section 106 Agreement monies is to mitigate the impact of development and support local infrastructure needs. They impose a requirement on the developer to undertake certain specific works, and/or require a monetary contribution (commuted sum) to enable the Council to undertake certain relevant works. These monies are not a reserve fund for other expenditure; they are solely for Section 106 spends only and are not transferable.
- 6.3 The legal tests for when a S106 can be used are set out in the Community Infrastructure Levy Regulations 2010. These are: (1) necessary to make the development acceptable in planning terms, (2) directly related to the development, and (3) fairly and reasonably related in scale and kind to the development. As well as the legal tests, the policy tests are contained in the National Planning Policy Framework (NPPF) paragraph 203 and 204.

- 6.4 An agreement will contain ‘triggers’ for when the money will be transferred to the Council by the developer. These can be related to when building of a particular number of dwellings (e.g. 50%) has been completed on the site, or when a particular number of dwellings are occupied but there are many other possible triggers. Therefore the funds related to an S106 Agreement will often not be received when the agreement is made or planning permission approved. S106 Agreements often contain a clause regarding a time limit of the funds being spent; if the limit expires the funds would have to be transferred back to the developer.

#### Current Position at Cheshire East

- 6.5 At the time of the Task Group’s review the Council was currently monitoring a total of 287 Section 106 Agreements. The following table (fig.1) contains information on the movement of the S106 Fund.

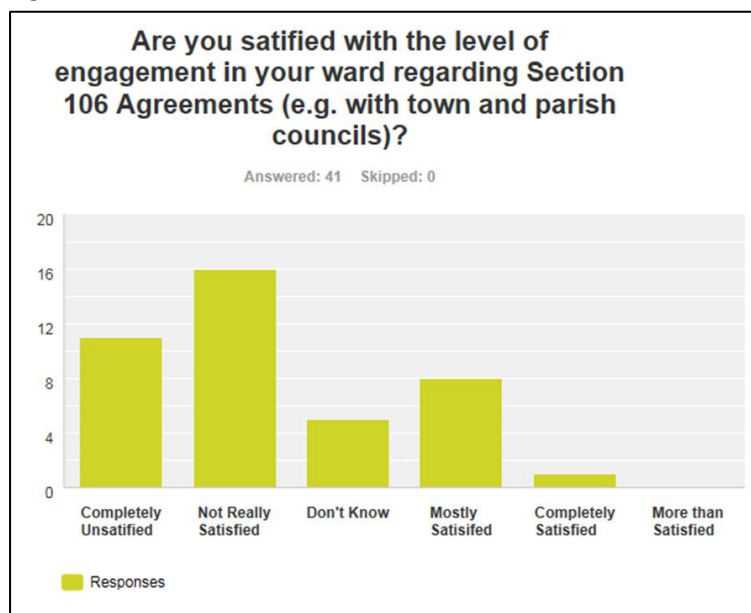
Figure 1 (as at December 2015)

Year	Opening Balance	Funds Received	Interest received	Funds Spent	Closing Balance
2011-12	4,764,758	466,428	7,157	560,905	4,677,437
2012-13	4,677,437	1,297,979	9,385	528,448	5,456,352
2013-14	5,456,352	3,679,076	10,052	1,031,258	8,114,222
2014-15	8,114,222	7,598,678	19,971	2,511,620	13,221,251
2015-16	3,221,251	1,596,894		549,751	14,268,393

- 6.6 Officers informed the Task Group that only applications over a certain size could be subject to an S106. This meant that only approximately 200 S106 agreements per year were created. The scale of funding available at present was due to a couple of S106 agreements which had recently triggered substantial contributions. During 2014/15 the Council received £7,598,678 which included large sums for Crewe Green Link Road and improvements to A500. Any interest earned from holding funds was required to be spent inline with the conditions of the associated S106 Agreement. The majority of funds currently held by the Council were allocated to major highways schemes.
- 6.7 Officers explained that when a Section 106 agreement has been signed, an electronic copy of the agreement accompanied with a completion memo is circulated from Legal Services to all stakeholders which may include: highways, education, housing, spatial plans, parks and green spaces, land charges, finance and S106 Officer for monitoring (as well as the planning officer who will issue the decision notice). This ensures that all relevant parties have access to the information they require.
- 6.8 Information relating to the agreement is then entered into a Microsoft Access Database for the purpose of monitoring. The system records information including:
- The planning permission reference number,
  - Address including ward and parish,
  - Description of the development,
  - Planning obligations – financial and in-kind,
  - Amount of financial contribution,
  - Trigger for planning obligation, and
  - Physical works completed.

- 6.9 When payments are received they are recorded and noted against the relevant agreement and included in the Council's Capital Programme for spending. To ensure that all relevant parties are informed of S106 income, the S106 Monitoring Officer circulates a memo to Finance, the relevant Stakeholder and the appropriate Ward member for information.
- 6.10 A Microsoft Excel Spreadsheet is maintained by the Council's Finance department, in accordance with financial regulations. The spreadsheet is populated by both the Council's Accountants and the S106 Monitoring Officer, and is then circulated to all budget holders and finance teams on a quarterly basis. It is disseminated to officers within the respective teams so that they are aware of the monies available for spend and project managers are appointed, where appropriate, to ensure the funds are spent against agreed priorities.
- 6.11 The spreadsheet enables the monitoring of deadlines where the money is due to expire. A risk assessment is done on a regular basis to identify where monies are due to expire so that the expenditure of the money can be expedited. In the unlikely event that money expires or there is a residual balance this will be paid back to the developer in accordance with the S106 Agreement. In the last four financial years no S106 monies have been repaid to the developer.
- 6.12 When stakeholders wish to access the S106 monies for spend a process is in place which verifies that spend. In addition to the stakeholders own internal process (i.e. a delegated decision notice sign off for certain amounts) a 'drawdown request' is completed for both finance and the S106 Monitoring Officer to verify that spend is in accordance with the specifics of the S106 agreement.

Figure 2



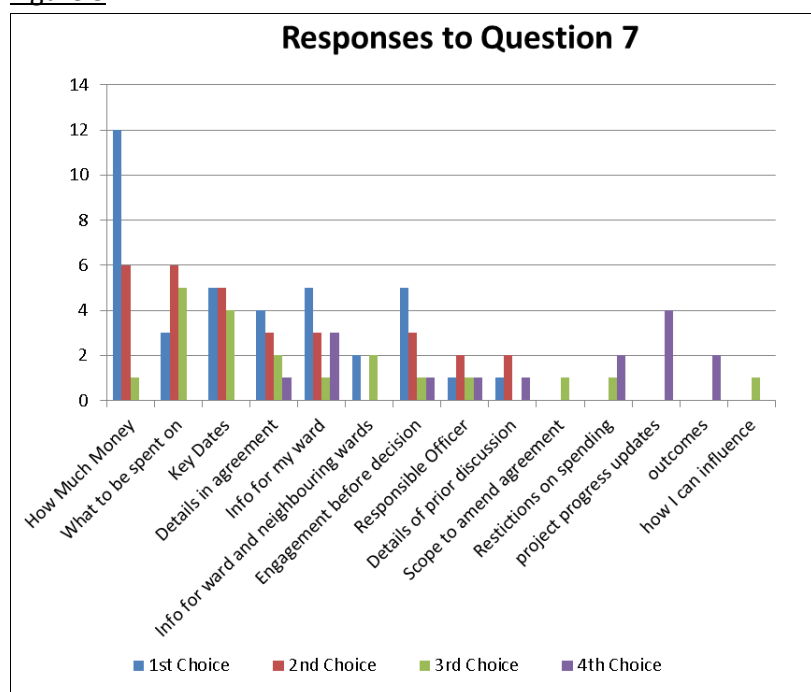
### Member Survey Findings

- 6.13 The Task Group decided to conduct a member survey to ensure that all members had an opportunity to contribute to a review that had attracted a lot of interest. The questions for the review were developed by the Task Group at its second meeting and took some inspiration from the Stoke-on-

Trent scrutiny report. The full survey and results are available in Appendices B and C respectively however some questions have been included below to illustrate the points raised.

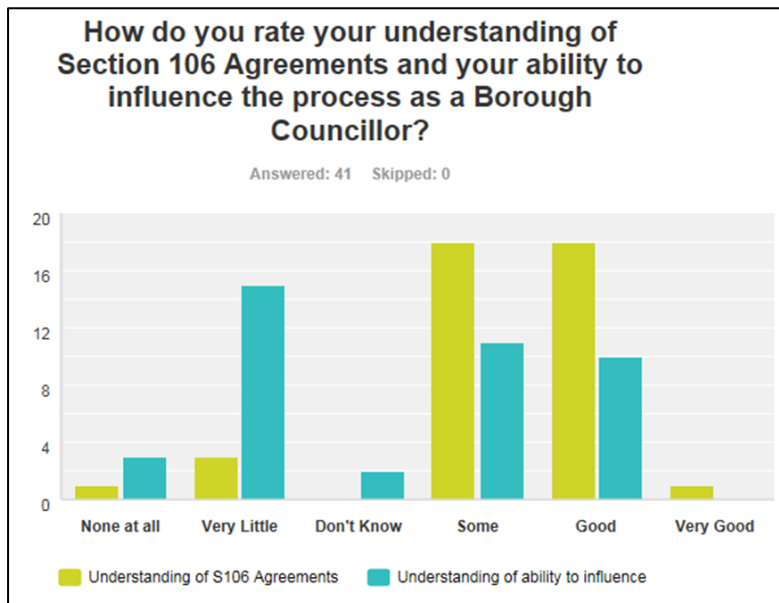
- 6.14 The Task Group received a very good response (50%) from councillors to the Member Survey which provided very useful information as well as illustrating the interest that councillors have in S106 Agreements. The Task Group considered the results of the Member Survey at its third meeting.
- 6.15 Overall it is clear from the survey results that there is a significant proportion of councillors who are not currently satisfied with existing arrangements and the service they had received so far (Fig 2. Pg. 8 above). It is also obvious that members feel there is a need for better communication. The response to Question 7 (summarised in Fig. 3 below) of the survey highlights the type of information that members are interested in receiving. This information should be readily available however needs to be shared in an understandable and easy to manage format.

Figure 3



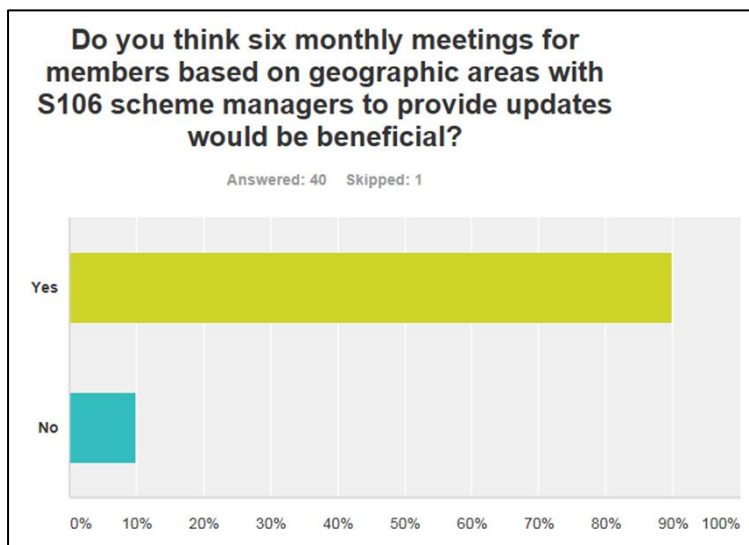
- 6.16 The training sessions for members held in December 2015 (as mentioned in 3.2 of this report) were relatively well attended however the survey results seem to suggest that there is still a significant proportion of members, particularly new ones, who have not yet had any form of training (Fig.4) and therefore may not understand what S106s are and how they can influence the process. This lack of understanding may have led to some of the dissatisfaction with the current process and may be resolved through further training sessions.
- 6.17 Knowing who to contact about an issue is an important part of gaining a greater understanding of something. The survey results highlight that there needs to be better communication to members about contact details for key officers in relation to S106s.

Figure 4



- 6.18 There was overwhelming support from respondents to the survey for establishing some six monthly meetings for members to be provided with updates on S106 agreements (Fig. 5). The Council currently has Area Highway Groups based on the seven former Local Area Partnership (LAP) areas where members discuss highways issues in their geographic area twice a year and it was suggested that these same footprints could be used for similar meetings regarding S106 agreements.

Figure 5



### Discussion with Officers

- 6.19 During the review the Task Group met with the Head of Planning and the former S106 Officer and discussed the findings of the Member Survey with them.
- 6.20 The Task Group found that S106 monies are most often collected for open spaces and education. The impact of a development and the requirement for S106 money for a specific need had to be

supported by solid evidence and a detailed plan of how it would be used. There were examples of when contributions for health issues (e.g. more facilities to cope with increased demand from developments) had been requested however these had been deemed unfounded on appeal because of the lack of evidence and a detailed plan for using the funds.

- 6.21 Local knowledge needs to be used to ensure that money is being raised to pay for projects that are of most value to the area. Neighbourhood Plans are seen as key to establishing a strong evidence base for the needs of communities and could contain a list of projects which could be funded by S106, to be used when applications for development are made.
- 6.22 Responses to Question 8 of the Member Survey suggested that members would prefer monthly updates. However it was considered unlikely that there would be much to update members on a monthly basis and that six monthly might be more likely to yield new information. This individual update for each ward councillor could be linked to the six monthly meetings suggested above. If members received an update automatically as and when new information was available then they would not necessarily need regular scheduled updates.
- 6.23 Officers suggested that one of the reasons new members may not have had communication about S106s so far is because there hadn't been any new agreements set up in their ward since they became a member in May 2015.

## 7.0 Conclusions

### Member Involvement

- 7.1 Having considered the findings of the review the Task and Finish Group believes that members play a vital role in shaping their communities and should be involved early in the process of establishing a S106 agreement and then also involved in the monitoring and spending of monies. The Task Group agreed that members should be involved in the pre-agreement stage and invited to pre-planning meetings.
- 7.2 The Task Group believes that the scrutiny reports from other local authorities reinforces the position held in Cheshire East as they identified similar issues regarding member involvement and communication to those sighted by Councillors when this Task Group was established. The Task Group recognises the issues that those scrutiny reviews identified and believes the recommendations made by those groups would also work in Cheshire East.
- 7.3 The Task Group particularly recognises the benefits of having 'wish lists' or 'project banks' for each local community which establish projects that could be funded by S106 agreements and encourages Borough Councillors to work with their local town and parish councils to develop such lists. As mentioned above, Neighbourhood Plans are key to the development of local communities and a list of priority projects could be incorporated into these Plans. This way S106s could be created to fund specific priorities for each ward/town or parish council area.

## Communication with Members

- 7.4 The spreadsheet held by the S106 Officer contains all the S106 agreements for the Borough which is separated on a ward by ward basis. There is a large amount of information for each agreement and the Task Group believes that the spreadsheet as whole is unwieldy and difficult to read. In future members should be supplied with more concise information based on the priorities identified in the member survey.
- 7.5 When services are preparing to spend S106 monies on projects they should carry out consultation with ward members and local residents. The Council needs to ensure this takes place by briefing service managers about the need to involve members.
- 7.6 The Task Group agreed that it is imperative that a new Section 106 Officer is appointed as many of the issues with communication and understanding for members may be due to the Section 106 Officer not being in place to provide the information.
- 7.7 Communication with members appears to have been mixed with some involved in S106s and others feeling they haven't been. The Task Group agrees that there should be an assumption on the part of officers that ward members need to be involved in pre application meetings.
- 7.8 While the Task Group believes more needs to be done to support members regarding S106 agreements members also need to ensure they have an understanding about what their responsibilities are in relation to planning in their ward; i.e. coordinating questions and views from their ward, liaising with parish councils etc.
- 7.9 The Task Group wishes to trial 6 monthly update meetings based on the former LAP areas for ward members. These will be for the Section 106 Officer and any other required officers to provide updates to members on the current position regarding S106s in the area. It is suggested that the meeting take place in March/April and September/October and be reviewed in twelve months following the first two meetings.
- 7.10 The Task Group also agreed that it would be useful to do another member survey in 12 months time to assess whether improvements in involvement and communication had been made and that this might be extended to town and parish councils.

## Town and Parish Councils

- 7.11 The Task Group believes that town and parish councils have a valuable role to play using their local knowledge to identify projects for S106 funding. Town and parish councils also have a responsibility to understand their role and to recognise that S106 funds are not a free for all to fund any local projects. The Task Group feels that there isn't enough understanding of what S106s are and what the money can be spent on. This has led to criticism of Cheshire East and ward members and officers need to be able to explain the reality to parishes. The Task Group suggests developing a factsheet which explains the basics and main points about S106 Agreements which should be distributed to town and parish councils so that their members, particularly the new ones, are able to understand



properly. This could possibly be followed up by training through briefings by the new Section 106 Officer if required once they were in post on a North and South or LAP area basis depending on resources.

- 7.12 During the review the Task Group considered the possibility of delegating spending of S106 funds to town and parish councils. It was explained that the S106 Agreements are contracts between the developers and Cheshire East Council. Therefore the Council is responsible for ensuring the money is used appropriately inline with the S106 and retains the risk when transferring funds to other bodies to spend. For this reason the Task Group does not feel it would be appropriate to follow this approach. It is however possible for a town or parish council to carry out works on a project and provide the funding initially; then they would be in a position to invoice the Council and be paid using S106 money for their area.

### **Appendices**

- A- Terms of Reference
- B- Member Survey Questionnaire
- C- Member Survey Responses Analysis

**Appendix A – Terms of Reference****Scrutiny Project Initiation Document**

Project Name:	Member Involvement in S106 Agreements
Project Manager	James Morley
Project Team	Hayley Wells-Bradshaw, Jon Weston, Derek Bebbington, Suzanne Brookfield, Craig Browne
Supporting Officer	Caroline Simpson, David Malcolm, Fiona Seddon
Timescales	December 2015-March 2015
Distribution:	Project Team, Portfolio Holder, Supporting Officers, Head of Service
Purpose of this document:	To document the reasons for undertaking the project, to define the project and to form the basis for its management
Project Initiator	Jobs Regeneration and Assets Overview and Scrutiny Cttee

**Background & Reasons for undertaking the project**

Members of the Council have raised concerns about the lack of information being received regarding S106 Agreements in their wards since being elected in May 2015. Concern has also been expressed by Members regarding the desire to be more involved in how agreements are made, what the money is raised for and how the money is being spent. There has been coverage in the local press suggesting that the Council is holding onto £14m in S106 monies that it is not spending. A lack of understanding about how S106 Agreements work and how money is spent had impacted negatively on the reputation of the Council. Members requested training sessions to learn more about S106 Agreements which took place in early December 2015. The JRA Committee agreed to set up the task group at its November 2015 meeting.

**Project Objectives**

- To develop a standard approach to member involvement to all future S106 Agreements.
- To improve communication with members, and town and parish councils.
- To ensure information is shared with members in an effective way
- To involve members more in how the money is spent
- To improve communication with the community

## **Project Scope**

The Task Group will consider how S106 Agreements are developed and managed at Cheshire East and can make recommendations regarding how these practices can be improved specifically in relation to member involvement in the process and how town and parish councils can become more involved.

## **Project Deliverables/Outcomes**

The Group will produce a report with recommendations which will be submitted to Cabinet for consideration. This may include a draft suggested protocol/process map for member involvement and how, when and under what circumstances they and town and parish councils may be consulted. This may include how money is spent and whether funds are passed on you town and parish councils to enable more effective outcomes.

## Appendix B – Member Survey Questionnaire (Survey Monkey extract)

### Cheshire East Council Scrutiny: Section 106 Agreements Task and Finish Group

#### Member Survey

The Jobs Regeneration and Assets Overview and Scrutiny Committee set up the Section 106 Agreements Task and Finish Group to consider how member involvement, and the involvement of town and parish councils, could be improved to provide better outcomes for communities in the use of Section 106 Agreements.

This survey is designed to collect the views of Cheshire East Council members about current position, experience with the Section 106 Agreements process and how improvements might be made. The survey will take approximately one minute to complete and will be used by the Task Group to consider what recommendations to make to Cabinet about how the involvement of members can be improved.

1. Were you elected as a Borough Councillor for the first time in May 2015 and did you attend one of the S106 training sessions in December 2015?

	Yes	No
New in May 2015	<input type="radio"/>	<input type="radio"/>
Attended training session	<input type="radio"/>	<input type="radio"/>

2. How do you rate your understanding of Section 106 Agreements and your ability to influence the process as a Borough Councillor?

	None at all	Very Little	Don't Know	Some	Good	Very Good
Understanding of S106 Agreements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understanding of ability to influence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Are you satisfied with the level of engagement in your ward regarding Section 106 Agreements (e.g. with town and parish councils)?

Completely Unsatisfied	Not Really Satisfied	Don't Know	Mostly Satisfied	Completely Satisfied	More than Satisfied
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**4. Do you feel sufficiently involved in the spending of S106 funds by services in your area?**

not involved at all and I think I should be	slightly involved but not as much as I would like	Don't Know	nearly as much as I would like	as involved as I want to be	more involved than I need to be
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**5. Do you know who to contact regarding S106 Agreements and schemes funded by them in your area?**

<input type="radio"/> Yes
<input type="radio"/> No

**6. How do you rate current communication regarding S106 Agreements?**

Very Poor/None	Poor	Don't Know	Okay	Good	Excellent
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**7. What information would you like to receive regarding S106 Agreements?**

1

2

3

4

**8. How frequently would you like to be informed about S106 Agreements?**

<input type="radio"/> Weekly
<input type="radio"/> Monthly
<input type="radio"/> Quarterly
<input type="radio"/> Every 6 months
<input type="radio"/> Annually

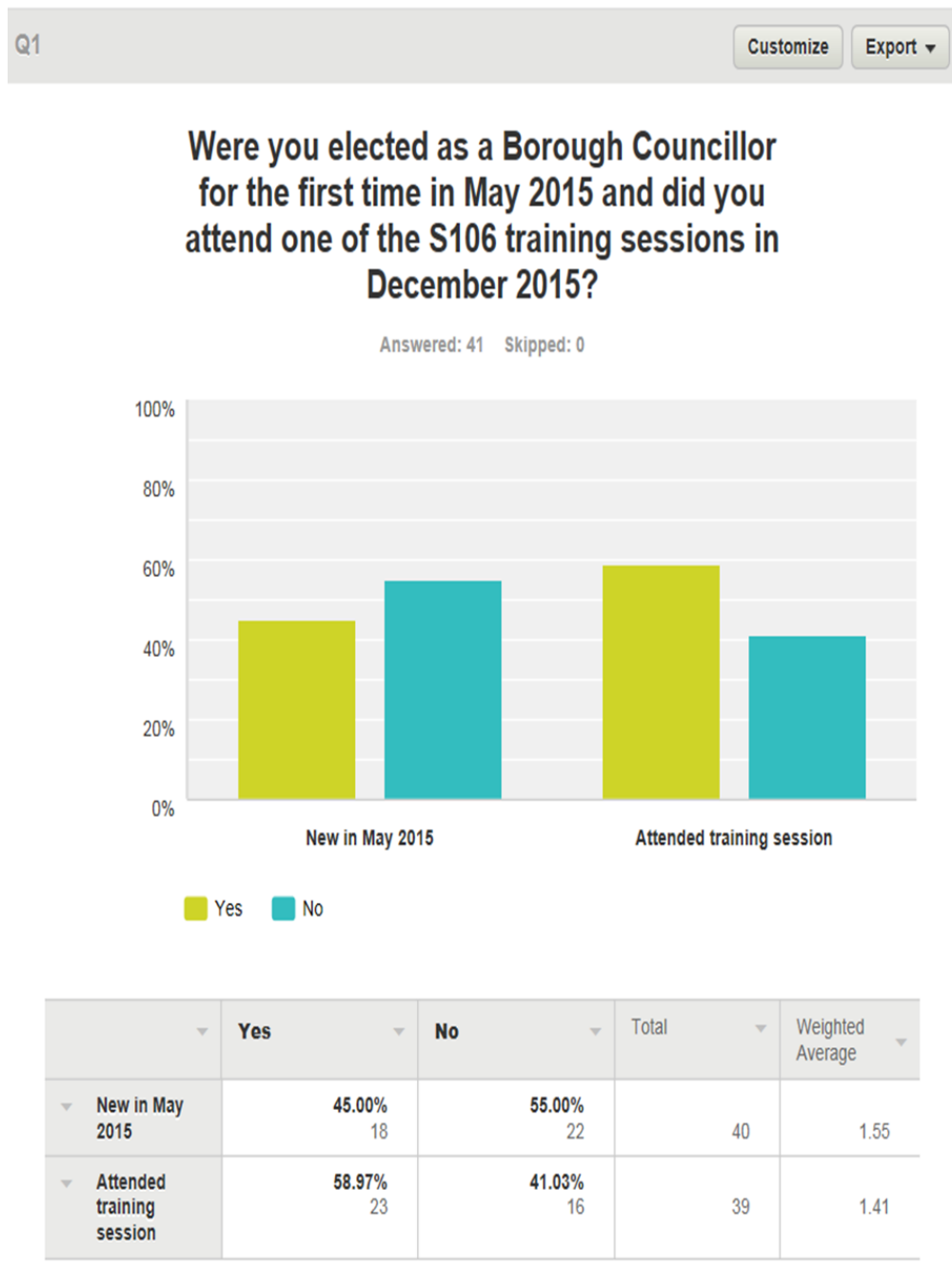
**9. Do you think six monthly meetings for members based on geographic areas with S106 scheme managers to provide updates would be beneficial?**

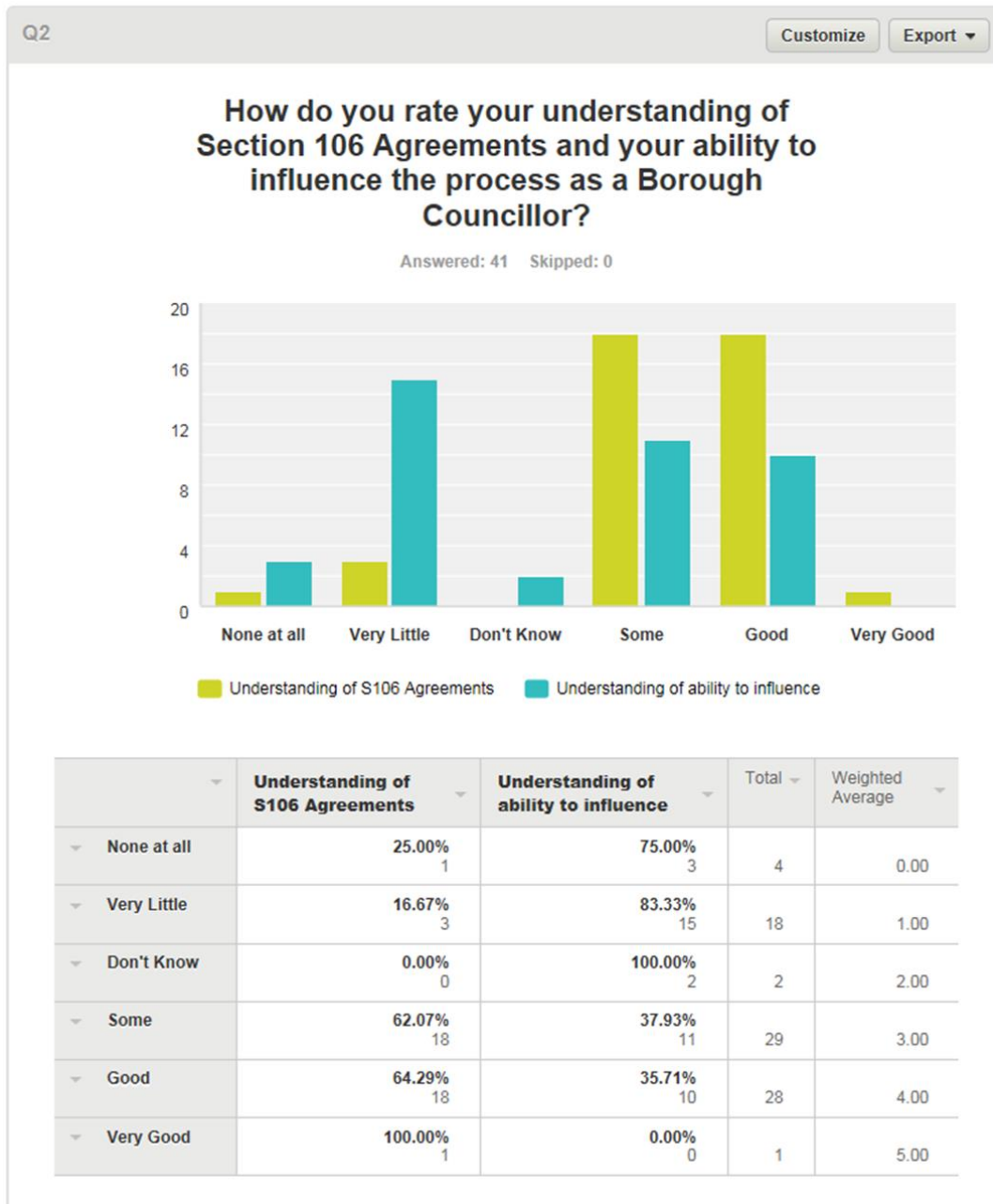
<input type="radio"/> Yes
<input type="radio"/> No

**10. Below is a section for you to provide any additional comments about your views and experiences with S106 Agreements, and any suggested improvements you would like the Task and Finish Group to consider:**

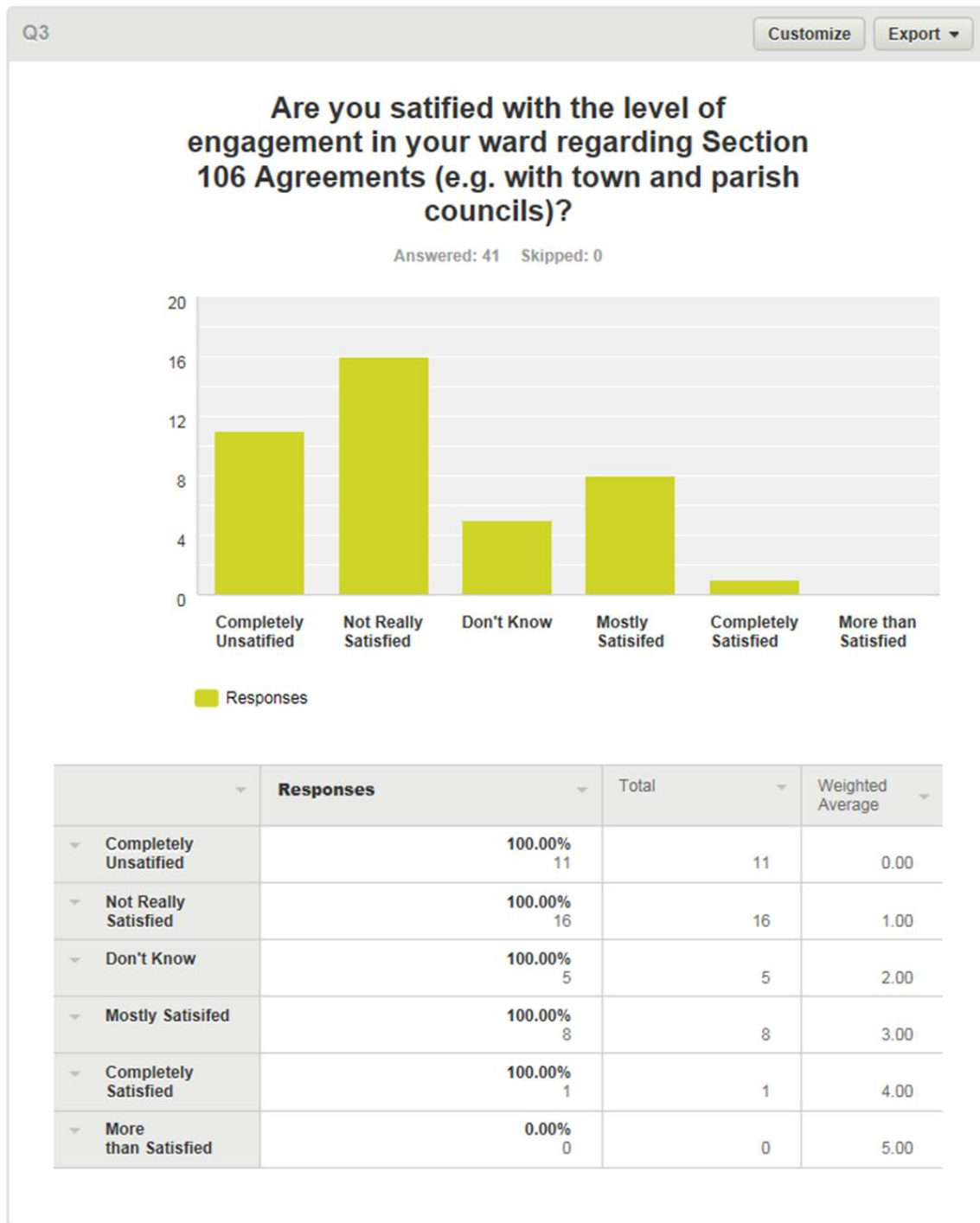
		
		
		

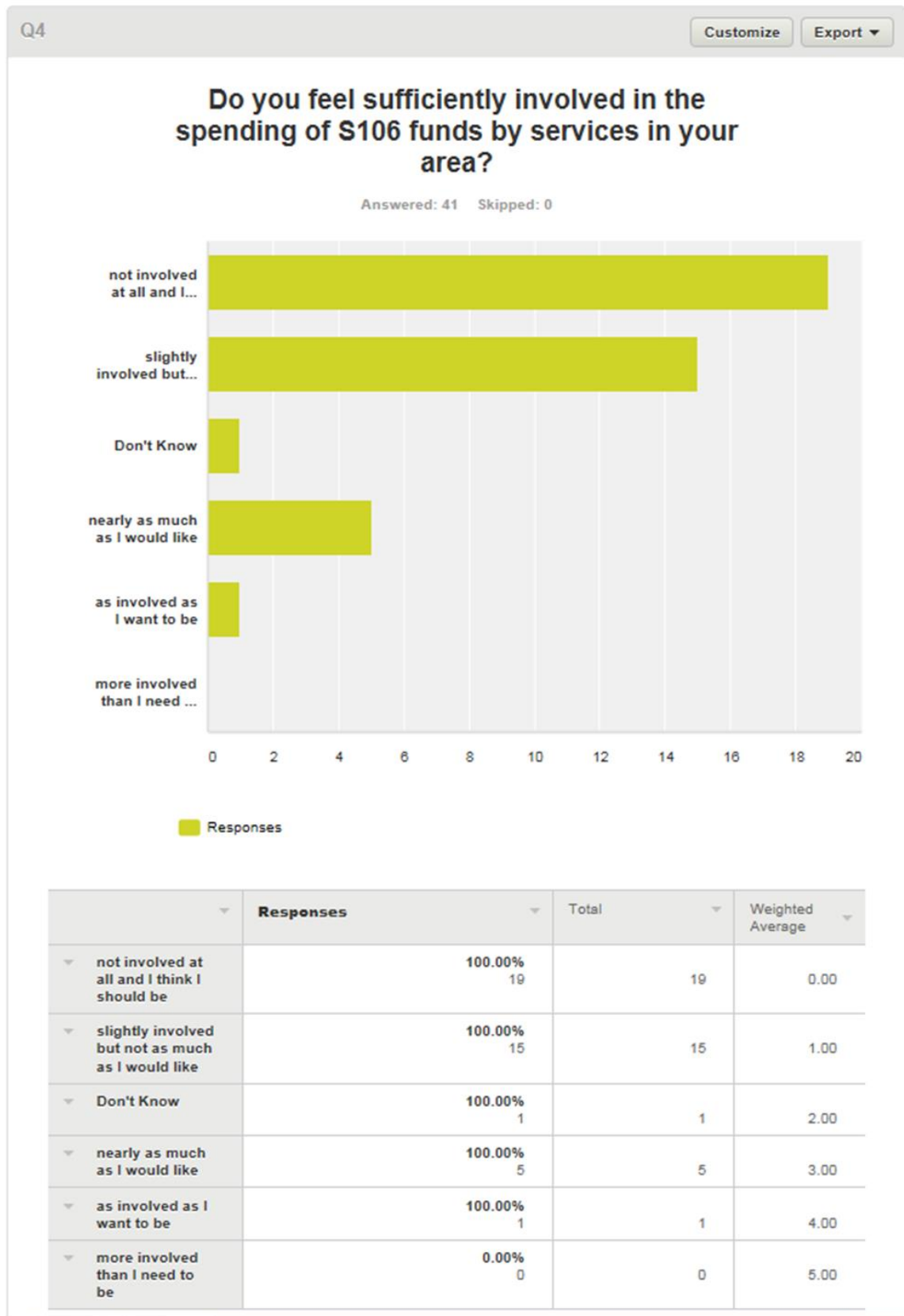
Appendix C – Member Survey Response Analysis (extracted from Survey Monkey)

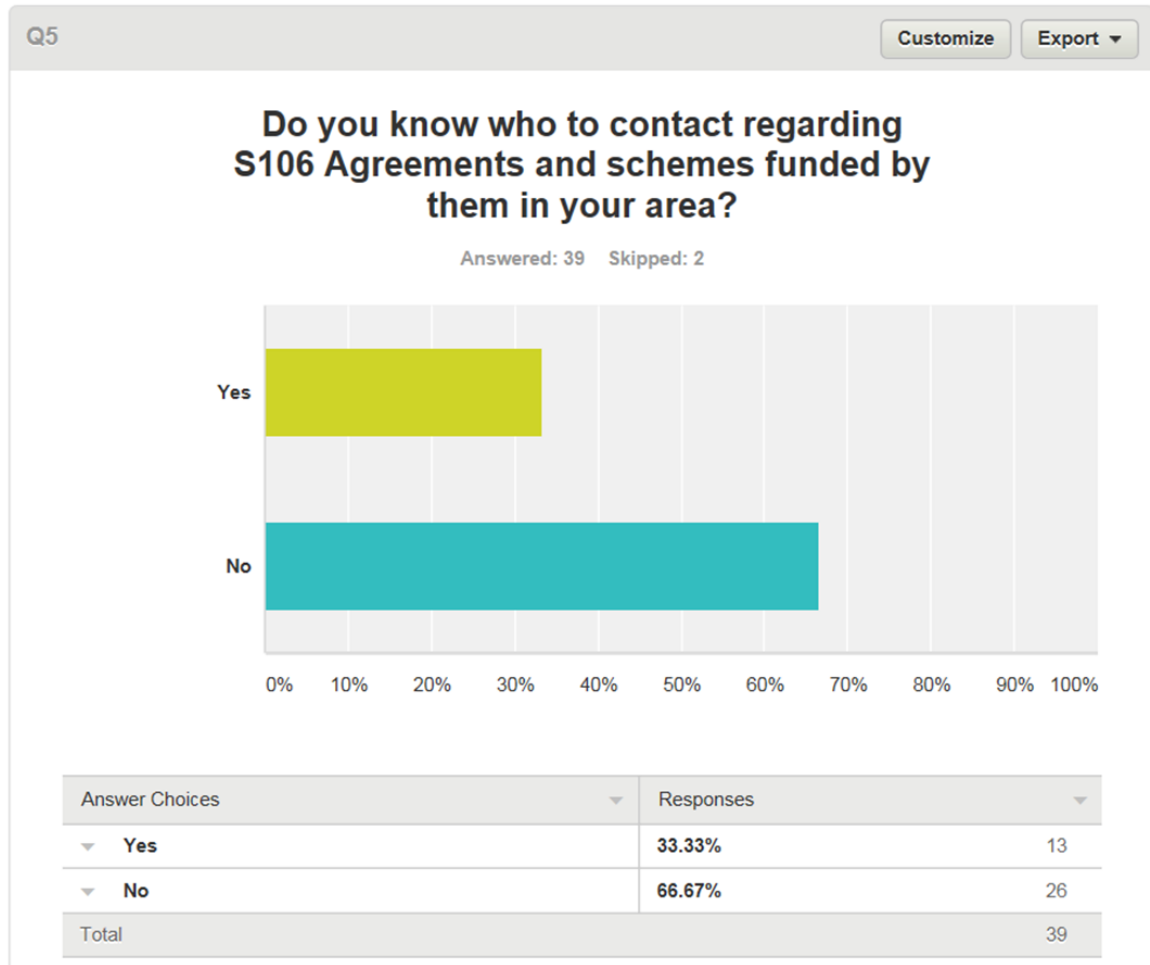


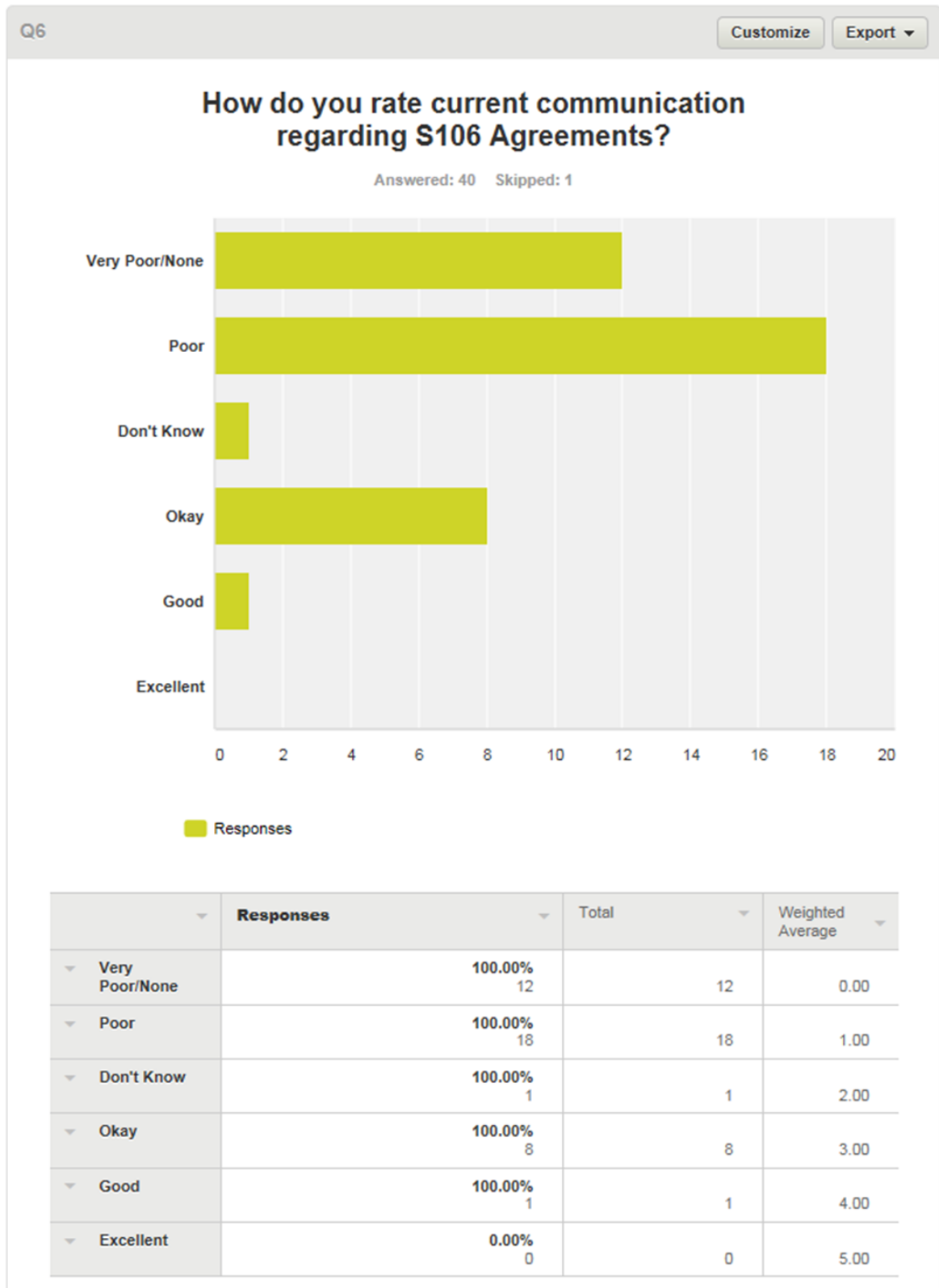






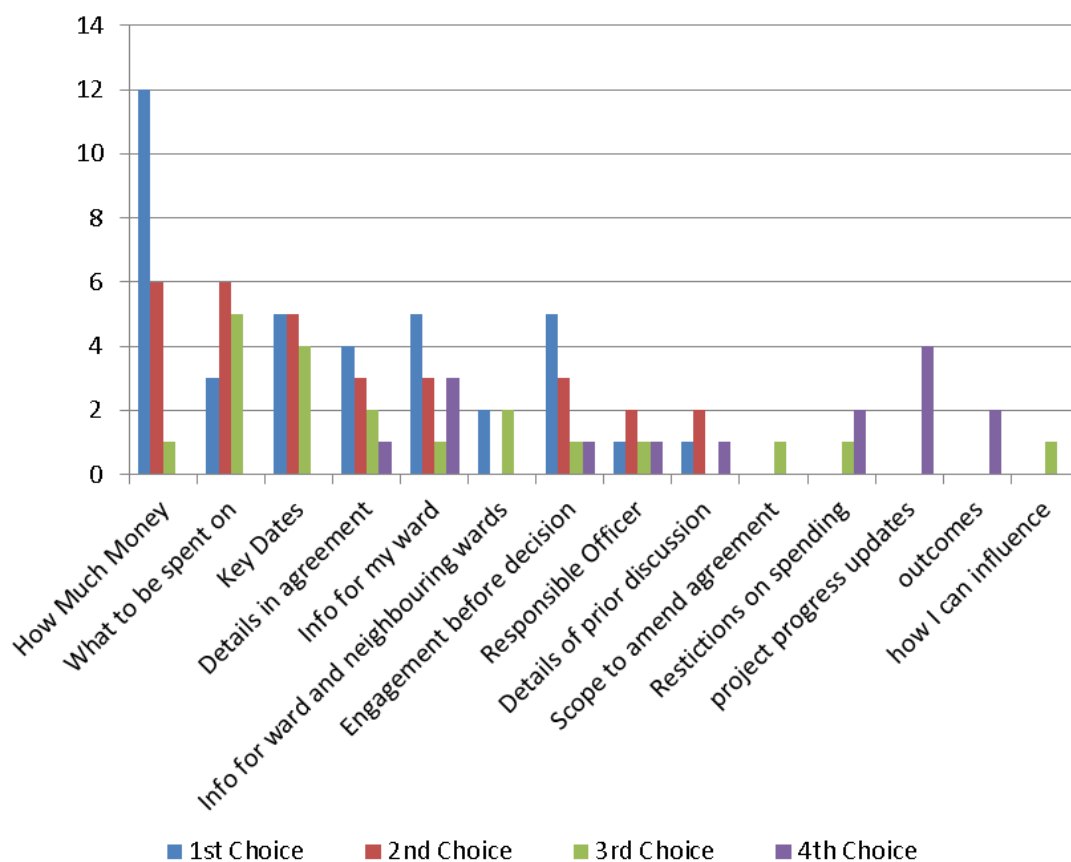






Question 7 What information would you like to receive regarding S106 Agreements?				
Response	1st Choice	2nd Choice	3rd Choice	4th Choice
How Much Money	12	6	1	0
What to be spent on	3	6	5	0
Key Dates	5	5	4	0
Details in agreement	4	3	2	1
Info for my ward	5	3	1	3
Info for ward and neighbouring wards	2	0	2	0
Engagement before decision	5	3	1	1
Responsible Officer	1	2	1	1
Details of prior discussion	1	2	0	1
Scope to amend agreement	0	0	1	0
Restictions on spending	0	0	1	2
project progress updates	0	0	0	4
outcomes	0	0	0	2
how I can influence	0	0	1	0

## Responses to Question 7



## Transcript of responses to Question 7

### 1<sup>st</sup> Choice (37 responses)

- |  |  |   |
|--|--|---|
| 1. Explanation as to what it is  | 22. How much is available  | 3. When will it become due  |
| 2. How much available  | 23. Up to date list and details of S106 Agreements and spend by dates                      | 4. Amount   |
| 3. What is the money for (i.e. education, open spaces)   | 24. Where money will be spent  | 5. Plans  |
| 4. Dates valid Till  | 25. Name of officer  | 6. Notice of any and all discussions between CEC and applicants re S106 agreements in my ward   |
| 5. Amount  | 26. Details of 106 discussions between planners and developers for applications in my Ward | 7. time limits  |
| 6. When/where planning officers feel that there is an opportunity to request S106 monies             | 27. where they are in all Crewe wards?   | 8. What were the criteria used to arrive at such allocation                                     |
| 7. criteria for spend  | 28. Amounts involved   | 9. Notifications in advance   |
| 8. The percentage of allocation to my ward   | 29. ward councillors informed when PA's will trigger S106's                                | 10. Current allocation by project   |
| 9. Agreements in my ward   | 30. The planning application number and description  | 11. General planning clauses to be implemented on all building contracts of more than 50 houses |
| 10. Current cash balance   | 31. All that is on the spread sheet and relevant to my ward on the adjacent wards          | 12. Areas of choice for spending  |
| 11. All Schemes available in my area (recently done)   | 32. More specific information regarding allocated funds                                    | 13. If there are any S106 agreements in my ward, what are they?                                 |
| 12. What monies become available   | 33. How much   | 14. whereabouts   |
| 13. Engagement necessary before any planning decision  | 34. Knowledge of when an application is received that may be subject to Sn106 agreement    | 15. details of the agreement  |
| 14. Are there any S106 agreements in my ward? (Crewe South)  | 35. How to be involved in the negotiations from an early stage                             | 16. Advised when they are agreed (in similar way to Planning Apps)                              |
| 15. value  | 36. Final details following approval of planning app.                                      | 17. Details of S106 money being delivered from projects, amounts and timescales                 |
| 16. date funds received  | 37. Amount that it affects ward work   | 18. Exact info re on what it can be spent   |
| 17. Detail re application to which they refer  |  | 19. Where it can be used  |
| 18. Any in Shavington Ward   |  | 20. Details of schemes already in place and contacts for scheme managers                        |
| 19. Knowledge that a development was going to create S106 money before the heads of terms are agreed |  | 21. The process by which members can participate in suggestion/decisions                        |
| 20. More regular info re amounts to spend  |  | 22. How much in ward  |

### 2<sup>nd</sup> Choice (30 Responses)

1. How it is applied
2. How much committed

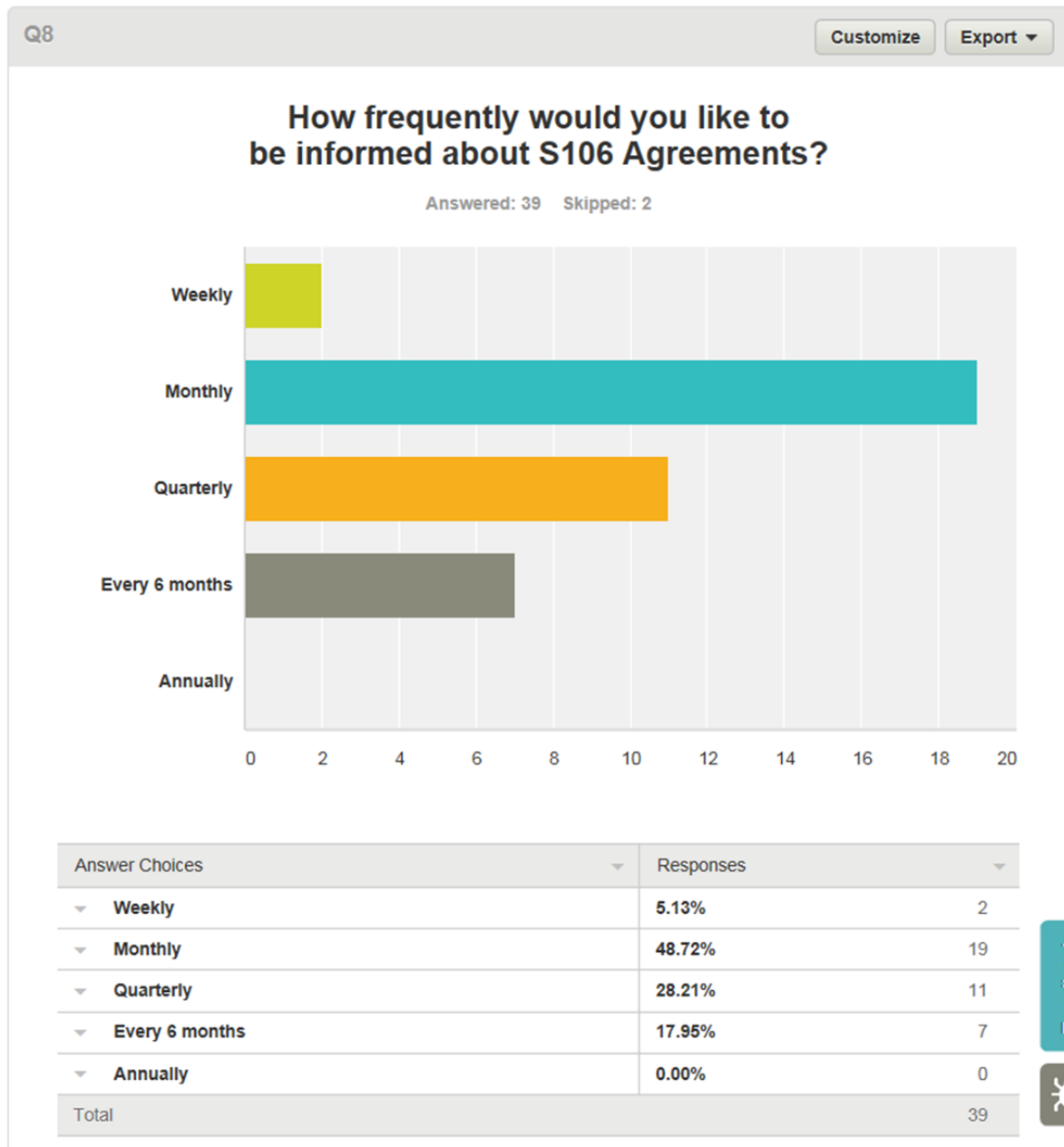
- |  |   |  |
|--|---|--|
| 23. What they are planned to be spent on?  | 9. Mechanism for influencing allocations  | 4. review/discussion of outcomes   |
| 24. When an instalment arrives and how it is proposed to be spent  | 10. Quarterly updates and reminders of schemes about to expire                            | 5. The assurance that such allocation will be used primarily for the ward            |
| 25. ward councillors involved in decisions and timing of spend   | 11. How the above decision is arrived at  | 6. Updates on s106 supported projects etc.   |
| 26. The name of the officer Who would be dealing with the individual s106 scheme                                     | 12. Who is the key officer to contact about these agreements?                             | 7. General clauses allowing future AHG approved schemes to be covered                |
| 27. When to be spent by  | 13. content of agreement  | 8. More consultation with ward members   |
| 28. Details of monies that is not being spent by the relevant service department and timescales of anticipated spend | 14. Restrictions  | 9. Alerts when S106s are triggered   |
| 29. How much is available under existing schemes   | 15. Reminders when about to disappear   | 10. More contact info  |
| 30. Date signed by 'legal' as can be quite some time after planing app. approval                                     | 16. What it can be used for   | 11. Is there any possibility of widening the scope of use                            |
|  | 17. How my ward compares with others in the borough                                       | 12. funding formula details  |
|  | 18. Advance notice of any development in any Crewe ward where there will be a 106 payment | 13. A realisation form officers that Councillors know their towns and what they need |
|  | 19. Invitation to be involved in how the money is to be used                              | 14. Any constraints on individual s106 agreements                                    |
|  | 20. The date the s106 funding expires   | 15. In respect of which application  |
|  | 21. What allocated to (specifically)  | 16. Remaining time limit on existing schemes   |
|  | 22. What the money can be spent on  | 17. When completed.  |
|  | 23. Monitoring of various S106's in connection with a planning app.                       |  |

### 3<sup>rd</sup> Choice (23 Responses)

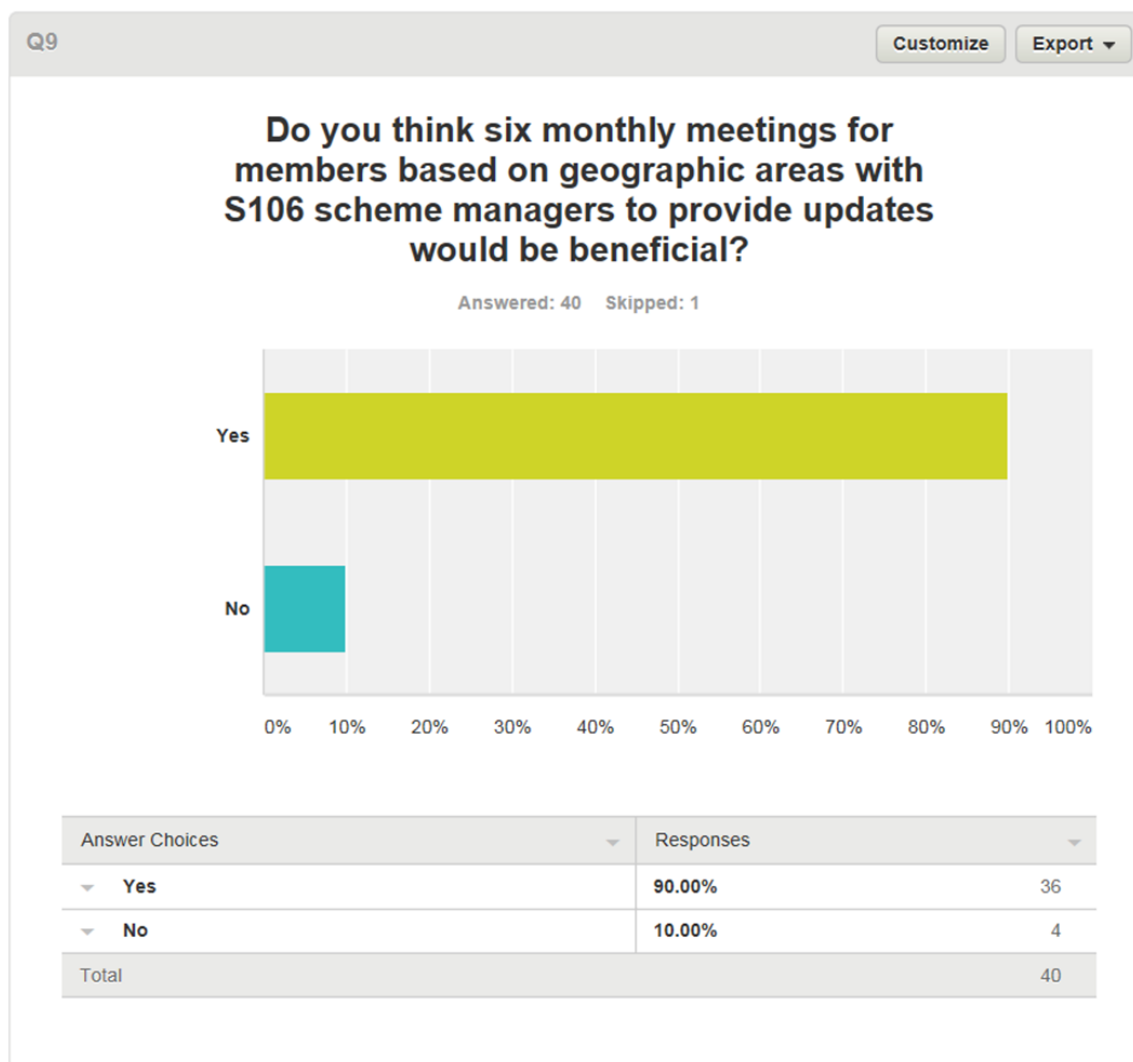
1. What it is for
2. How much spent last year
3. When will it expire
4. Areas / Locations where it can be allocated too
5. Openness to change of plans
6. areas it can be spent on
7. How many new homes were under radar for the allocation
8. Money not yet put to use

### 4<sup>th</sup> Choice (17 Responses)

1. How is it accessed
2. What projects are underway
3. Updates on progress







### Transcript of Question 10 Responses

Below is a section for you to provide any additional comments about your views and experiences with S106 Agreements, and any suggested improvements you would like the Task and Finish Group to consider:

- Answered: 33
- Skipped: 8

1. Difficult to comment, I need training in order to understand the 106. Cannot ask questions or answer questions, I have had no information or training. I am a new Councillor, never stood before, I have a lot to learn.
2. How is the amount of money negotiated. How is the money attached to projects.
3. Annually would be better for members update. Very concerned that I thought this had already transferred to the CIL in which case is S106 money still going to be coming through? The members

do need to be clear whether seeking payments or areas under which route this is happening as I thought S106 had reached the end of the road!

4. Meetings should be held quarterly. 6 monthly meetings is too frequent and onerous on officers.
5. Local area needs and reasons for consideration or otherwise
6. Question eight misses the point. Information about S106 agreements should be forthcoming when there are (or potentially are) S106 agreements to be agreed.
7. I would hope that rather than officers waiting for councillors to request informations regarding S106, they would issue notices of such allocations to ward councillors. I appreciate the work load of officers, but notices once a quarter isn't asking too much?
8. Appalling. I have received no consultation and no s106 funds accrued from large planning applications have been signposted for a neighbouring ward for a park that does not need the investment. This in regard to the Bentley application to expand on the back of Minshull New Road. Rather than £40,000 being spent in Crewe St.Barnabas, it will be getting spent in Leighton. My protests fell on death ears. Brassed off! Cllr D Bailey
9. May there be scope and resources to develop a s106 page on the intranet for each ward that members and officers can access?
10. Meetings are not always possible or necessary to attend and should be supported with emailed updates
11. Meetings with developers in advance of development always seem to include statements they cannot hold to. Once development is underway to encourage no opposition giving false hope for improvements to the ward concerned.
12. I have asked Fiona Seddon about S106 agreements in my ward, and await an answer.
13. Cheshire East Ward members should be involved with the direction of any 106 monies when this is being discussed between officers and developers. There is no need for meetings about 106 monies thereafter as certainly I know about all the outstanding amounts in our ward and we are constantly dealing with projects which might use the outstanding funds. It is important that parish councils do not become involved with any of the spending of the money other than suggestions of how the money can be spent, otherwise we will have a chaotic system where we as Ward Councillors will not know what is going on and money could be spent on trivial things which are not money well spent. Officers must not be able to spend any of the money without the agreement of the Ward members. Control of the spending is every bit as important as having it hanging around almost forgotten but safe!

14. Ward members should be able to influence the content of the agreement. At the moment officers seem obsessed with the provision of unwanted play parks and potentially unsustainable maintenance agreements.
15. S106 monies should not be spent without informing Ward Members - there is too little involvement currently.
16. New members are not sufficiently briefed on S106 agreements in their Wards. More en
17. Early communication between CEC and local councils would be beneficial to both parties.
18. When is a replacement S106 officer to come on board Please let me have a copy of the ToR and project plan for this key innanative
19. There are few opportunities for S106 monies in my ward but I haven't had any input to the few that have been applied since the inception of CE. Q8 should have the question "Would you like to be informed every time an agreement needs to be made?"
20. It is extremely unsatisfactory that the position of S106 Officer has been vacant for 6 months during which time sums of money could have been lost. Members should be consulted on S106 Agreements and informed and have the facility to be involved in any resulting schemes.
21. My experience and knowledge of the process has been gleaned by happenstance and opportunity. Members need to assured that they are clearly part of the process.
22. We do not have large amounts in the urban areas but we are effected by decisions that are made for surrounding wards
23. Unfortunately I had to leave to go to another CE meeting just before the briefing ended and so I did not get the chance to ask a question about an issue which had been bothering me. I have been invited to a couple of pre planning meetings between planners and developers regarding proposed large developments in my Ward. I have declined and not attended as I was nervous of being in meetings where developers were getting advice and negotiating. The reason for my nervousness is that I have to attend and deal with residents and action groups who are objecting and it would not sit well if they knew that I had been in meetings with developers. I felt that I needed advice about this. I think that there should be a mechanism where local members can feed in local issues that could be addressed by 106 monies but not have to meet with developers. If there is an opportunity for members to do this already I have not found out about it during the 17 years that I have been a L A Councillor.
24. I represent the West Ward of Crewe, an area where there is little likelihood of new development. Yet infra-structure needs updating as the area is being effected by developments in nearby wards. The planning department needs to look at issue that effect wider areas, not just those local to the development. It should consult not just ward councillors but nearby ward Councillors. Crewe is large

enough to be a small city and it is time planners realised that and developed city type thinking. Meetings with Councillors should be quarterly not every 6 months.

25. More involvement of ward members.
26. This is a most secretive area, worthy of the Masons. The sooner all councillors are involved the more transparent and explainable to residents it will be.
27. I would also like 1:1 meetings with officers to keep up to date on the progress of schemes within my individual ward area. It would be helpful to have the information I've listed in Section 7 as an additional spreadsheet.
28. Here we go again. We did all this work 3 years ago and a comprehensive spread sheet listing the detail including the wards etc was completed only then to be buried.
29. Training was great, but still feels like agreements are mainly a done deal by the time we are told, which somewhat limits our ability to influence. Need to look more creatively at allocating resources e.g. Leisure not always on an on-site play area!
30. The six monthly meetings should be sufficient to allow Members to keep a watching brief
31. I would like Town and Parish Councils to be asked for their input and involved completely. Applicants to be put in touch with the ward members when a planning application involves a potential Sn 106 agreement. There has been a recent planning application in a deprived ward whereby the Sn 106 monies went to a more affluent ward - where in my opinion the need was not at all great and the ward member of the deprived ward was not even consulted. This is extremely unfair.
32. Realising it is a very difficult subject to keep a watch on all the S106's even relating to a single Ward it would be useful to create a spread sheet containing all detail however I would not wish to see a mammoth job creation put in place!
33. That in the past they have been treated almost as personal budget streams by officers and no input required from councillors especially play schemes and public space

## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 12 April 2016  
**Report of:** Director of Legal Services and Monitoring Officer  
**Subject/Title:** Jobs Regeneration and Assets Overview and Scrutiny Committee – Apprenticeships Task and Finish Group Report  
**Portfolio Holder:** Councillor Paul Findlow

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#### 1.0 Report Summary

- 1.1 This report introduces the Apprenticeships Task and Finish Group's (the Task Group) Report on its findings, conclusions and recommendations following its review.

#### 2.0 Recommendations

- 2.1 That Cabinet receive the Task Group's Report (attached).
- 2.2 That Cabinet note the Task Group's recommendations, which are contained in the attached report at page 3, section 2.1.
- 2.3 That a response to the Task Group's report be submitted to the Jobs Regeneration and Assets Overview and Scrutiny Committee at its meeting on 18 July 2016.

#### 3.0 Reasons for Recommendations

- 3.1 The Task Group was established to consider how the Council can become a leader and best practice example of apprenticeship provision in Cheshire East to other local organisations. The Task Group's findings and recommendations are provided to advise Cabinet and Officers in the development of future strategies and services.

#### 4.0 Wards Affected

- 4.1 All

#### 5.0 Local Ward Members

- 5.1 All

#### 6.0 Policy Implications

- 6.1 The Task Group's report provides recommendations on a number of policy areas. These include: human resources (workforce development and organisational development), supporting young people, and care leavers.

## **7.0 Financial Implications**

- 7.1 Full consideration of financial implications is not required at this stage. However the Task and Finish Group has identified a significant potential cost to the Council when the Apprenticeship Levy is fully introduced as part of the Finance Bill 2016 and the Public Sector Apprenticeships Target which forms part of the Enterprise Bill 2016. Details included within the report.

## **8.0 Legal implications**

- 8.1 Full consideration of the legal implications is not required at this stage. However the Task and Finish Group has identified that the Enterprise Bill 2016 and Finance Bill 2016 will introduce new legislation which the Council will have to comply with, particularly the Apprenticeship Levy and Public Sector Apprenticeships Target.

## **9.0 Risk Management**

- 9.1 The Enterprise Bill and Finance Bill will introduce new responsibilities and financial costs to the Council by April 2017. If the Council does not prepare for this then there could be significant financial implications and failure to comply with the legislation may lead to penalties.
- 9.2 The Council should lead the way in ensuring that there is adequate apprenticeship provision in the Borough. If this is not achieved there is a risk of skills shortages in the borough's key industries as well as our young people having fewer opportunities to have long term employability. There is a particular risk for the Council in terms of skills shortages in the future if it does not invest in employing and training young people to carry out the work of the Council. Also failure to provide opportunities for young people in challenging circumstances may mean the Council is not fulfilling its role as a Corporate Parent.

## **10.0 Background**

- 10.1 The Group's original scope for the review included all apprenticeships in the Borough and how the Council supports the growth in the number, and the quality, of apprenticeships. However it was agreed at an early stage in the Group's discussions that first the Council needed to be sure it had high quality arrangements in place for its own apprenticeship schemes, before it was able to effectively promote apprenticeships and encourage other organisations to adopt the same standards.
- 10.2 At the same time the Enterprise Bill was developing and new requirements such as the Apprenticeship Levy and Public Sector Quotas were being realised and it was essential for the Council to ensure it prepared to comply with the new rules. Therefore the objectives of the Task and Finish Review were:
- Increase the number of apprenticeships provided by the Council to ensure the 2.3% quota set by Government is achieved
  - To consider how the Council should administer the Apprenticeship Levy and how it could benefit the Council

- Make the Council a model of best practice in the employment of apprentices and achieve a high retention rate

- 10.3 The Group has held several meetings with officers to consider the Council's current arrangements for employing and supporting apprentices, what roles they were fulfilling (and in what departments) and what the outcomes have been for them. The Group also met with some of the Council's apprentices to ask them about their experience, how they had decided to do an apprenticeship, and why they chose Cheshire East as an employer. The Group met with Janice Wooley from Total People who current provide the training for most of our apprentices. The Group also visited Stockport Metropolitan Borough Council (MBC) to see their Apprenticeship Store and learn more what how they employed and supported apprentices.
- 10.4 As documented in the Section 3 of the report the Group has considered a lot of background information to this review. The Group felt that there had been a lot of research carried out by other bodies into the value of apprentices to a business/local authority and the Group did not want to replicate this. The Group's work has also been guided by the process which is currently taking place with the development of the Enterprise Bill and considering the implications for the Council.
- 10.5 The Group's report documents its findings, conclusions and recommendations.

#### **11.0 Access to Information**

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

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Email:	<a href="mailto:james.morley@cheshireeast.gov.uk">james.morley@cheshireeast.gov.uk</a>

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## **Jobs Regeneration and Assets Overview and Scrutiny Committee**



## **Apprenticeships**

## **Task and Finish Group**

### **Final Report**

**March 2016**

## 1.0 Chairman's Foreword

- 1.1 When a review of Apprenticeships was added to the Scrutiny Committee's work programme in July 2015 it was to contribute to ensuring that Cheshire East provides its share of the three million apprenticeship starts the Government is looking for by 2020. During the review we agreed at an early stage that if we as a Council are to make an effective contribution to creating sufficient and quality apprenticeships in the Borough's key industries then we must start by ensuring the Council has an excellent internal apprenticeship offer to be an example of best practice to others.
- 1.2 This review has been very timely as the legislation and Government initiatives to drive up the number of apprenticeships in the UK have been developing as we have been going through our work. This has enabled us to produce a piece of work that will be valuable to the Council and other local authorities who will be looking for guidance on how new rules will affect them. The Apprenticeship Levy and Public Sector Target for Apprenticeships are going to have a big financial impact on the Council and we need to ensure that we are prepared to make the most of the changes and reap the benefits that high quality apprenticeships can bring to the organisation.
- 1.3 I would like to thank my colleague Councillor Brian Roberts for his commitment and valued contribution to the work we have done. I would also like to thank Councillor Liz Durham for the role she played in the group before she became a Deputy Cabinet Member in October 2015. Councillor Roberts and I would both like to thank all those officers and partner organisations who have supported us with special thanks to James Morley for his advice and guidance during our first task and finish group experience.
- 1.4 I commend this report to Cabinet and hope that our recommendations will be supported and taken forward.

**Councillor Jonathon Weston**

**Chairman of the Apprenticeships Task and Finish Group**

## Task Group Membership



Cllr Jonathon Weston, Cllr Brian Roberts and Cllr Liz Durham (Oct – Dec 2015)

## 2.0 Recommendations

- 2.1 To ensure the Council provides high quality apprenticeships and training, and meets the requirements of future Legislation the Task and Finish Group recommends that:
  - 2.1.1 The Council develops a holistic corporate plan for apprenticeships which identifies the type of apprenticeships needed, how they will help to achieve the Council's aims, where in the Council structure they can be placed, how apprentices will be recruited and supported on the job and provided with long term opportunities.
  - 2.1.2 All apprenticeships provided by the Council must meet minimum standards and provide apprentices with long term employability as will be required by the Institute for Apprenticeships and recommended by Ofsted.
  - 2.1.3 The Council consider how, and where, more Higher Apprenticeships and Degree Level Apprenticeships can be created to provide more opportunities for skilled local young people and ensure the Council has a skilled workforce for the future, taking into consideration the higher salaries that these apprenticeships command.
  - 2.1.4 The Council's Budget setting for 2017/18 ensures that the Apprenticeship Levy and additional costs of meeting the 2.3% apprenticeship quota, including administrative costs, be taken into consideration.
  - 2.1.5 The Apprenticeship Levy and access to the Digital Apprenticeship Service should be administered and managed centrally in Human Resources with sufficient additional resources allocated to cover the administrative costs.
  - 2.1.6 All apprenticeships be employed and managed centrally within Human Resources as part of the Council's core to ensure standards are maintained and to provide flexibility for the Council to place apprentices where they are needed when there is demand and provide apprentices with more experience of different departments and roles within the organisation. This should be funded by taking contributions from departments' budgets where apprentices are able to be employed.
  - 2.1.7 The Council develops a preferred training provider list to ensure that apprenticeship training is of the highest standard and contracts are in place, and can be monitored, to support the purchase of apprenticeship training through the Digital Apprenticeship Service.
  - 2.1.8 In order to attract high quality candidates the salaries for apprenticeships be maintained at national minimum wage based on age to ensure apprenticeships remain attractive options for young people and that all apprenticeship posts are advertised within schools and colleges at an early stage in the academic year.
  - 2.1.9 In its role as a corporate parent, as well as seeking to employ high quality candidates, the Council ensures it provides opportunities to all young people, including care leavers and SEND. The Cygnet Pilot should be evaluated with a view to continuing some form of provision for young who face challenging circumstances.
  - 2.1.10 The Council continues to support the Crewe and Macclesfield Pledges and any future pledges created in the Borough and liaises with those local organisations involved in the pledges to create opportunities for our young people, particularly those internal apprentices that the Council may not be able to provide with long term opportunities.
  - 2.1.11 The Jobs Regeneration and Assets Overview and Scrutiny establishes a further Task and Finish Review to consider apprenticeship provision across Cheshire East external to the

Council including: the private sector, other public bodies, the third sector and how provision is being developed by other organisations such as Chambers of Commerce and the Local Enterprise Partnership alongside the Skills and Growth ASDV.

## 3.0 Background

### What is an Apprenticeship?

- 3.1 An apprenticeship is paid employment which involves both on the job training and classroom study and is open to anyone aged 16 or above. An apprenticeship takes one to four years to complete depending on their level and lead to a recognised qualification in the related field. An apprenticeship has an equivalent education level and can be: Intermediate - equivalent to 5 GCSE passes; Advanced - equivalent to 2 A level passes; Higher - can lead to NVQ Level 4 and above, or a foundation degree.
- 3.2 The National Apprenticeship Service (NAS) was created in April 2009 and in 2013 became a division of the Skills Funding Agency (SFA). The NAS has end-to end responsibility for apprenticeships in England and is responsible for: promoting apprenticeships to employers and learners; supporting employers through the process of recruiting and training an apprentice; and maintaining the national online apprenticeship vacancies system which allows employers to post vacancies, and aspiring apprentices to search and apply for them.

### Apprenticeship Frameworks and Standards

- 3.3 The Apprenticeships, Skills, Children and Learning (ASCL) Act 2009 requires that all apprenticeships adhere to an apprenticeship framework. There are a wide range of frameworks for different types of apprenticeship. The Specification of Apprenticeship Standards for England (SASE) sets out the minimum requirements to be included in a recognised English apprenticeship framework and compliance with the SASE is a requirement of the 2009 Act.
- 3.4 An apprenticeship framework:
- covers all the statutory requirements for an apprenticeship programme in England
  - is used by colleges, employers and training providers to make sure that all apprenticeship programmes are delivered consistently and to national standards
  - includes the names of all qualifications and what each qualification is worth
  - gives guidance on how to get onto an apprenticeship programme, the time it will take and career paths available after an apprenticeship
- 3.5 Currently the NAS and SFA provide funding for 100% of the cost of training courses for apprentices aged 16-18 and partial funding for 19s and over which is paid directly to the training provider. The Skills Funding Agency only supports frameworks which are publicly funded.
- 3.6 However in October 2013 the Government published 'The Future of Apprenticeships in England: Implementation Plan' which developed a new approach where Apprenticeship Frameworks would be replaced by Apprenticeship Standards. These Apprenticeship Standards are developed by employer groups called 'Trailblazers' and new standards for a variety of different apprenticeships

have gradually been developed and approved to replace frameworks, with more scheduled for development. The staged withdrawal of SASE Frameworks begins on 31<sup>st</sup> May 2016. The new standards will replace all the current apprenticeship frameworks by the academic year 2017 to 2018. The Institute of Apprenticeships will be responsible for managing standards and monitoring their effectiveness.

- 3.7 In January 2016 the Skills Funding Agency published its Apprenticeship Standards Funding Rules for August 2016 to July 2017. Unlike with the frameworks, Government funding will not cover 100% of the cost of training. Government will contribute £2 for every £1 spent by the employer on the cost of each training course it purchases from a lead training provider, up to a Cap which will be set for training for each apprenticeship standard (i.e. some apprenticeship will require more advanced training than others and therefore higher costs). The total cost of training will be agreed between the employer and the training providers (potentially more than one provider for a single apprenticeship however a lead provider will be identified). The Rules contain further details about funding incentives for smaller businesses and funding for English and Maths training.

### Enterprise Bill

- 3.8 At the beginning of the new Parliament the Government set a target of three million new apprenticeship starts by 2020. To work towards achieving this target the Government has been developing some new legislation related to apprenticeships, some of which is included in the Enterprise Bill. At the time of writing this report the Bill was at the House of Commons: Committee Stage. Two particular elements of the Bill that related to apprenticeships were: a public sector apprenticeships target; and making “apprenticeship” a protected term. The Bill is also establish the Institute for Apprenticeships mentioned below.
- 3.9 The Bill is proposing to give the Secretary of State for Business Innovation & Skills the power to set public bodies a target for the number of apprentices that they should have in their workforce in England. The target is currently set to be 2.3% of total workforce. The aims of this measure are to grow the number of apprentices in the public sector, help to meet the Government’s target of 3 million apprentices by 2020, and to ensure the public sector is leading by example in terms of the number (and quality) of apprenticeships. It was unclear how the 2.3% would be monitored and what penalties or otherwise would be put in place for those that did not meet the 2.3%.
- 3.10 In relation to making “apprenticeship” a protected term the Bill sets out to: create an offence for a person, in the course of business, to provide or offer a course or training as an apprenticeship if it is not a statutory apprenticeship; and ensure employers cannot commit the offence in relation to their employees. The maximum penalty for committing this offence will be a fine to be set by the legislation. There is a concern that by growing the number of apprenticeships there may be a rise in those claiming to offer an apprenticeship or apprenticeship related training that is not of the same quality as a Government apprenticeship. This could dilute the apprenticeship brand and have a negative impact on growth of statutory apprenticeship schemes. The Government’s aim is that this measure will protect the apprenticeship brand and those employers and training providers offering genuine statutory apprenticeships. The Ofsted Report mentioned below explains the negative impact of poor quality “apprenticeships”.

## **Apprenticeship Levy**

- 3.11 The Apprenticeship Levy was first announced by the Chancellor of the Exchequer George Osborne in the Summer 2015 Budget and mentioned again in the Autumn Statement. The Levy will be introduced into legislation as part of the Finance Bill 2016 and will come into effect in April 2017. It will be payable by employers (including public sector) on 0.5% of paybill. All employers will receive an allowance of £15,000 meaning that the levy will only be paid by those employers with a paybill over £3,000,000 (apparently less than 2% of all employers in UK).
- 3.12 At the time of writing this report the Levy is still in development and there are still some aspects to the collection and use of the funds that are unclear. In November 2015 the Department for Business Innovation & Skills conducted a consultation with employers and training providers about how the levy system might work in practice and further consideration of this is on-going.
- 3.13 Current proposals are that the levy will be payable through Pay As You Earn (PAYE) and will be payable alongside income tax and National Insurance. To keep the process as simple as possible paybill will be based on total employee earnings subject to Class 1 secondary National Insurance Contributions (NICs). There will be a connected persons rule, similar the Employment Allowance connected persons rule, so employers who operate multiple payrolls will only be able to claim one allowance. For employers paying the levy, the measure is expected to have some impact on administration costs and the impact will vary by employer, depending on the size of their paybill. The policy intention is that employers will calculate and pay the levy on a monthly basis.
- 3.14 It is suggested by Government that the levy will raise £3billion by 2020/21. Employers are expected to be able to claim back the levy to pay for training of apprentices through the Digital Apprenticeship Service. Employers will be able to claim back more than they put into the levy, through a top-up to their digital accounts (amount of top-up is unknown), the implication being that employers are encouraged to provide more apprenticeships. It is also aimed at boosting training and skills building in the workforce generally and employers will be able to fund training to upskills/reskill existing staff. All employers who do not pay the levy will be able to access government support for apprenticeships.

## **English Apprenticeships 2020 Vision**

- 3.15 The English Apprenticeships 2020 Vision was developed jointly by Department of Business Innovation & Skills and Department of Education and published in December 2015. The publication outlines the government's plan for increasing the quality and quantity of apprenticeships, and achieving 3 million apprenticeships by 2020. It sets out what is expected of all main stakeholders, employers, education and training providers and government working together.
- 3.16 The plan documents the benefits of apprenticeships to apprentices by improving their earning potential, employers by improving the quality of products and services and providing a return on investment through greater productivity and the economy by increasing the population's skills based and increasing productivity and tax revenue. The plan also sets out a vision for quality and standards

in apprenticeships by establishing milestones, standards and criteria for what makes a good apprenticeship.

- 3.17 The plan explains the Digital Apprenticeship Service (DAS) which is an online portal that will be introduced in October 2016 (DAS will commence a pilot phase in April 2016). The online portal will be used to access the apprenticeship levy and will enable employers to select the most appropriate apprenticeships, choose a training provider and pay for apprenticeship training and assessment. This will build on the 'Find an Apprenticeship' website which was launched in February 2016 as a free online tool for employers to advertise their vacancies and look for potential recruits as well as potential apprentices to look and apply for opportunities.
- 3.18 The plan sets out the long term system for apprenticeships and explains further how the apprenticeship levy will work. An independent and employer-led body, the Institute for Apprenticeships, will be established through the Enterprise Bill and be set up by April 2017. It will regulate the quality of apprenticeships within the context of reaching three million starts in 2020. An independent Chair will lead a small Board of employers, business leaders and their representatives, to continue to drive up apprenticeship quality to the highest level and approve apprenticeship standards.

### Ofsted

- 3.19 In October 2015 Ofsted published a report on an apprenticeships survey that the Chief Inspector commissioned to look into the quality of apprenticeships to inform Government reforms. The report considered how well apprenticeships met the needs of young people, their employers and the economy. The Key Findings of the survey were:
- The quality of the apprenticeship provision reviewed during the survey was too variable and often poor.
  - The growth in apprenticeships in the last eight years has not focused sufficiently on the sectors with skills shortages.
  - Leaders of the apprenticeship provision reviewed did not focus sufficiently on improving the quality and impact of apprenticeships.
  - Employers did not make sufficient contributions to the costs of apprenticeships.
  - Small- and medium-sized enterprises were not sufficiently involved in apprenticeships.
  - The most effective apprenticeship provision was for those aged 16 to 24 in skilled technical and professional industries.
  - Apprentices aged 25 and over often received too little training while at work or during off-the-job learning sessions.
  - Young people still face too many barriers to becoming apprentices.
- 3.20 The Report also suggested that the best apprenticeships focused on developing the careers of apprentices while simultaneously improving their skills, developing their understanding and increasing their knowledge. The Report set out some common characteristics for the best provision of apprenticeships as well as pointing reasons why some apprenticeships were of a poor quality and devalued the 'apprenticeships brand'.

## Previous Scrutiny Reviews

- 3.21 The Task Group reviewed apprenticeship related scrutiny reports previously produced by other local authority scrutiny bodies to develop ideas for its review and compare the issues identified. The most recent example was from February 2014 when a Scrutiny Task and Finish Group from Worcestershire County Council conducted a review of Apprenticeships. The review was carried out to look at the quality and level of access to apprenticeships opportunities in the county and outcomes for young people. The task group found that the quality and level of advice provided by schools and colleges in relation to apprenticeships was low although availability of opportunities with employers was relatively good. The task group recommended that there needed to be a rebalance of aspirations and that apprenticeships needed to be a valued option with less importance placed on university. The task group suggested that schools needed to accept their responsibility to promote all opportunities and offer impartial advice to students despite the withdrawal of connexions funding as well as do more to ensure pupils were prepared for the world of work. The task group also recommended that apprenticeship vacancies needed to be promoted more widely and that the Council had a role to promote apprenticeships as an option to employers and young people.
- 3.22 In September 2013 a scrutiny panel from Southampton City Council published an Apprenticeships Inquiry report. The inquiry had been undertaken to look at ways to increase the number of apprenticeships provided in the Borough. The panel engaged employers, training providers, the NAS and National Careers Service as well as apprentices in its review. The panel recommended that the quality of information about apprenticeships needed to be improved and greater access to it in schools, colleges and for NEETs was needed. The panel suggested establishing an Apprenticeship Graduation Day to promote the value of apprenticeships and that the Council introduce a grant scheme to encourage local businesses to employ apprentices. The panel also recommended: establishing an Opportunity Hub to promote apprenticeships and engage employers and potential apprentices, updating the Local Labour Market Information to map local skill needs, and that the Council should be a leading provider of apprenticeships that local employers could follow.
- 3.23 In 2013 Sunderland City Council Scrutiny Panel conducted a spotlight policy review on the delivery of apprenticeships in Sunderland. The review was established in response to the raising of participation age to 18 and examined the delivery of apprenticeships including the role of SMEs, the quality of schemes, the barriers to young people and how demand from employers matched the skills of young people. The panel found that participation and the offer from employers had decreased therefore recommended that larger employers should be encouraged to take an active role in establishing more apprenticeships, including at SMEs in their supply chain. The panel also suggested that academic and vocational routes post 16 should be equally weighted and promoted by schools.

## 4.0 Methodology

- 4.1 The Task and Finish Group (the Group) first carried out a scoping exercise to develop its objectives and project plan. The Group's original scope for the review included all apprenticeships in the Borough and how the Council supports the growth in the number, and the quality, of apprenticeships. However it was agreed at an early stage in the Group's discussions that first the Council needed to be sure it had high quality arrangements in place for its own apprenticeship



schemes, before it was able to effectively promote apprenticeships and encourage other organisations to adopt the same standards.

4.2 At the same time the Enterprise Bill was developing and new requirements such as the Apprenticeship Levy and Public Sector Quotas were being realised and it was essential for the Council to ensure it prepared to comply with the new rules. Therefore the objectives of the Task and Finish Review were:

- Increase the number of apprenticeships provided by the Council to ensure the 2.3% quota set by Government is achieved
- To consider how the Council should administer the Apprenticeship Levy and how it could benefit the Council
- Make the Council a model of best practice in the employment of apprentices and achieve a high retention rate

4.3 The Group has held several meetings with officers to consider the Council's current arrangements for employing and supporting apprentices, what roles they were fulfilling (and in what departments) and what the outcomes have been for them. The Group also met with some of the Council's apprentices to ask them about their experience, how they had decided to do an apprenticeship, and why they chose Cheshire East as an employer. The Group met with Janice Wooley from Total People who current provide the training for most of our apprentices. The Group also visited Stockport Metropolitan Borough Council (MBC) to see their Apprenticeship Store and learn more what how they employed and supported apprentices.

4.4 As documented in the Section 3 of this report the Group has considered a lot of background information to this review. The Group felt that there had been a lot of research carried out by other bodies into the value of apprentices to a business/local authority and the Group did not want to replicate this. The Group's work has also been guided by the process which is currently taking place with the development of the Enterprise Bill and considering the implications for the Council.

## 5.0 Key Findings

### Potential Financial Implications of the new Legislation

5.1 Figures for 31 December 2015 indicate the Council employed approximately 2833.6 FTE staff. This is the core staff and does not include anyone employed by the Council's ASDVs or schools. It is expected that the ASDVs and schools will not count towards the total staff to measure the 2.3% target for apprenticeships however the Task Group could not confirm this at the time as the precise details around the legislation were not available.

5.2 Based on 2833.6 FTE the Council will need approximately 65 apprentices to achieve 2.3% target. Based on the 31 December 2015 figures the Council currently has 46 apprentices therefore the Council would require an additional 19 positions before the quota is fully introduced. The full cost to the Council of employing one apprentice with on costs is approximately £16,000. Employing an extra 19 apprenticeship positions will result in an additional £304,000 in costs (19 x £16,000); not including

other additional costs such as providing employability workshops, performance development reviews and assessments.

- 5.3 The figures for 31 December 2015 indicate that the Council's salary bill was £74,532,932 meaning that £357,665 (0.5% - £15,000 allowance) would be taken for the levy. This money will not come back to the Council as it is not a provider of training and will instead go straight to the providers when appointed to carry out training. If the Council exceeds the amount of the Levy through its apprenticeship training costs then it will be provided with a top up however it is unclear whether there is a limit on this top up and whether the Council would be required to fund further costs of training beyond this. Any levy money which the Council does not spend within two years will be made more widely available (e.g. to small employers who have not contributed to the levy).
- 5.4 If the Apprenticeship Levy is used to fund the Government's 2:1 contribution for training costs then under Apprenticeship Standard Funding Rules employers will still need to fund 33% of training costs. The majority of the Council's current apprenticeships are in business administration. The Standards for Business Administration Apprenticeships have not been developed yet and it is unclear what the costs of training contributions will be capped at. However it is suggested that Business Admin will fall into Cap 2 therefore costs would be capped at £4,500. If there are 65 apprentices the full cost of training would be £292,500. The levy contribution to this would be £195,000 and the Council's contribution would be £97,500. This would leave £162,665 unallocated in Council's the levy pot. If the 2:1 funding rule did not apply to apprenticeship standards and the full cost of training was covered by the levy then there would be £65,165 remaining in the levy pot.
- 5.5 If the Council chooses to employ more Higher Level and Degree Apprentices then the training costs for those will be higher and more of the levy would be spent. Higher Level and Degree Apprenticeships may also command a higher salary than lower level apprenticeships however the additional cost of training, and therefore benefit to the apprentice, may enable the Council to negotiate the same minimum wage salaries as lower level apprenticeships.
- 5.6 The Apprenticeship Levy and management of the Digital Apprenticeship Service will come with an additional administration cost. Officers have advised that it is likely at least one 'grade 5' post would be required to administer the DAS with a salary of approximately £24,000 plus on costs. The salary equates to about £370 per apprentice (£24,000/65).
- 5.7 Overall, additional costs to the Council of the new legislation could be circa £685,000-£800,000.

### **Workforce Development and Apprenticeship Provision**

- 5.8 It is the Council's responsibility to support young people by providing opportunities such as apprenticeships but the apprentices also needed to contribute to the work of the Council. The Council's 'Recruitment Watch' is not currently allowing grade 2 and 3 positions to be created/filled. This means that jobs aren't available for apprentices to move into.
- 5.9 Each year departments produce their business plans which include a workforce development plan detailing the skills and training needs of the workforce. Managers develop these plans with support

from HR and are required to submit plans for employing an apprentice to HR, to ensure the role is appropriate and training courses can be acquired. Apprentices are currently managed and paid for by each department that has one. Some departments have expressed interest in employing an apprentice but are not able to fund one within their budget.

- 5.10 The main issue for the Council as a result of the new legislation will not necessarily be in finding positions for additional apprentices or putting more employees on training courses which qualified for the quota. The main issue for the Council is likely to be opportunities for the apprentices to progress within the organisation. The Council's workforce, like many local authorities', has been shrinking and there is currently a recruitment freeze, due to budget constraints, meaning that fewer full time positions are available to apprentices at the end of their course or internal staff looking for progression. Due to the lack of good opportunities, or prospects for progression, the Council is in danger of losing the best apprentices because they will look for more attractive positions elsewhere.
- 5.11 HR holds £108,000 from the Employing Young People's Budget to fund some apprentices, marketing for apprenticeships, a graduate development programme, and Cygnet pilot (the cared for children work experience placement scheme). The Council has developed a more structured approach to intakes than it had previously. There are four intake periods based on school term times.
- 5.12 The current workforce strategy requires the Council as an employer to consider the development needs of its existing staff. Therefore the Council can not simply focus on offering opportunities to new young people and has to consider the needs of all staff looking for training to develop their skills from within current professional development budgets available.
- 5.13 The Council currently receives a variety of funding streams for training and development, such as the Continuing Personal Development (CPD) money which is controlled by HR. It is unclear whether these funding streams will remain in place when the Apprenticeship Levy is introduced.
- 5.14 As well as apprentices the Council currently runs an in-house Virtual College which provides employees with training to achieve an NVQ. Management Group Board has recently made a decision to reduce this service; as a commissioning council it was suggested that the Council should not be providing all training delivery and instead look to commission from other providers. When the creation of the Skills and Growth ASDV was approved in December 2015 consideration had been given to including Workforce Development, and the Virtual College in the services which transferred over. However the decision was made to keep the Council's internal workforce development in-house and separate from external facing services.
- 5.15 The new Skills and Growth ASDV was set up to have responsibility for business engagement and developing the local economy and could support relationships between the Council and employers around opportunities for those completing an apprenticeship.

### **Council's A\* Apprenticeship Scheme**

- 5.16 The A\* (A Star) Apprenticeship Scheme has been running since 2010. In 2014 the scheme was "highly commended in the North West" by the National Apprenticeship Service (NAS). The scheme

offers a one year temporary contract to complete a NVQ Level 2 or Level 3; many apprentices were offered a second year (advanced) apprenticeship to study for a higher qualification. Apprentices



usually work a 37 hour week (including six hours per week study time) and are paid by Cheshire East on the national minimum wage according to age, which is higher than the minimum wage for apprentices. Training for the NVQ is provided by external training provider Total People (however some apprentices, such as agricultural, are trained by Reaseheath College).

- 5.17 Previously the Council had between 40-50 apprentices at any one time. There are currently 46 apprentices and the vast majority of these are funded and recruited by individual departments as part of their own structures. Previously Workforce Development had budget for 25 apprentices and undertook the recruitment; this was prior to decision to pay the minimum wage which meant fewer could be employed within the budget. These apprentices were given the opportunity to rotate between various departments to gain experience in different roles, enabling them to develop different skills and decide what type of role may suit them best in the future. Now that departments are employing their own apprentices they are retained by that department throughout the term of the contract. Workforce Development currently holds a £93,000 budget to fund some apprentices for services without a budget to fund their own apprentice. As well as the wage for the apprentice, there was other costs such as pension, heat and light etc., which need to be included in budgets.
- 5.18 The majority of apprentices at the Council are currently aged between 18 and 19 although there was one previous example of a 31 year old apprentice. The majority of apprentice roles are business admin although there are others in finance that will go on to complete AAT Training in accountancy. Towards the end of each apprentice's contract the Council supports them to apply for internal and external posts, to help them go on to have full time permanent employment (FTE). Since 2010, 192 young people have been through an apprenticeship with the Council. 94 have gone on to be employed in the private sector, 54 have taken positions with the Council or an ASDV and one has gone on to further education.
- 5.19 Workforce Development Team and A\*s are invited into schools to promote apprenticeships on an ad hoc basis and run a stall at careers events and job fairs when possible. Most careers fairs promote apprenticeships generally and training providers market the apprenticeships they provide for various employers online.

## **Cygnets Pathway**

- 5.20 The budget is also being used to fund a work experience programme currently being piloted for care leavers. The Cygnets Pathway is a six month paid for work experience programme providing a level

two employability qualification to which difficult to engage young people are referred to by their social worker. It is unclear in many cases were these work experience posts should be placed and it is difficult to find places for them. As these young people are difficult to engage some have not completed the programme. However there are some examples of the young people having a positive experience and being able to go on to further training or employment.

### Meeting with Apprentices

- 5.21 The Group met with apprentices to discuss their experiences. The apprentices the Group met were at varying stages in their contract and were from a variety of departments. They informed the Group that they had mostly applied for their apprenticeships through Total People's website and had heard about the opportunity through word of mouth. They said that they hadn't had any advice about apprenticeships at school and colleges pushed their pupils to go to university.
- 5.22 Some of the apprentices had been to college but had dropped out before applying for their apprenticeship. One believed that there would be better opportunities to progress their career ambitions through an apprenticeship rather than a degree. Most of the apprentices were hoping to be able to apply for a FTE role at the Council once they had finished their apprenticeship as they enjoyed working for the Council. One of them had recently agreed to take a role with a company in Crewe so would be leaving soon but had hoped to find a job with the Council.
- 5.23 Apprentices at the Council are encouraged to take part in many of the events that the Council run or take part in e.g. Cheshire Show, Nantwich Show. Some of the apprentices had taken part in events at schools and enjoyed talking to students about their experience as an apprentice. The apprentices studied weekly with Total People and were pleased with the learning they were doing.
- 5.24 Experiences in work varied between them due to the department they were in. Some felt they were treated as an apprentice should and were given lots of help and advice as well as their training. Others felt they were simply another member of the team required to get on with the tasks that they had been given and weren't supported or mentored in a way that helped them to develop.

### Council's Current Training Provider - Total People

- 5.25 The Group met Janice Woolley from Total People to discuss the role it plays with the Council's apprenticeships and gave her views on how we might increase the number of apprentices. She suggested that Cheshire East's main issue is the supply of young people willing to do an apprenticeship. Cheshire East has low unemployment and high achievement in GCSEs which gives our young people good opportunities and lots of options. Many of them go onto university or full time employment and the idea of an apprenticeship does not appeal to them. Parents also encourage their children into taking a degree rather than consider an apprenticeship.
- 5.26 One of the keys to increasing interest in apprenticeship vacancies is to advertise them early in the school year to give pupils more time to consider them at a time when they may not have made up their mind about what to do when they leave school. A lot of vacancies that Total People deal with weren't advertised until June at which point most pupils will have decided to go to college or

university or take another job. January is considered to be a good time to promote vacancies and sustained promotion and encouragement to consider apprenticeships would help to increase interest from more promising applicants.

- 5.27 Schools currently have a mixed approach to apprenticeships. It was suggested that some schools did not invite external providers such as Total People to careers events as they wanted to encourage their pupils to attend their sixth form or apply for university degree courses. In some cases there is little support from schools for pupils who have expressed an interest in doing an apprenticeship; this may lead some of them to abandon that option.
- 5.28 While Total People acknowledged that there were some poor apprenticeships available which tainted the apprenticeships 'brand' they suggested that there were also some poor quality degrees available which offered little to students long term prospects and could leave them with large students debts.
- 5.29 One of the ways that apprenticeships could become more appealing to college leavers and competitive with degrees is through Higher Level apprenticeships. Currently there aren't many of these apprenticeships available in Cheshire East. Of the 4500 apprenticeships that Total People worked with in a year approximately 25% are higher level. Degree Apprenticeships are also in development. These combined part time university courses with real work experience. Nationally there are programmes available but not locally. Manchester Metropolitan University (MMU) are apparently starting to bring some to Cheshire and Total People will start to offer some Level 7 apprenticeships.

### **Stockport Model**

- 5.30 Stockport is similar to Cheshire East as it has a small NEET pool with good outcomes for school leavers and parents encouraging their children to do to university. This means that Stockport MBC has to work hard to attract quality young people into their Apprenticeships. Stockport also has to complete with other local public service providers, such as, Stepping Hill Hospital and the Fire and Rescue Service who will also be required to reach the Governments 2.3% apprentices target; Cheshire East will also experience this with two acute trusts and Cheshire Police and Cheshire Fire and Rescue services. Stockport does not have many large employers and local jobs are mainly provided by SMEs. This is attributed to Stockport's proximity to Manchester city centre with good transport links attracting many residents, particularly skilled young people, into the centre and away from jobs in Stockport. Stockport currently has 7.5% of its 16-17 year old residents in an apprenticeship. This is higher than both the North West and National averages.
- 5.31 As part of the Association of Greater Manchester Authorities (AGMA), Stockport Metropolitan Borough Council (MBC) is encouraged to use the AGMA way of working, with a preferred list of Apprenticeship training providers as part of its workforce development tendering process. Most of the training providers available to Stockport MBC mainly offered business admin training and the AGMA authorities would require them to bid to provide training for their apprentices.

- 5.32 Like Cheshire East, Stockport is currently paying its apprentices minimum wage based on age. Some AGMA authorities were known to be paying the national living wage for their Apprenticeships; however this was considered to be too high and unnecessary to be competitive in the market. It was considered appropriate to pay above the current minimum for apprenticeships as it encouraged more young people to consider a apprenticeship, particularly those who are from poor backgrounds whose families' working tax credits are affected by them being in work (which is not the case for students at university or other full time education).
- 5.33 All apprentices at Stockport Council are managed as a pool centrally by the 14-19 Services department. The Council is structured so that all admin is provided centrally and each directorate receives support services from the centre. Business Admin apprentices are 'loaned' to directorates on a flexible basis as and when needed. This helps to cover gaps in the workforce (e.g. due to sickness or maternity) and enables apprentices to gain experience in a variety of areas. There is also a similar pool of apprentices for schools support.
- 5.34 Like Cheshire East, apprentices are also encouraged to take part as ambassadors for the Council in schools and are involved in the advertising and promotion of apprenticeships on a wider basis across the borough. They are also required to spend time staffing the Apprenticeships Store which helps to control running costs and enables them to experience working with employers and advising young people. Peer mentoring is popular with the youth attendees at the store.
- 5.35 Stockport also employs some apprentices working for Stockport Homes, the arm's length social housing provider as Building Apprentices on construction contracts.
- 5.36 All Level 4 and 5 apprentices had had good outcomes in the Council e.g. full time employment or Higher Education. The outcomes of the Level 2 and 3 apprentices were also positive, with 80% progressing onto some form of employment.

### **The Stockport Apprenticeships Store**

- 5.37 Stockport MBC owns and operates an Apprenticeships Store which is located centrally between the Town Hall and the Railway station. It is next door to a building which houses of Children's Services – Services for Young People (formerly Connexions Service). This enables joint working and easier access for young people and parents.



- 5.38 The store supports people looking for an apprenticeship as well as advising on employability skills and other options available to them. The Service matches what vacancies are available with the pool of young people who were looking for work.

- 5.39 The Job Centre Plus (JCP) also hosts a session once a week at the venue for people looking for work. The JCP team refers people to the Apprenticeships Store and there is training at the store provided by JCP advisors.
- 5.40 Employers use the store to advertise positions and access advice about recruitment and training. There are also facilities for employers to use for interviewing and staff at the store can support this. The Store is used by a lot of SMEs who do not have the experience or resources to recruit young people.
- 5.41 The Store is promoted online with a website and high use of social media – twitter, webchat, etc. Staff work closely with the Greater Manchester Chamber of Commerce and Federation of Businesses.
- 5.42 The Store was set up initially with Grant funding. It is maintained by part funding from the Council, and Service Level Agreements with schools and college. There is match-funding in kind through staffing from Job Centre Plus and training providers (however the store remained provider neutral).
- 5.43 There is no charging for any of the Apprenticeships Services as charging was seen as a deterrent and the main aim of the service was to provide better outcomes for young people and local businesses.

### **The Supported Apprenticeships Scheme for Children in Care, Care Leavers, Young Carers, Special Educational Needs and Disabilities Learners**

- 5.44 Stockport MBC also provides a training and work placements scheme, similar to Cheshire East Council's Cygnet scheme, to some of its looked after children. The Service currently has 16 care leavers on placements with local businesses (mostly in vocations such as car mechanics, sport/leisure and beauty). The care leavers are provided with a one year contract on a Level 2 scheme with 30 hours a week on minimum wage for their age. The cared for children are employed by the Council but work for the local businesses which include some local charities. Employers have access to a liaison officer to monitor the progress of the young people and deal with any issues that arise. The employers have a good relationship with the Council and understand the needs and challenges of working with cared for children. The care leavers continue to liaise with their social worker and safeguarding measures are in place. There are some good examples of where these placements have given cared for children good prospects for progression, however there are also some who have failed to see out their contract due to challenging personal circumstances.

### **Crewe and Macclesfield Pledges**

- 5.45 The Group met Trevor Langston from South Cheshire Chamber of Commerce to discuss the Crewe and Macclesfield Pledges. The Macclesfield Pledge was launched during this review on 3 February 2016. The Crewe Pledge has been running since March 2015 and has been successful in bringing businesses together to provide young people living, studying or working in Crewe with opportunities to develop employability related skills and personal qualities. There was also interest from Poynton, Wilmslow and Congleton in setting up similar local pledges as well as interest from Cheshire West.



- 5.46 The Pledges are hosted by South Cheshire Chamber of Commerce and supported by the Macclesfield and Congleton Chambers. South Cheshire is the only one of the three that has accredited chamber status which enables it to bid for National Funding therefore was made the accountable body for the pledges. The Pledges are able to bid for funding from the Local Enterprise Partnership (LEP).
- 5.47 Apprenticeships are a big part of the pledges but not the only element. It is important to get local schools involved in pledges; there has been a lot of engagement from schools and colleges in Macclesfield and Crewe. The Pledges introduce employers to training providers to help them set up apprenticeship schemes. Targets for the Pledges are linked to the Council's targets about the number of apprenticeship and in relation to NEETs in the Borough, and Trevor liaises with officers of the Skills and Growth ASDV.
- 5.48 The Crewe Pledge is linked to proposals from South Cheshire Chamber to set up an Apprenticeship Store in Crewe by bidding for Capital funding from Cheshire and Warrington Enterprise Partnership of £100k. The store would also be for supporting businesses as well as young people based on a similar model to the Stockport Store.

### 6.0 Conclusions

- 6.1 This review has come at a time of considerable change to the apprenticeships landscape and there are still a lot of rules, regulations and guidance that need to be published before the full implications for the Council can be understood and prepared for.
- 6.2 However it is clear that the Apprenticeship Levy and Public Sector Apprenticeship Target are going to create additional costs for the Council and the need for some structural changes. At current employment levels the Council is going to need approximately 65 apprenticeship positions by April 2017, 19 more than the current level.
- 6.3 With limited opportunities available due to reducing budgets and a shrinking workforce the Council needs to have clear plans in place for the progress of its apprentices, including assisting them to find positions outside the Council. The Group suggests that when departments express an interest in taking on an apprentice there should be a clear onward plan for the apprentice prepared.
- 6.4 If the Council is unable to offer an apprentice a full time job in the authority then it should ensure it supports apprentices to secure them external opportunities. This could be achieved through the Council's links with partners or local businesses. The Group feels that in order to help apprentices go on to attain FTE (full time employment) the Council should engage with employers who would benefit from access to young people who have been given excellent experience in a high quality scheme run by the Council, potentially through links with the local Pledges.
- 6.5 The Council needs to make sure that the apprentices each department employs are provided with accredited training and support and are not treated as low skilled cheap labour as described in Ofsted's report. In order to increase the number of apprentices at the Council there needs to be real positions for them to take up at the Council.

- 6.6 The Council needs to ensure there is a pathway for our young people to make them work ready in order to benefit the local economy, particularly our SMEs who may not have the resources to train and develop their own workforce.
- 6.7 It is suggested that designated officers within the Council's Workforce Development Team should be responsible for accessing the Apprenticeship Levy and managing spend, as opposed to individual managers having to learn the system and access it.
- 6.8 The Task Group suggests that in order to ensure the levy is managed effectively, the Council achieves its 2.3% quota, and that apprentices are employed in the right places, provided with support and helped to progress at the end of their contract; this should all be managed centrally within HR. All apprentices would be employed by HR and departments would apply to HR for an apprentice.
- 6.9 This could be funded by top slicing funding from departmental budgets where apprentices could be employed and then requiring departments to apply for an apprentice. This would enable more departments to take on an apprentice. It would enable a comprehensive induction to the authority and provide more flexibility for departments to take on apprentices for limited periods of peak activity, enabling apprentices to experience multiple roles and ensuring they are always contributing to the needs of the Council. This is a similar model to the one which Stockport MBC operates.
- 6.10 There is a concern that the Apprenticeship Levy may be replacing the various existing funds that are available to local authorities for apprenticeships, training and personal development. The levy will only partially cover the cost of training courses, meaning the Council will still have to find funding for part of the training. The Council will incur increased costs through additional wages of additional apprenticeship posts and administration costs of the levy.
- 6.11 However the Council should aim to benefit from having more skilled young people in the workforce. The Council should be seeking to employ the best local young people to secure a highly capable workforce with skills in relevant areas for delivering high quality services in the long term. Vacancies need to be advertised early in the academic year to ensure young people have the opportunity to consider an apprenticeship at the Council before they make an alternative decision.
- 6.12 It is suggested that Memorandums of Understanding should be developed with potential Training Providers and Colleges/Universities to form a list of preferred providers for training in future. This should help to smooth the procurement process for setting up contracts to access the levy and enable the Council to negotiate better rates for training. This list of preferred providers would also improve the Council's use of the Digital Apprenticeship Service once it is available and improve contract monitoring, auditing and review.
- 6.13 It is clear that some departments are not appropriate for employing an apprentice. For example, apprentices should not be expected to be employed in social care and some children's service roles due to the nature of the environment and the skills and maturity required. However the Group wants to ensure that as many departments as possible contribute to the supply of apprentices.

- 6.14 The Group also wants to consider how more high level apprentices and degree courses for new and existing employees could be created. However there is a need to consider the value of these apprenticeships to the Council against the potential higher costs of salaries and training, and the length of time required to complete them.
- 6.15 The Council needs to ensure it provides opportunities for young people experiencing challenging circumstances as a Corporate Parent. The Cygnet Pathway should be looked at to consider how it can be made sustainable and ensure it is providing opportunities that care leavers and young people with SEND are interested in and provide them with real prospects for the future.
- 6.16 The Task Group was very impressed with the Apprenticeship Store in Stockport and is interested in the potential of setting up such stores here in Cheshire East. The Task Group is pleased that the Chambers of Commerce, through the Pledges, are looking at options for an initial store in Crewe however the Group would like to see this located somewhere that will maximise accessibility via local transport links and enable joint working with other services (e.g. the Council's Youth Engagement Hub).

### **7.0 External Apprenticeship Provision**

- 7.1 Although the Task Group's remit for this review has been focused on the Council's internal arrangements for apprenticeships there have been several occasions that the Group has considered how the issues raised in relation to the Council will affect apprenticeship provision across the Borough. This section has been included in the report to document those issues and state the Task Group's recommendation that a further scrutiny task and finish group be established to build on what has been done here to look at apprenticeships across Cheshire East in more detail.
- 7.2 There are many local organisations and businesses that will be effected by the changes in legislation and funding of apprenticeships and the Council has a responsibility to support the SMEs that may not have the resources or time to effectively understand and manage the changes that they need to make or how they could benefit from creating apprenticeships in their business. The task group would be able to look at how the Council, as an exemplar for apprenticeship provision, could encourage businesses in Cheshire East to grow apprenticeship provision to ensure the Borough is contributing effectively to achieve the Government's target of three million apprenticeship starts by 2020.
- 7.3 Ofsted's Report has suggested that schools need to support young people more who want to do an apprenticeship. The Group has also read that other local authority scrutiny bodies have made recommendations previously that schools need to do more. A further scrutiny review should consider how schools and colleges are being engaged in promoting apprenticeships and what more could be done to support this.
- 7.4 The task group would have to work closely with the Council's latest ASDV, the Skills and Growth ASDV, to look at how they are developing the image of apprenticeships and working with local businesses and training providers to ensure there are apprenticeships in the Borough's leading industries to ensure local young people have the opportunity to get the best local jobs.

- 7.5 The task group could also follow up on the Crewe and Macclesfield Pledges and consider further how apprenticeship stores could be established in the Borough.

## Appendices

- A- Terms of Reference
- B- References and links to background docs

**Appendix A – Terms of Reference****Scrutiny Project Initiation Document**

Project Name:	Cheshire East Council Apprenticeships Task and Finish Group
Project Manager	James Morley
Project Team	Jon Weston, Liz Durham, Brian Roberts
Supporting Officer	Peter Cavanagh, Sue Malec, Steve Belairs
	Lisa Burrows, Sara Barker
Timescales	October 2015 – March 2016
Distribution:	Project Team, Portfolio Holders, Supporting Officers, Heads of Service,
Purpose of this document:	To document the reasons for undertaking the project, to define the project and to form the basis for its management
Project Initiator	Jobs Regeneration and Assets Overview and Scrutiny Cttee

**Background & Reasons for undertaking the project**

The Government has set a target of three million apprenticeships nationally during this parliament. There is also an Enterprise Bill which is currently being considered which will include a quota for the number of apprenticeships provided by public organisations and a levy on all organisations to fund apprenticeships. Ofsted recently published a report into apprenticeships which concluded that many apprentices currently being provided are a low standard which do not provide long term employability skills or meet the skills needs of the economy. New standards for apprenticeships will be set. The Council needs to fulfil its responsibilities to providing apprenticeships as well as encourage organisations across the Borough to do their part. The Task Group will consider how the Council can be best practice and increase its number of apprenticeships to lead other organisations in the Borough by example.

**Project Objectives**

- Increase the number of apprenticeships provided by the Council
- Make the Council a model of best practice in the employment of apprentices and achieve a high retention rate

**Project Scope**

The Task Group will consider the internal arrangements for apprenticeships in the Council, where posts are located, how they are funded, what training they receive, what roles they fulfil in their duties and how they are recruited. The Task Group will consider how

improvements to the current system can be made and where additional apprenticeship posts can be added/are needed.

## **Project Deliverables/Outcomes**

The Task Group will produce a report documenting its findings, conclusions and recommendations to be considered by Cabinet and MGB, including an action plan and suggested timescales for implementation.

## Appendix B – References and Links to Background Documents

1. National Apprenticeship Service – [www.apprenticeships.gov.uk](http://www.apprenticeships.gov.uk)
2. The Future of Apprenticeships in England: Implementation Plan - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/253073/bis-13-1175-future-of-apprenticeships-in-england-implementation-plan.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/253073/bis-13-1175-future-of-apprenticeships-in-england-implementation-plan.pdf)
3. Skills Funding Agency - <https://www.gov.uk/government/organisations/skills-funding-agency>  
 Apprenticeship Frameworks - <https://www.gov.uk/government/publications/apprenticeship-frameworks-live-list>  
 Apprenticeship Frameworks Funding Rules 2016 to 2017 - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/496196/Combined\\_Framework\\_Rules\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/496196/Combined_Framework_Rules_FINAL.pdf)  
 Apprenticeship Standards - <https://www.gov.uk/government/collections/apprenticeship-standards>  
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## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 12 April 2016

**Report of:** Andrew Round  
Interim Executive Director Economic Growth & Prosperity

**Subject/Title:** Visitor Economy Strategy 2016 - 2020

**Portfolio Holder:** Cllr Sam Gardner

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#### 1. Report Summary

- 1.1. Cheshire East's visitor economy is worth over £807m a year. It is an important economic sector that contributes to jobs, growth and prosperity, both in its own right and in its contribution to Cheshire East's 'Quality of Place'. The ambition for 2016-20 is focussed around continuing to maximise growth of the visitor economy, whilst ensuring greater prosperity across the widest number of communities that will lead to greater wellbeing for both residents and visitors.
- 1.2. Tourism can be a force for good both in economic terms but also as an essential contributor to the excellent quality of life and place Cheshire East offers. This is a key factor not only in decisions to visit but also in decisions to settle and to invest. This report summarises the key elements of the strategy to take this sector forward, helping it to maintain its growth and deliver a value of over £1bn each year.

#### 2. Recommendation

- 2.1. Cabinet are asked to approve and adopt the Visitor Economy Strategy 2016-20 for Cheshire East as the Council's framework to deliver services and agree policy relating to the Visitor economy.

#### 3. Other Options Considered

- 3.1. The Council could proceed without a strategic framework for the continuing development of the visitor economy sector, but the Council would not have a framework to realise the opportunity to influence the economic benefits of the visitor economy through its actions.

#### 4. Reasons for Recommendation

- 4.1. The visitor economy strategy for Cheshire East was first adopted in February 2011 to cover a five year period. This has now been updated and is presented as the Council's strategy for an important sector of the Cheshire East economy for the period 2016-20.

## 5. Background/Chronology

- 5.1. The Visitor Economy Strategy is intended to support an overall vision to maximise its contribution to the economy, employment and quality of life of Cheshire East. The strategy sets out an approach to achieving an increase in value from £807m to £1.08bn, with employment in the sector has been growing at a rate of 7% per year on average, giving a projected increase from 10,851 to 14,648.
- 5.2. The strategy recognises that partnership working is at the core of delivery, including close working with business clusters, Marketing Cheshire, (the sub-regional tourism board), and attention to cross-boundary opportunities and cooperation. A Visitor Economy Forum is suggested as a mechanism to engage with sector representatives.
- 5.3. As a Local authority, Cheshire East has a key role in developing the visitor economy's local growth potential through playing a strong leadership role and catalyst for growth; creating the conditions for it to thrive, setting the planning context, investing in infrastructure, improving skills and incentivising inward investment. Cheshire East can also ensure there is a rich cultural offer to attract visitors, pulling in visitors through the area's events, arts and heritage and helping to support both vibrant towns and the rural setting. The Council also has an important role, along with the Destination Management Organisation, in helping coordinate the activities of stakeholders across the destination and working with partners to achieve growth.



- 5.4. The strategy articulates strategic themes that help to guide the identification of priorities in seeking to maximise the contribution of the visitor economy. This links to other Cheshire East economic agendas including skills & training, regeneration, inward investment, strategic events, business tourism, rural economy, quality of place, brand and profile.
- 5.5. The priorities, between them, encompass the most promising and forward-looking opportunities for growth in Cheshire East. The 'Communities of interest' these priorities create will guide related action plans partnerships and project development over the period.



- 5.6. The strategy document sets out a cross-cutting framework within which the Council intends to operate up to 2020/21, whether in its own activity, in partnership or in the context of regional/sub-regional priorities. The updated strategy is attached as Appendix 1.

## 6. Wards Affected and Local Ward Members

- 6.1. All

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

7.1.1. The strategy supports the Council's six outcomes. The visitor economy is an important economic sector that contributes to jobs, growth and prosperity, both in its own right and in its contribution to Cheshire East's 'Quality of Place'. The strategy directly supports the Council's objective for Cheshire East to have a strong and resilient economy. It also supports through economic activity, people to develop skills, Cheshire East to be a green and sustainable place and communities to have civic pride.

### **7.2. Legal Implications**

7.2.1. The development of a visitor economy strategy is not a statutory function.

### **7.3. Financial Implications**

7.3.1. All costs associated with the development of the visitor economy strategy will be contained within existing budgets.

### **7.4. Equality Implications**

7.4.1. None

### **7.5. Rural Community Implications**

7.5.1. The strategy positively addresses the rural dimension, identifying the opportunity to develop a distinctive rural offer that will generate growth in the rural economy and benefit the prosperity of Cheshire East and its Rural Communities.

### **7.6. Human Resources Implications**

7.6.1. None

### **7.7. Public Health Implications**

7.7.1. A healthy, competitive and high performing economy will contribute to the health and well being of the population of Cheshire East. This can help shape the scale and location of employment opportunities and encourage accessibility.

### **7.8. Other Implications (Please Specify)**

7.8.1. None

## 8. Risk Management

- 8.1. The risk of not developing a visitor economy strategy is that other related strategies are prepared in a policy vacuum without the relevant economic objectives, priorities and direction and that the Council does not have a framework to realise the opportunity to influence the economic benefits of the visitor economy through its actions.

## 9. Access to Information/Bibliography

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

## 10. Contact Information

Contact details for this report are as follows:-

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*Cheshire East*

# ***Visitor Economy Strategy***

**2016 - 2020**

*Increasing performance,  
prosperity and wellbeing*



## Forward from Councillor Rachel Bailey, Leader Cheshire East Council



• Councillor Rachel Bailey

Cheshire East is already well loved by visitors, and justifiably so. We are very fortunate in the variety of our offer, including our countryside, heritage and culture, award-winning visitor attractions, premier events, wedding and business venues, quality accommodation and our hospitality. We are also well placed and well connected, with two international airports close by, easy access to nearby cities and major rail and road links.

The visitor economy contributes greatly to our prosperity and supports a wider vision for the economy, employment and quality of life of Cheshire East. Tourism can be a significant force for good, not only in economic terms but also as an essential contributor to the excellent quality of life and place that Cheshire East offers.

A visitor economy strategy for Cheshire East was first adopted in February 2011 to cover a five year period. This has now been updated for the period 2016-20, providing an approach to maintaining growth. It sets out the Council's aspirations to continue to enhance and grow our visitor economy for the benefit of the current residents of Cheshire East, its future residents and of course its visitors. Partnership working continues to be at the core of delivery, while developing quality experiences are at the centre of the offer. I encourage all involved to work together to make the most of the opportunities that the visitor economy can offer us all.



# Introduction

The visitor economy is the UK's sixth largest industry and in the current climate of economic uncertainty it is one of the few sectors seeing substantial growth, contributing around £115 billion to the UK economy and responsible for one third of all new jobs created between 2009 and 2011. The sector directly employs over 1.3 million people with many of these jobs being entry level or part time. The visitor economy not only makes a direct contribution to a local economy but also provides an invaluable indirect economic impact through supporting businesses in the supply chain.

One in twelve jobs in the UK is either directly or indirectly supported by tourism. It helps to create attractive places to both live and work in addition to providing wider benefits to local communities; an increased choice of facilities such as places

to eat out, local shops, events and exhibitions, as well as conservation of local heritage and the natural landscape.

As a Local authority, Cheshire East has a key role in developing the visitor economy's local growth potential through playing a strong leadership role and catalyst for growth; creating the conditions for it to thrive, setting the planning context, investing in infrastructure, improving skills and incentivising inward investment.

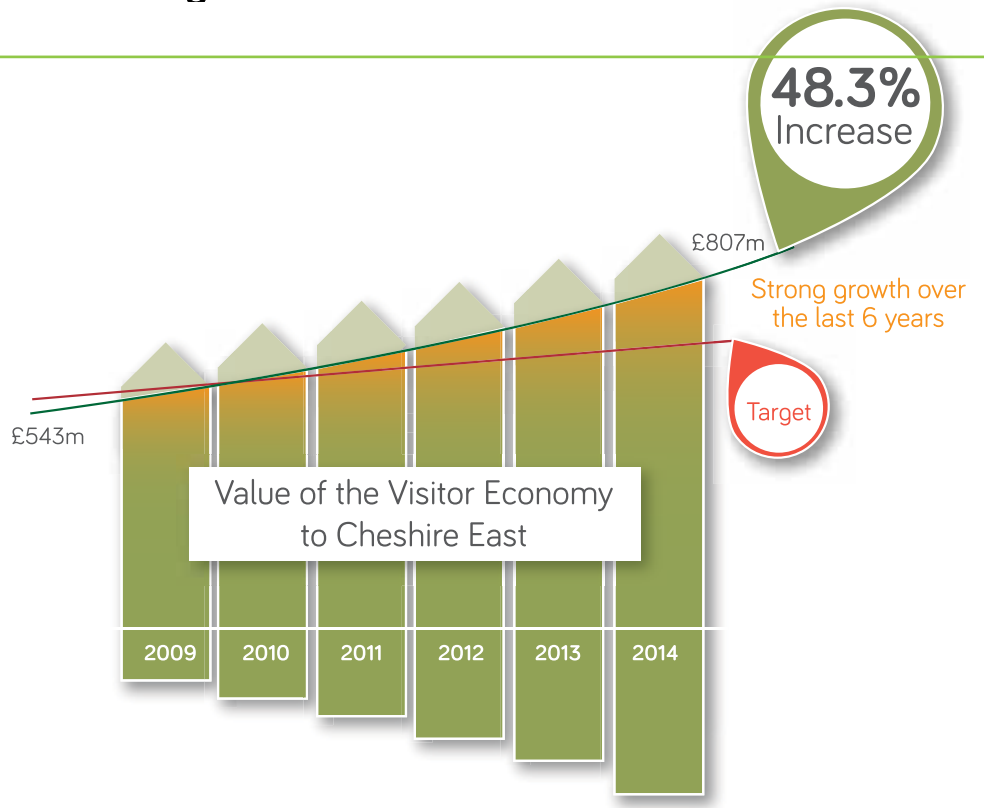
Cheshire East can also ensure there is a rich cultural offer to attract visitors, pulling in visitors through the area's events, arts and heritage and helping to support both vibrant towns and the rural setting. The Council also has an important role, along with the Destination Management Organisation, in helping coordinate the activities of stakeholders across the destination.



Cheshire East Council is playing a key leadership role in capitalising on our local visitor economy's growth potential through creating the conditions for it to thrive and ensuring a rich cultural offer to attract visitors. However there are opportunities to further drive this growth through increasing productivity. This means getting visitors to spend more when they visit and through turning day visits into overnight stays.

Key ways Cheshire East is achieving this is through giving visitors a higher value offer both in traditional tourism services but also investing in the wider destination, helping to develop the brand and place image to strengthen the pull of an area, improving access to suitable transport and working in partnership to improve the conditions for the visitor economy to grow.

The first visitor economy strategy for Cheshire East was launched in 2011. Since then the borough has seen growth year on year with the most recent figures showing Cheshire East's performance to be some of the best nationally. The value of the visitor economy to Cheshire East is now worth £807m, welcoming almost 15m visitors and employing 10,851 fte's in 2015; an increase of 26% since 2009.



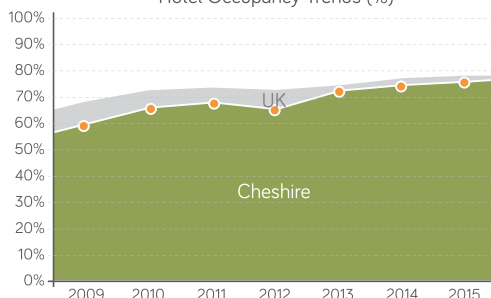


Hotel occupancy is a very good indicator of money directly going in to the visitor economy, and this has also been achieving strong growth of over 10% since 2012 against a UK average of 3.1% for the same period. In addition to this money earned from each hotel room has also increased significantly up from £51.68 in 2012 to £58.94 in 2014. Hotel occupancy figures for Cheshire East including a detailed analysis of the accommodation sector are shown below.

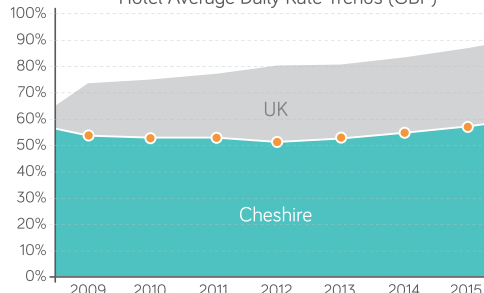


Cheshire East Hotel Occupancy Strongly Growing

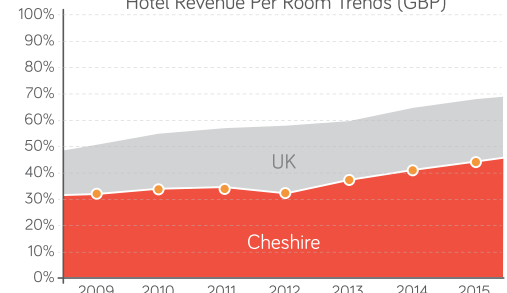
Hotel Occupancy Trends (%)



Hotel Average Daily Rate Trends (GBP)



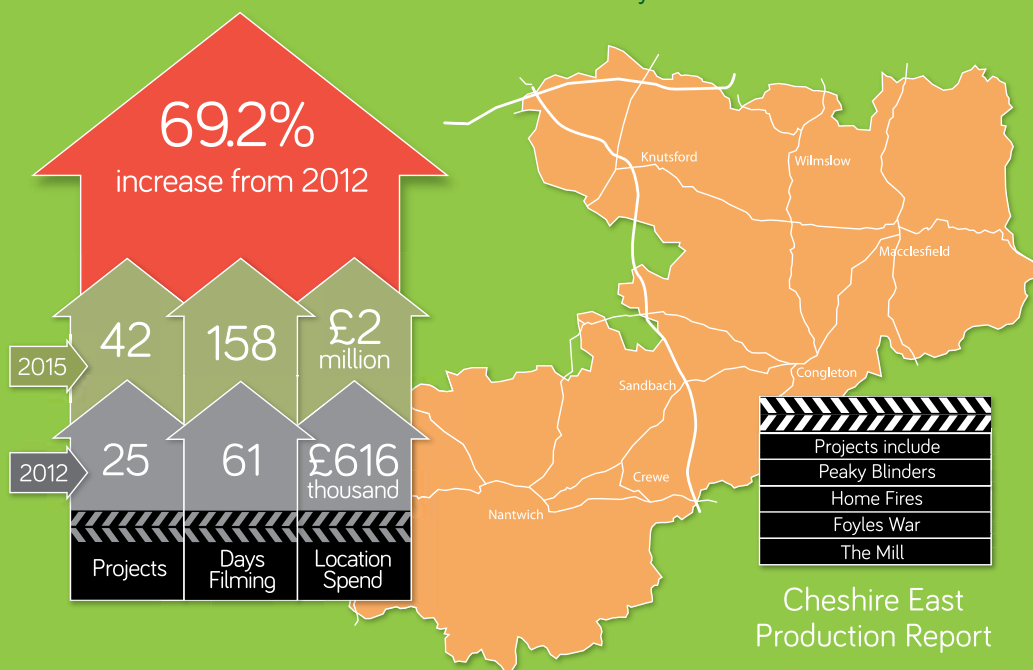
Hotel Revenue Per Room Trends (GBP)



# Key reasons for the success of the visitor economy sector in Cheshire East are:



- A high quality product that offers something for everyone from strenuous activity to canal boating and gentle walks, from luxury hotels to quality B&B, from fine dining to brewery trails and small cultural festivals and artisan markets
- The continuation and expansion of established events that drive visits e.g. RHS at Tatton Park, Rewind, and Cholmondeley Power & Speed.
- Proximity to an expanding international airport and other growing visitor economies driven by a variety of factors e.g. football and business in Manchester, tourism in Liverpool, the Tour de France in Yorkshire – all encouraging longer stays in the North
- Increases in filming stimulating a desire to visit e.g. Home Fires in Bunbury, Peaky Blinders; Cold Feet and The Tales of Jimmy Rose
- Continued investment from premium hotels and marinas to create bigger and more prestigious product
- A strong weddings sector
- An increase in international visitors after some years of stagnation
- The growth of Manchester especially to the south and around the airport





# Setting the Context

In considering the context there are a number of strategic themes that are guiding the future strategy.





## Quality of Place

Research confirms Cheshire & Warrington as a strong performing region with a highly skilled and economically active population, helping it to be one of the most productive regions in the country. Research also suggests that 'Quality of Place' is a key consideration for individuals in choosing not only where to visit, but also where to live, work and invest. Cheshire East boasts a very high quality of place offering that it needs to not only maintain, but enhance.

This has a direct bearing on our consideration of the visitor economy, particularly in the contribution of the rural environment, culture/heritage, visitor attractions & events. It is also a significant consideration in planning or designing for opportunities in places like Crewe or Macclesfield or retaining the significant elements of the

character of landscapes, villages and market towns. If both visitors and entrepreneurs are attracted to the same sort of places we must embed this in future strategic and economic planning. Vibrant places that are culturally and physically interesting attract people, whether to visit, live, work or invest. If correct, then the focus on quality of place will not only benefit the visitor economy, but also help to attract a new generation of 'young wealth creators' to the region. There is a need to retain the characteristics that support existing success and build on those that help attract future prosperity.







## Infrastructure

Cheshire East is already well placed and well connected, with two international airports close by, easy access to nearby cities and major rail and road links. Facilitating and enhancing connectivity will continue to be a vital contributor to the ongoing success of the visitor economy. There are significant opportunities for further improvement in the future with the potential of HS2, motorway improvements and growth in international air routes. The continuing roll-out of broadband and potential to focus on 'harder to reach' areas will also be of significant benefit, particularly in rural areas. In supporting such major infrastructure, there is a continuing need to build partnerships and relationships that will exploit the full potential of this connectivity as well as focusing on improvements such as signage, 'coach friendly' status and public transport information.

## Dwell Time

Cheshire East Council and its partners are working to encourage day visitors to stay longer and see more of the area and overnight visitors to stay for longer or to visit again. This is being achieved by identifying itineraries that can offer the visitor similar places to visit and through providing up-to-date information on what to do, see and where to eat. This is brought together within **[www.discovercheshire.co.uk](http://www.discovercheshire.co.uk)** and builds on the awareness raising tools of visitor information at key gateways, visitor information centres and national or regional public relations.

Work is needed to encourage more Cheshire East businesses and towns to cross promote each other's' visitor facilities and events both pre and post arrival. There is also the prospect to utilise new social media opportunities that ensure the visitor to Cheshire East is sent the information they require once in the area; encouraging them to stay longer. An opportunity also exists with the wedding industry to ensure guests are given information about the area and what's on around the time of the wedding with the purpose of visitors booking early or staying longer. As over 70% of the weddings in Cheshire East are from couples outside of the area this is one area that could see significant immediate benefit.

# Skills

The hospitality and tourism sector continues to be a large employer that is experiencing significant growth. It currently employs a workforce of 2.4m, a rise of 493,000 since 2009. However, its productivity is undermining its economic performance and overall profitability. The skills base of the sector plays a critical and important role in undermining productivity given the number of businesses reporting that their staff lacks sufficient skills to meet business needs. In large part this is caused by high levels of labour turnover as 870,000 of the 993,000 staff the sector needs by 2022 are to replace existing staff. Labour turnover also diverts existing investment in training and development away from where it is needed most in addressing critical skill gaps.



Considerable attention has been given to the recruitment challenges in the sector, but evidence suggests that paying more attention to staff retention would help to tackle recruitment problems, while also increasing the competency of the hospitality and tourism workforce. The visitor economy also plays an important role, especially for young people, in providing 'pathways to work', equipping people with core skills in a vibrant and customer focused sector.

Cheshire East Council is attempting to address such issues through setting up of an arms length Skills & Growth company to tackle long-term unemployment, increase productivity of businesses and grow the

Cheshire East economy. The new company will help to ensure there is a highly effective labour market and thriving economy to make Cheshire East the best place to live and work in the country. Focus will be placed on creating employment opportunities for all including providing opportunities for young people to access apprenticeships, training and jobs; supporting people into employment; developing skills, reskilling and upskilling; matching current and future labour market needs. It will also work to attract and grow business, creating high quality employment; attracting investment; creating and safeguarding jobs; improving business productivity and supporting businesses to prosper.





## Investment

There is already significant investment in hand during the next period, especially in heritage attractions and hotel expansion. Quarry Bank will benefit from a significant HLF grant to develop the offer and increase visitor numbers. Tatton Park is continuing investment, including a successful HLF grant for the farm and investment in retail, catering, events and conservation. Jodrell Bank 's 'First Light' project has already successfully achieved a stage 1 HLF grant and could eventually lead to an investment of up to £19m in the site. In addition, leisure and heritage developments in Macclesfield and additional capacity in quality hotels across the borough paint a positive picture for investment in the sector. However, there are significant opportunities related to the potential of the 'Northern

Gateway', conferencing and business tourism, new hotel capacity (e.g. Macclesfield Town Centre or areas serving Crewe), and the need for continuing investment in public realm, quality of environment, the cultural destination and heritage assets. There is a continuing requirement therefore to ensure that the visitor economy benefits from a focus on Inward Investment and other funding opportunities.



# Key Consumer trends



With the advent of the recession came the “staycation” but the upturn in the economy has seen a return to foreign holidays, although the impact of the staycation has in many areas meant hoteliers and attractions improving and investing in their products with consumers once again fallen in love with what England has to offer. Moreover there is a trend amongst consumers from “things to see” towards “things to do” or “things to learn”.

Although consumers are still prioritising leisure spend and have more leisure time than before, trying to do more creates the perception of time pressure. They are increasingly looking for bespoke activities in their leisure time and we need to ensure these experiences are identified and ‘bookable’.

Demographic changes are also likely to affect consumer choices. Having focussed on an ageing population and the spending power of the empty nester, England has experienced an upturn in the birth-rate and therefore an increase in babies, toddlers and primary school children. The way people choose and book travel and leisure experiences had radically changed with mobile and online payments now dominating. We have an enormous cohort of people who are digital natives, capable of finding information and transacting rapidly on any device. However this does not take away the need for effective post arrival information to stimulate incremental visits and purchases. The leaflet may be slowly fading in importance but is not yet dead, the permanent way finder is still important especially in Cheshire where mobile phone and Wi-Fi signals are still not strong everywhere.



# Key Consumer trends



^ Forest Chapel by Dotty44

In terms of other trends relevant to Cheshire East is the growing practice of turning VFR (visiting friends or relatives) trips into leisure ones. Consumers wishing to maximise their leisure time have sought to capitalise on family occasions and turn these trips into leisure orientated ones; particularly pertinent due to the high number of Weddings taking place in Cheshire East.

Different types of domestic leisure tourism can also benefit from wider trends. Health tourism (such as spa breaks), for example, will not only be driven by a generation of health conscious older people but also by rising perceptions of time pressure and blurring distinctions between work and leisure – heightening consumer desire for treats and breaks. Similar trends in health consciousness and a desire for new experiences will also lead to the growth of active tourism. The next generation of retired consumers are 'younger' and more active than before – making them a viable market for this type of holiday.

In terms of destination types, increasing urbanisation in our day-to-day lives has helped the appeal of the countryside grow as a destination for 'getting away'. On the other hand, younger people with less knowledge or experience of rural areas may not understand the opportunities that the countryside offers and may fail to be attracted to rural locations. One future implication of this trend is for people to combine destination types on one trip; rural breaks can easily include a day trip into the nearest city. In developing this type of behaviour, it is essential that destinations work together to communicate the overall tourism attraction of that area, rather than simply compete with one another for footfall.

*Source: VisitEngland's 'Domestic Leisure Tourism Trends for the Next Decade'*



# Strategic Context

The strategic direction of the visitor economy in Cheshire East refers to the following documents:

## Cheshire East Council 3 Year Plan

- **OUTCOME 1** Our local communities are strong and supportive
- **OUTCOME 2** Cheshire East has a strong and resilient economy
- **OUTCOME 3** People have the life skills and education they need to thrive
- **OUTCOME 4** Cheshire East is a green and sustainable place
- **OUTCOME 5** People live well and for longer
- **OUTCOME 6** Cheshire East is a good place to live and work

## Britain Tourism Strategy. Delivering a Golden Legacy: a growth strategy for inbound tourism 2012 - 2020 (VisitBritain)

The Secretary of State for Culture, Media and Sport launched VisitBritain's long term tourism growth strategy for Britain. This ambitious strategy - delivering a Golden legacy: a growth strategy for inbound tourism 2012 - 2020 - aims to attract 40 million international visitors a year, spending £31.3 billion, by 2020. There are four main parts to the strategy:

- Enhance Britain's image
- Ensure that Britain is packaged and sold
- Broaden Britain's strong product offering
- Make visiting Britain easier (air routes and visas)

## England: A Strategic Framework for Tourism 2010 - 2020 (VisitEngland)

The ten year strategic framework for Tourism in England, published in March 2010, aims to maximise tourism's contribution to the economy, employment and quality of life in England. It sets out the ways in which the industry can work together to realise the framework's growth ambition of 5% year on year in the value of tourism, creating an additional 225,000 jobs and £50 billion of expenditure by 2020

- Marketing Cheshire Destination Management Plan
- Strategic Economic Plan and Growth Plan for Cheshire and Warrington
- Macclesfield Town Centre Vision
- Prospects for Crewe
- Cheshire East Rights of Way implementation plan
- Local sustainable Transport Strategy
- Where Rural Matters Strategy,
- Macclesfield Heritage and Culture Strategy,
- Cheshire East Local Plan,
- Strategic Asset Management Plan,
- Sustainable Communities Strategy
- All Change for Crewe,
- High Growth City,
- Public Realm Congleton ,
- Science Framework
- Engine Of the North Growth Vision



**Macclesfield has seen a cultural renaissance since 2010 when the Barnaby Festival burst onto the town's cobbles. Cheshire could better capitalise on the rich mix of events and attractions across the area. Now biennial, Barnaby wants to explore events in the 'off' year - outside the festival itself. Quality, appropriate and affordable marketing will be essential to enable and support those events. Barnaby Festival, Treacle Market and other quirky cultural events could be pulled together and intelligently promoted as a distinct and attractive offer to both bring visitors in and get residents exploring their own back yard.**

”

**Lynne Jones, Chair of Trustees, Macclesfield Barnaby Festival**

## The ambition

### Prosperity, Wellbeing and Performance

Our ambition is focussed around maximising growth of the visitor economy whilst ensuring greater prosperity across the widest number of communities and encouraging participation that will lead to greater wellbeing for both residents and visitors. Tourism can be seen as a force for good both in economic terms but also as an essential contributor to the excellent quality of life and place Cheshire East offers.

The prospects for future growth.

1. Recent funding initiatives such as The Northern Tourism Growth Fund via Visit England was designed to redress the imbalance in tourism from the South to the North. This has allowed Cheshire East to put its hero products in initiatives to target potential tourist and tourism professionals in a number of markets:
  - Trade buyers in China
  - UK based Inbound tour operators to stimulate more inclusion in group itineraries
  - Better briefing of Visit Britain staff to encourage them to go beyond the obvious
  - Journalists in US, Germany, China and Australia
2. The continued expansion of Manchester Airport and the announcement of potentially up to 6 new flights a week from China. Independent international tourism is also likely to grow with implications for the welcome that our industry will need to deliver especially in terms of information, food and beverages and language proficiency. Cheshire visitor attractions are working together as a network on key overseas marketing initiatives
3. The increasing certainty that Crewe will play a key role in HS2 and the potential for two nearby HS2 stations Crewe and Manchester Airport
4. New investments by partners: new visitor centre at Jodrell Bank, new hotel projects, Quarry Bank & the Styal Estate and Tatton Park





^ [paulkyte.co.uk](http://paulkyte.co.uk)

## The ambition

### Prosperity, Wellbeing and Performance

5. New nationally significant events actively encouraged to Cheshire East that will make a significant contribution to profile, image and brand awareness. Working to grow local events into strategic events where the potential exists. Marketing Cheshire has identified major events as a key economic driver for Cheshire Overall with the 6 major events in Cheshire attracting over half a million visitors, generating nearly £48m of visitor expenditure and supporting around 730 jobs. (Marketing Cheshire/ Amion Consulting 2011)
6. A clear focus on encouraging Business Tourism through the targeting of key sectors in Cheshire along with a framework to improve facilities and infrastructure.

There are four areas that need to be addressed to stimulate growth including capacity and availability of venues; national market awareness; a clear focus on priority segments and customer expectations and best practice to limit the leakage of enquiries.

7. A focus on regeneration initiatives in Macclesfield will see its heritage, culture and leisure facilities complement its retail offer to increase the appeal for visitors, residents and businesses. It will continue to be a culturally vibrant town providing a quality public realm that reflects the 'story' of Macclesfield. The story of Macclesfield is one of creativity, entrepreneurship and silk. This silk heritage will be a particular focus for

a vision of a 'silk quarter' centred around the Silk Museum that reflects and celebrates this historic and international connection.

8. A focus on regeneration initiatives in Crewe will greatly enhance the town centre as a destination for visitors including those enjoying cultural activities around Crewe Lyceum. Also with the opening up of Basford as a major employment hub and the probable HS2 Station project there will be a strong focus on developing Crewe's Business Tourism potential. • Recognising the changing tastes of consumers is vital to ensure provision is ahead of demand.

The Canal & River Trust's vision and 10 year Strategy 'Living Waterways Transform places and enrich lives' fully supports the priority to develop a distinctive Rural Tourism Offer. Our Strategy is to create special places which can be enjoyed by millions in a variety of ways to enrich their lives. Our priority is to develop good strategic partnerships and be recognised as a valued partner that gets things done and develop our canals and rivers for the benefit of both local communities and visitors. By working with Cheshire East we can develop our canals as key destinations offering a wide range of activities to attract visitors ranging from unique wildlife habitats through to industrial and social heritage attractions of the local area. By developing a co-ordinated marketing offer throughout the local area which incorporates a wide range of offers, we can create a unique and distinctive visitor offer.

Wendy Capelle, Waterways Manager, Canal & River Trust

”

## The ambition

### Prosperity, Wellbeing and Performance

9. More funding for rural tourism via LEADER and RDPE, potentially leading to a genuinely co-ordinated rural tourism strategy across Cheshire.
  10. Developing Alderley Park into a 'world-class, centre of excellence for life sciences', as well as providing a 100 bedroom hotel that will benefit the sites conference centre. This will in-turn will improve the areas potential for Business Tourism.
  11. An increasing recognition among businesses and the public sector that the location and connectivity of Cheshire East offers up many opportunities for the creation of tourism opportunities
  12. The continued development and recognition of Media City at Salford leading to increased film and TV production taking place in Cheshire East.
  13. Positioning Cheshire East as a Cultural Destination through and a prominent part of the local visitor offer, helping to drive the growth of the visitor economy.
  14. An arms length Skills & Growth company through Cheshire East Council to tackle long-term unemployment, increase productivity of businesses and grow the Cheshire East economy.
- However in the period since the previous strategy was developed there have been significant changes in the funds available to all areas of local government. The implications for any new visitor economy strategy are:
- Resources have to be targeted to those projects which are likely to deliver the best returns
  - The focus need to be on doing fewer things better. The competitive nature of tourism means that lots of small sums are unlikely to produce transformational results
  - The engagement of the private sector e.g. the hospitality industry is vital and their input needs to be sought
  - A clear understanding of where funding support is available should inform some of the decisions.
  - Recognising the changing tastes of consumers is vital to ensure provision is ahead of demand.



With the current talk around the Northern Powerhouse and in particular the focus on Crewe as a high growth city, business tourism is going to be more important than ever.

The excellent transport links as well as the drive to expand Crewe as a business destination will be key to the success of the visitor economy strategy of east Cheshire.

Improving the business tourism opportunity is at the forefront of key stakeholders within Crewe. With this in mind a group of these stakeholders have come together and created the Destination Crewe forum in order to identify opportunities to increase business tourism within the Crewe area.

Mart Louwerse, Chair Cheshire East Hoteliers and General Manager Crewe Hall Hotel

”



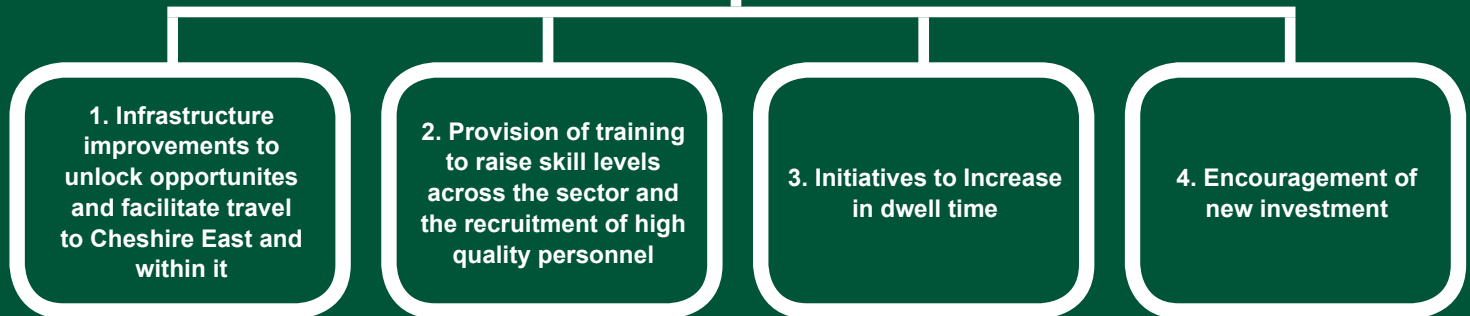


# Economic drivers

A high degree of interdependency exists between that visitor economy and the Cheshire East Economy as a whole. There are four economic drivers that underpin this strategy and which are critical to its success:



## Performance, Prosperity and Wellbeing



1. Infrastructure improvements to unlock opportunities and facilitate travel to Cheshire East and within it

The opportunities are:

- To rectify speedily the disparity between travel to Cheshire by rail which is fast and efficient and travel within Cheshire by rail which is slow and infrequent
- To alleviate reliance on the M6
- To provide a class-leading welcome for coaches

**Key stakeholders:** CEC, MC, Train companies and other transport companies, the Coach Tourism Council

2. Provision of training to raise skill levels across the sector and the recruitment of high quality personnel

The opportunities are:

- To promote the sector is a worthwhile career pathway and to provide appropriate local training and training providers to ensure excellent skill levels and recognised qualifications

- To give support to employers to encourage them to train and to recruit staff

- To think more imaginatively about how to support housing and transport in rural tourism clusters

**Key stakeholders:** CEC, MC, the LEP, hoteliers and attractions, training providers and colleges



# Economic drivers

Macclesfield Canal, Astbury by wipper >



^ Middlewich Folk & Boat by June Cooper



^ The Duck Race on Joey the Swan in Wistaston by saycheese1234

## 3. Initiatives to Increase in dwell time

The opportunities here are:

- To encourage complementary tourism businesses to collaborate to create longer and richer itineraries and encourage short breaks
- The provision of inspiring tourism information that links up tourism propositions itineraries focused on attracting specific market segments
- To encourage longer stays in the area on the back of events – both public and private such as weddings and to look at remarketing opportunities to event attendees
- The development of our most attractive market towns into overnight stay propositions e.g. Knutsford, Macclesfield, Nantwich and more viable business tourism locations e.g. Crewe and the airport catchment

**Key stakeholders:** Visit Britain/ England, MC, Attractions and consortia of attractions, town councils and funding bodies such as ACE

## 4. Encouragement of new investment

The opportunities are:

- To encourage and support the building of appropriate accommodations where there is a demonstrable need in or near tourism clusters: hotels, upscale self-catering and camping and farm stays
- To encourage sustainable new attractions where there is a clear business case especially in the outdoor exercise/adrenalin, food and drink, family and business tourism/ conference segments
- To promote available funding more forcefully
- Investment that supports or enhances quality of place

**Key stakeholders:** CEC, MC, funding bodies such as HLF and the LEP

# Strategic Priorities

The strategic themes help to identify the priorities in seeking to maximise the contribution of the visitor economy. This links to other Cheshire East economic agendas including skills & training, regeneration, inward investment, strategic events, business tourism, rural economy, quality of place, brand and profile. The priorities between them encompass the most promising and forward-looking opportunities for growth in Cheshire East. The 'Communities of interest' these priorities create will guide related action plans, partnerships and project development over the period.



“The essence of strategy is sacrifice” said Napoleon and with funding and resource limited, it is vital that we concentrate effort into areas that will deliver the best return and organise the sector as efficiently as possible with a view to engendering widespread cooperation. Moreover the highly competitive nature of tourism, the increasingly discerning nature of visitors and the need to allocate resource effectively means that we should apply a high quality threshold to what we are promoting and lead with our most distinctive offer.



# Performance targets



Over the period of the previous strategy the economic value of the visitor economy in Cheshire East increased by 24.7% over the course of the previous strategy. Visit England in their 'A Strategic Framework for Tourism 2010-2020' report identifies an ambition to grow the value of the visitor economy in value, year on year, until 2020. Therefore Cheshire East will ally itself with the national target and look to grow the value of the visitor economy by 5% during the period of this framework. These targets are shown below.

YEAR	VALUE OF THE VISITOR ECONOMY IN CHESHIRE EAST
2016	£876m
2017	£922m
2018	£971m
2019	£1.022bn
2020	£1.076bn

Employment in the sector has been growing at a rate of 7% per year on average so projected increase from 10,851 to 14,648.

Visitor numbers have grown by an average of 7% a year therefore our projected increase would be from 14.6million to 19.7million. The growth of Manchester is likely to inflate this target significantly as for many people in the South of the city Cheshire East with its open spaces and National Trust offer is seen as a green lung.

Overnight visitors are up to three times more valuable than day visitors and although some hotels are reporting record occupancy levels and a flattening out of seasonality, we believe that there is still some capacity to be filled. Future occupancy could be driven not just by promoting the leisure tourism offer but also by airport expansion and the advent of HS2.

# Moving forward & getting organised

© Michael Bugg\_Flickr >



As with the previous strategy, the creation of a Visitor Economy Forum is advocated to ensure coordination and prioritisation. It should represent the key stakeholders and include a representatives from adjoining areas to ensure harmonisation where there are cross-boundary opportunities and in meeting the needs of visitors.

The forum will be based around the strategic priorities which between them encompass the most promising and forward-looking opportunities for growth in Cheshire East. The provisions of funding via bodies such as Visit England are being more aligned to reward thematic projects. We would therefore encourage individual geographic brands to engage with these themes to encourage co-operation and greater synergies across Cheshire East and to be more aligned to the needs of the customer.

Strategic priority	Themes	Locations	Lead partners	Other partners	Actions
<b>To Promote Cheshire East's Key Attractors</b>	Communities Hotels Self Catering Spa's Market Towns Events Weddings		Town/Parish Councils Tourism Groups Hotel Operators National Trust Event Organisers Registrars		
<b>To Develop A Distinctive Rural Tourism Offer</b>	Cycling Rambling Canals and Other Blue Spaces Unique Habitats and Wildlife Adrenalin Experiences Gardens of Distinction Farm Stays	<b>Walking:</b> the Bollington Walking Festival, the Gritstone Trail <b>Cycling:</b> Macclesfield forest <b>Canals:</b> the Cheshire Ring <b>Unique habitats:</b> Meres and Mosses around Cholmondeley/ Merefest <b>Adrenalin experiences:</b> the Cheshire Peak District <b>Gardens of Distinctions:</b> Tatton, Arley <b>Farm Experiences:</b> Cheshire Peak District	Marketing Cheshire National Trust Canal and River Trust	Visit Peak District Enjoy Staffordshire Marketing Manchester CWAC British Cycling	Create the first genuinely coordinated rural tourism strategy to facilitate cross sector collaboration  Integrate existing partnerships into a joint approach and develop a highly targeted multichannel marketing campaign to reach key segments with specific propositions  Evaluate results and revise activity accordingly  ➔

# Moving forward & getting organised



Strategic priority	Themes	Locations	Lead partners	Other partners	Actions
<b>To Increase Demand For Food Tourism</b>	Revolution/ Scientific Innovation The Secrets of the Universe Best market towns	Jodrell Bank Knutsford, Nantwich, Audlem	Cheshire/Amazed by Science The National Trust		Science and promote year round participation  Look for opportunities to bring more events and filming to key heritage and science locations
<b>To Position Cheshire East As A Convenient And Desirable Business Tourism Destination</b>	Major Conferences Quirky Venues Film and TV Locations Weddings	Airport catchment Crewe Picturesque villages and towns e.g. Bunbury	Marketing Cheshire Crewe Town Council Manchester Airport	CWAC	Encourage investment in more business class hotel rooms  Work closely with creative England and produce class leading information and case studies for film production  Organise regular familiarisation visits from London and bigger regional players  Promote Conferencing Cheshire and attend The Meeting Show with best product  Actively seek mid-size premium conferences with synergies to our locations  Market CE as "England's favourite wedding venue"



# Moving forward & getting organised



Strategic priority	Themes	Locations	Lead partners	Other partners	Actions
<b>To Improve The Quality, Coordination And Marketing Of Cultural Events And Festivals</b>	RHS Tatton Barnaby Rewind CPOP Just So Cheshire Show Nantwich Festivals other + opportunities e.g. Christmas	Tatton Ashley showground Macclesfield	Venue owners ACE		<p>Bid for ACE/ VE Cultural destinations funding to coordinate a marketing campaign around current offer</p> <p>Encourage large scale participation events that bring new visitors and of strategic importance e.g. Tour of Britain cycle</p> <p>Leverage RHS to develop a strong "summer season"</p>
<b>To Significantly Increase Leisure And Business Visits From international visitors</b>	US China Australia Europe	Tatton Jodrell Knutsford	Visit Britain Manchester Airport	Marketing Manchester Visit Britain	<p>Prioritise efforts to markets likely to deliver best ROI and who have the easiest access</p> <p>Work with partners across England to develop new thematic marketing programmes focused on overseas markets</p> <p>Create a trade marketing programme</p>

*Published by Cheshire East Council. April 2016*  
*For further information please visit:*  
*[www.discovercheshire.co.uk](http://www.discovercheshire.co.uk) or [www.cheshireeast.gov.uk](http://www.cheshireeast.gov.uk)*



## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 12 April 2016

**Report of:** Peter Bates, Chief Operating Officer

**Subject/Title:** Municipal Parks Strategy 2030

**Portfolio Holder:** Councillor Sam Gardner, Open Spaces Portfolio

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#### 1. Report Summary

- 1.1. The purpose of this report is to provide Cabinet with the background and strategic context to the “Municipal Parks Strategy 2030”. The strategy provides the guiding principles for the future management and development of our municipal parks to ensure they meet the needs and aspirations of our residents.
- 1.2. The strategy will guide investment, facilitate applications for external grant funding streams and increase community involvement in our urban parks. The strategy recognises the massive contribution of volunteers and friends groups in our parks which forms a key objective of the strategy.
- 1.3. The objectives seek to increase the use of parks by all ages to contribute to social cohesion, intergenerational activity and the health and well being of residents. They also recognise the role of our parks as a refuge and habitat for wildlife seeking to enhance biodiversity through wild flower meadows restoring wet lands and protection wildlife habitats.

#### 2. Recommendation

- 2.1. That Cabinet approves the adoption of the “Municipal Parks Strategy 2030” attached Appendix 1
- 2.2. That the strategy be used to guide policy and investment in our parks to meet the future needs of the residents of Cheshire East.

#### 3. Other Options Considered

- 3.1. The parks strategy provides the guiding principles for managing and developing our parks in the future to ensure they meet user needs and aspirations for delivering quality parks.

- 3.2. The Council has the option to proceed without adopting a Municipal Parks Strategy however this is advised against as it would put at risk the Council's ability to target policy and investment in line with the Council's six key strategic objectives.

#### **4. Reasons for Recommendation**

- 4.1. The primary purpose of the Municipal Parks Strategy is to provide a strategic framework which ensures that the provision of Municipal Parks meet the local needs of existing and future residents within Cheshire East.
- 4.2. A Public Consultation process was undertaken and generated significant support towards all policy objectives.

#### **5. Background/Chronology**

- 5.1. Cheshire East Council has a good record of investing in Park Development Projects. This Strategy outlines why parks and open spaces are so important to the residents of the Borough and will support the Council in justifying future investment whether by the Council or from external funding partners.

#### **6. Wards Affected and Local Ward Members**

- 6.1. All Cheshire East Council Wards

#### **7. Implications of Recommendation**

##### **7.1. Policy Implications**

- 7.1.1. The Strategy supports the Sustainable Community Strategy (2010 – 2025), the Green Space Strategy (2013) and the Stronger Communities element of the Cheshire East Local Plan in addition to our 6 corporate outcomes.

Outcome 1 – Our local communities are strong and supportive  
Outcome 2 – Cheshire East has a strong and resilient economy  
Outcome 3 – People have the life skills and education they need in order to thrive  
Outcome 4 – Cheshire East is a green and sustainable place  
Outcome 5 – People live well and for longer  
Outcome 6 – A responsible effective and efficient organisation

## 7.2. Strategic Context

7.2.1. The Cheshire East Municipal Park Strategy is being developed to support corporate, planning, operational, environmental and recreational development areas as outlined below:

Corporate & Planning:

7.2.2. It ensures a strategic approach to investment in parks providing robust evidence for capital funding through the community Infrastructure levy and developer contributions.

- The strategy supports strategic policies on green infrastructure, leisure, outdoor sports facilities and health and well-being in the Local Plan. In particular: **Policy SC1** seeks to protect and enhance existing leisure and recreational facilities; promotes the provision of better new facilities; and aims to ensure facilities are appropriately located and serve the needs and demands of local communities. The Policy also recognises the contributions other developments (such as housing) can make to providing new and improved leisure and recreation facilities.
- **Policy SC2** specifically applies this approach to outdoor sports facilities.
- **Policy SE6** ties in the protection and new provision of sports playing fields and other open recreational spaces with their value as part of the Green Infrastructure network.

Operational:

7.2.3. The strategy will prioritise investment in our municipal parks to deliver the Council's outcomes for all. Site specific action plans will be developed in association with local members and communities to identify needs and utilise opportunities for investment to address current and future demand.

## 7.3. Legal Implications

7.3.1. The Council's powers to hold land (parks and open spaces), provide services, promote community wellbeing and enforce bylaws are set out in a range of legislation including but not limited to Open Spaces Act 1906, Highways Act 1980, Town and Country Planning Act 1990, Countryside and Rights of Way Act 2000, Local Government Act 2000 and the Clean neighbourhoods and Environment Act 2005.

- 7.3.2. A Municipal Parks Strategy is a means to set out the framework in which the Council intends to prioritise its resources to provide and protect our municipal parks in the context of its legal obligations and existing policies, such as the Green Spaces Strategy 2013 and the Local Plan.

#### **7.4. Financial Implications**

- 7.4.1. All investment required to deliver any actions identified in these documents will be subject to the standard project feasibility / business case protocols and to sufficient approved capital budget available in the capital programme.

#### **7.5. Equality Implications**

- 7.5.1. The development of facilities to standard that meets modern regulation under the Equalities Act

#### **7.6. Rural Community Implications**

- 7.6.1. To meet requirement to provide recreational facilities in close proximity to all communities.

#### **7.7. Human Resources Implications**

- 7.7.1. The Municipal Parks Strategy does not currently require additional resourcing. However, each element of the action plan will need to be considered on merit and weighed against the business case.

#### **7.8. Public Health Implications**

- 7.8.1. The provision of quality Municipal Parks will have a positive impact on the health and wellbeing of residents.

#### **7.9. Other Implications (Please Specify)**

- 7.9.1. Provision of good Municipal Parks should increase physical activity and provide attractive local venues for communities to enjoy their leisure, seek relaxation and hold events and celebrations that enhance social cohesion.

## 8. Risk Management

### 8.1. Risk Register

Risk	Reason	Action
Partnership working	Cheshire East Council needs to work with partner organisations to build community involvement, use and pride in their local park.	Build partnerships at a local (Friends Groups & communities) & Town & Parish Councils.
Planning	The strategy will help to secure investment from developer contribution in building and maintaining public open space / playing fields.	Ongoing discussions with planning to respond to opportunities as they arise.
Finance	The need to work in partnership with external bodies to match funds from developer contribution and external grant bodies.	The Council will build specific business cases and partnerships in search of external funding opportunities
Asset Management	To provide support to ANSA Environmental Services and the Council's Facilities Management to maintain these facilities.	To help find innovative and partnership based solutions to the problem of funding maintenance of the facilities.

## 9. Access to Information/Bibliography

9.1. The following reports are referenced in the production of this report:

Municipal Parks Strategy 2030

## 10. Contact Information

Contact details for this report are as follows:-

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**Designation:** Corporate Manager Commissioning  
 Waste and Environmental Services  
**Tel. No.:** 86683  
**Email:** [ralph.kemp@cheshireeast.gov.uk](mailto:ralph.kemp@cheshireeast.gov.uk)

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# Municipal Parks Strategy 2030



Twinnies Bridge (The Friends of the Carrs)



Queens Park Crewe (Peter Foster)

*Urban Parks contributing to our quality of life*

## Foreword

We are fortunate to have so many valuable municipal parks in Cheshire East. Our challenge over the coming years is to maintain and improve these wonderful assets to meet the needs of our residents and deliver the Councils strategic outcomes. The Council has a very good record of working with Friends Groups in many of our parks and we hope that this document both reflects their contribution and will help maintain it and encourage new groups to come forward.

We have a diverse community of all ages and needs to serve and I know that our parks are at the heart of many of our community activities, whether local fetes or major events. We need to manage the open spaces appropriately and this strategy sets our vision for how we intend to do this and where we intend to prioritise our investment.

The aim of this Strategy is to guide the investment needed to bring all our key parks up to a consistently high standard and to help prioritise how we manage, fund and operate our local parks. It provides the guiding principles for the future management and development of our parks to ensure they meet the needs and aspirations for delivering quality parks for our residents.

This strategy is written at a time of challenge, at a time when we anticipate a growing population will bring heavy demands on our park infrastructure. This will require innovation in finding alternative and possibly radical solutions for managing the parks in Council ownership. In order to achieve positive results, the emphasis will have to be placed on working with community partners and to target resources and funding from a wide range of sources.

To achieve this we will prioritise according to usage and condition and focus on putting residents first delivering what matters most to our communities. We want all of our parks to provide a range of high quality facilities for all our residents to enjoy.

I hope you enjoy reading these pages. This is a community resource and we will welcome and consider any comments you may like to make on the contents of this strategy or any proposals you may wish to bring forward.

**Councillor Sam Gardner**  
Portfolio Holder for Open Spaces



## **Acknowledgements**

Cheshire East Council would like to thank all the individuals and groups who have contributed to the development of this Urban Parks Strategy.

We acknowledge with thanks the contribution of our many Friends of Parks Groups, members of the public and other local community organisations who contribute so much to the wellbeing and life of the parks across the Borough.

We also give thanks to The Cheshire County Playing Field Association, Town and Parish Councils and the members of the local public who contributed through the consultation to the development of this Strategy.

## Executive Summary

The Municipal Park Strategy will make a positive contribution towards achieving the Council's its six strategic outcomes.

1. Outcome 1 – Our local communities are strong and supportive
2. Outcome 2 – Cheshire East has a strong and resilient economy
3. Outcome 3 – People have the life skills and education they need in order to thrive
4. Outcome 4 – Cheshire East is a green and sustainable place
5. Outcome 5 – People live well and for longer
6. Outcome 6 – A responsible effective and efficient organisation

In this Municipal Park Strategy, Cheshire East Council gives a strong voice to its commitment to the protection, retention and improvement of its parks as essential recreational, environmental and cultural assets.

It recognises that parks can and do make a vital contribution in promoting educational, social and health benefits. They provide a wide range of valuable facilities that are open and accessible to all sections of the community.

Setting clear objectives and actions is a key step along the path of planning for the effective commissioning of park and other open spaces improvements. It will guide the effective allocation of resources to maximise the benefits achievable from this investment for all our residents.

## Why a Municipal Parks Strategy?

1. It provides the guiding principles for managing and developing our parks in the future to ensure they meet user needs and aspirations for delivering quality parks.
2. With today's pressures on public expenditure, innovative approaches will be needed but Cheshire East Council is prepared to think and act in different ways to ensure a secure future for our parks.
3. As stated in its Green Spaces Strategy (2013) which links to the Local Plan, the Council is committed to retain and develop the parks as essential recreational, environmental and cultural assets.
4. The aim of this Strategy is to make the case for and guide future Council investment and identify other funding streams as required to bring all our key parks up to a consistently high standard and to help prioritise how we manage, fund and operate our local parks to 2030.



**The restored bandstand at Queens Park, Crewe**

## Funding Future Park Development:

Cheshire East Council has made significant capital investment into our Heritage Parks (particularly Congleton Park and Queens Park, Crewe). However, our other parks require significant investment to protect or enhance their infrastructure to ensure they can continue to deliver the community health and wellbeing benefits associated with good quality parks. The Council aims to develop creative funding mechanisms to support delivery of all their strategic objectives and action programmes associated with this Municipal Parks Strategy.

- The Council will make **Capital investments** into park projects subject to meeting corporate priorities with a strong robust business case being made to justify the investment.
- An Annual **Park Development Fund** has been approved by Council to fund some works, and pump prime bids for external grant funds.
- **External Funding mechanisms include:**
  - **Developer Contributions:** Over the years, the Council has been able to attract additional funding from a wide range of external partners and successfully negotiated contributions from developers in order to mitigate the impact of their developments.
  - **External Grants:** The restoration of Congleton Park and Queens Park in Crewe were partially funded by the Council successfully leveraging out grants from the Heritage Lottery Fund and other grant aiding bodies.



**Congleton Park (Post restoration)**

## Why invest in our parks?

It is estimated that each year well over half the UK population – some 33 million people – make more than 2.5 billion visits to urban green spaces alone. Not surprisingly, people become attached to their parks and appreciate them for what they offer culturally, socially and personally. In research carried out for the Chartered Association of Building Engineers, 85 per cent of people surveyed felt that the quality of public space and the built environment has a direct impact on their lives and on the way they feel.

Parks have a major part to play in our community and family life. Many of our residents take their children to play in our parks and most likely they will have played in them themselves when they were younger too. This tradition is a key in our cultural heritage and it is essential to ensure that future generations of young people can enjoy the same opportunities we have or had.

Whilst they are important to our families and residents the parks also provides tangible benefits such as:

- They provide a home to many sports clubs and organisations, helping residents to live healthy lives
- they have an important role in the environment for wildlife and nature,
- they are a place where we can go to meet, relax and enjoy the peace, benefiting our mental wellbeing
- they reflect our modern multi-cultural society and can promote community cohesion
- they forge a strong link with our past reflecting our local heritage and culture
- they make a contribution to the local economy through the associated visitor spend
- they make an indirect contribution to the local economy by adding value to local property

## Strategic Context

**National policy in relation to parks:** is primarily set down in Planning Policy Guidance Note 17 (PPG 17): The Open Spaces white paper (2011) states: *We have set down the government commitment to issues such as sustainable development by ensuring that parks are easily accessible by means of walking, public transport and cycling. In addition, there is recognition that parks should be made available and provide a range of facilities for all sections of the community. The government also recognises the educational, social and health benefits that parks can provide and is supporting improving the liveability of English towns through encouraging the provision of networks of well designed, clean and safe open spaces.*

**Cheshire East Council's "Ambition for All - Sustainable Community Strategy (2010 – 2025)", states;** *Cheshire East is a prosperous place where all people can achieve their potential, regardless of where they live. We have beautiful productive countryside, unique towns with individual character and a wealth of history and culture. The people of Cheshire East live active and healthy lives and can get involved in making their communities safe and sustainable places to live.*

**Local Plan Core Strategy:** The Local Plan includes a summary of local infrastructure aspirations which include new public parks facilities identified through local consultations. These aspirational objectives must be recognised and facilitated through this Park Strategy.

Our **Green Space Strategy (2013)** considers the provision of new good quality green space and the proactive management of existing green space to conserve an important legacy for Cheshire East's communities. Our larger parks contribute significantly towards making our towns unique with individual character and their wealth of history and culture. They form a vital component of the essential infrastructure for supporting the requirements of the local and wider community. Parks will need to constantly improve to reflect changing needs as safe, clean, healthy and sustainable, places where the local community can meet, exercise and enjoy themselves, accessible places for all including the disabled and the disadvantaged.

**Other key health related strategies include:**

[www.naturalengland.org.uk/ourwork/enjoying/linkingpeople/health/default.aspx](http://www.naturalengland.org.uk/ourwork/enjoying/linkingpeople/health/default.aspx)

<http://www.naturalengland.org.uk/ourwork/enjoying/linkingpeople/outdoorsforall/outdoorsforallfeature2.aspx>

<http://www.nwph.net/nwpho/publications/ReturningUrbanParks.pdf>

## Some Basic Facts about Cheshire East Parks:

Located on the edge of the Peak District National Park and adjoining the Cheshire Plain, the Borough of Cheshire East is the third largest unitary authority in the North West after Manchester and Liverpool.

- Cheshire East has an area of 1,116 km<sup>2</sup>.
- Cheshire East has a population of 370,700
- Cheshire East has 165,000 dwellings

Within the Borough, there are a number of town parks that are owned and managed by the Council;

### Victorian Heritage Parks

- Congleton Park
- Queens Park, Crewe
- South Park, Macclesfield
- West Park, Macclesfield

### Smaller Town Parks

- |                                |                                |
|--------------------------------|--------------------------------|
| • Alderley Edge Park           | • Meriton Road Park, Handforth |
| • Bollington Recreation Ground | • Milton Park, Alsager         |
| • Brookfield Park, Nantwich    | • The Carrs, Wilmslow          |
| • Elworth Park                 | • The Moor, Knutsford          |
| • Fountain Fields, Middlewich  | • Sandbach Park                |
| • Lacey Green Park, Wilmslow   | • Victoria Park, Macclesfield  |

**Cheshire East also has a number of smaller parks and play areas which are covered by the objectives of this strategy.**

In many of the parks much of the original layout remains, including a number of the original features such as structured planting and bandstands although over the years some features may have been lost. The parks now reflect the changing demands placed upon them over the intervening years with some additional features and adaptations being made that enhance or detract from the original visionary design concepts.

**The key issues:** Having access to public space is not all that matters – just as important are the planning, design and management of that space. In general our residents feel the key things we need to focus on in maintaining our parks revolve around cutting the grass, removing the litter, collecting the dogs mess and providing safe and secure areas for them to enjoy. Whilst our performance has generally improved in these areas we know there is room for further improvement.

**Access to Quality Facilities:** Whilst there has been considerable investment at Queens Park, Crewe and at Congleton Park, the other larger parks have significant infrastructure problems to address. Resources will need to be targeted to address these issues. There will inevitably be additional unplanned work required to deal with health and safety issues.

**Managing Conflicting Demands:** There are always conflicting demands made upon parks. We permanently face conflicts between dog walkers and parents, between sports clubs and residents to neighbours who just want to enjoy the view for themselves. These conflicts will be different for each park and the issues that are identified will need to be addressed in the individual management plans for each park and by adopting reasonable policies to deal with the recurring common issues.

**Addressing Crime and Anti-Social Behaviour:** Evidence shows that anxiety over their personal safety is the main reason given for people choosing not to visit parks and green spaces. This negative perception of personal safety is not just found in the older population but is also more frequently cited as the reason preventing teenagers from using parks. We know from the number of reported incidents in our parks where the higher levels of crimes or anti-social behaviour occur. Such problems can be addressed through finding better design solutions and by working more closely with both neighbourhood safety teams and the local police service to target problem areas. Vandalism to the buildings, cultural artefacts and playground equipment is an avoidable drain on our budgets but the evidence demonstrates that providing good quality facilities that are well used will deter vandalism.

**Green Flag Parks:** The Green Flag award is a nationally recognised benchmark upon which all parks should be judged. We currently have seven Green Flag parks in the Borough and by the end of this Strategy we aim to have Green Flag awards in place at all of our Key Parks.



## Our Vision

1. Principally, we want to protect our parks and plan with a view to their long-term sustainability so that they will continue to play a vital community role for future generations.
2. Ideally we would want all of our parks to provide a range of high quality facilities for all our residents to enjoy.
3. Our Local Communities want parks that are
  - Well maintained and well managed
  - A community resource
  - A place for nature
  - A place for health and well being
  - Well designed places that reflect their cultural heritage
  - Places that help to drive and support the local economy
4. We will look to develop park specific management plans for our larger parks to reflect their importance. Taking the long term view is so important for parks and these management plans will help to guide where the future investment should be made. Our ambition will be to attain Green Flag status for all strategically significant parks during the life of this Strategy.
5. We recognise that improvements will also be required to local smaller parks and play areas and we will aim to renew and replace infrastructure equipment in a considered and prioritised way. The key priority will always be to ensure visitor safety.
6. To make our parks fit for the future.

## What do we want from our Parks? Our objectives...

### ***Objective 1: A Community Resource:***

Cheshire East Council strongly believes that every person, of whatever age or background, must feel they can become fully involved in the management and development of their local parks, so that they can then be justifiably proud of helping to keep their park attractive and welcoming, an essential ingredient of their daily lives. Parks are important to our residents. Our survey showed the parks are visited by over 40% of our respondents on a monthly basis. How they look and feel affects the way this Council's services are perceived.

Communities use a main park, or where no main park exists, a network of smaller parks / play areas to meet some of their needs. Each of the parks has a catchment area from which its visitors are taken. For instance Queens Park is of national importance and has visitors from all over the world to add to the local base of regular users from the local catchment area. This is different to Sandbach Park which is more likely to attract users from a discrete local catchment area around Sandbach. The mechanisms to deliver what local residents see as priorities will be different for each park.

Our experience shows that the most successful parks are those where the community plays an active role as a part of a strong partnership driving all aspects of management. We recognise the value of the contribution Friends Groups make to helping maintaining our parks and open spaces and this was reflected in our consultation with over 80% of responses advocating support for Friends Groups.

There are currently 12 Friends Groups across the Borough and the Council will work with these Groups to help develop management plans for the parks. We will also look to develop new groups where they don't currently exist. Whilst Friends Groups will be enthusiastically consulted as part of the process of park improvements all local people deserve to have a voice and our consultations will try to reflect this. There are some notable and positive examples of this across Cheshire East Parks, parks where an active local Friends Group, the local Town or Parish Council, Local Enterprise Partnership and others all work together for the benefit of the parks. The great work achieved at Sandbach Park demonstrates this very clearly but is not the only example. This is the model that Cheshire East Council wants to develop and support for all our main parks.

**Objective 1a:** We will seek to develop and support the formation of fully constituted and independent local park Friends Groups.

**Objective 1b:** We will develop local steering Groups for each Park to manage and coordinate all development and day to day activity in the parks.

**Objective 1c:** We will consult locally when planning projects in parks, consulting with Local Councillors, individuals and local community groups.

## **Objective 2: Volunteers:**

Volunteers already make a massive contribution to our parks and volunteer participation will continue to be important to the sustainability of our parks moving forwards. We will need to expand and develop our efforts to support and facilitate volunteering in our parks and open spaces, to help minimize the impact of the cuts to services, building on the success of volunteering at parks such as Queens Park in Crewe, Sandbach Park and other notable examples across the Borough.

**Objective 2:** We will seek to develop volunteering opportunities in all our parks.

## **Objective 3: Children and Young People:**

Play is acknowledged as a vital component in the development of children and young people. It helps them to learn many of the life skills they will need as they grow into balanced members of society. It also offers a way to counteract the increased pressures of modern lifestyles by encouraging fun and enjoyment. However, the provision of play is not just about fun as 24.1% of our children aged 4-5 years old are overweight or obese. Good play provision gets children and families more active building community health as well as family / social cohesion.

Whilst there is provision for younger children in many of our parks, for some communities there are still only limited facilities available for local teenagers to enjoy. This is often the result of negative perceptions of teenage activities and the impact they have on communities. Our traditional play facilities tend to cater for 0-13 year olds so we will also need to consider how we can provide areas for teenagers to “hang out” and actively use the parks in harmony with the rest of the community.

***Objective 3: We will aim to provide facilities that meet the needs of the different age groups using our parks but also to ensure that social cohesion building, inter-generational activity is facilitated.***



**Park play at sunset**

***Objective 4: How Green spaces can help tackle health inequality and support an aging population:***

The evidence shows that inequalities in mortality are higher for those who have less exposure to green space and that children living near green spaces are less likely to experience an increase in body mass index over time. Living in a neighbourhood with less green space is associated with greater risk of anxiety and depression, feelings of loneliness and perceived shortage of social support. Conversely, living in a neighbourhood with more green space and visiting natural environments is associated with lower levels of stress and anxiety and has been known to improve concentration and mood. Evidence is increasingly suggesting that initiatives to engage more people with the natural environment and green spaces can have a positive impact on health, reducing obesity rates, long term health conditions, mental ill-health and premature death, reducing the risk factors that lead to poor health. Access to green spaces is proven to contribute to mental health. There is an increasing recognition that improving access to the natural environment can be a cost effective part of the solution.

With the many advances in medicine people are living longer and more active lives. However, health care is very expensive particularly when dealing with long-term chronic conditions particularly linked to an aging population so investment in preventative initiatives can be seen as a very attractive alternative. From the perspective of those planning future health care, an all-inclusive approach to public health is emerging. It values the prevention of disease and the promotion of long-term health and mental well-being as highly as treating the symptoms of illnesses. Maintaining health involves encouraging regular physical activity and finding mechanisms to maintain mental wellbeing. Encouragement to gentle physical activity being the best way to prevent skeletal and muscular degeneration as well as stimulating mental faculties both individually and collectively as a society. There's a realisation that enabling healthy lifestyles can mean long-term savings in health treatment costs.

The decision to place Health & Wellbeing Boards within Local Authorities offers real opportunity for a joined up and collective approach. Parks provide wonderful places that can support and encourage healthy activity at all levels across the whole community. It is important that Health & Wellbeing Boards and Local Authorities work more closely together in the future to ensure that our parks deliver maximum impacts for community health.

***Objective 4: We will aim to achieve more collaborative working with the Health & Wellbeing Board and by doing so target investments to ensure that maximum health; well-being and sustainability benefits accrue from our public parks and open spaces.***

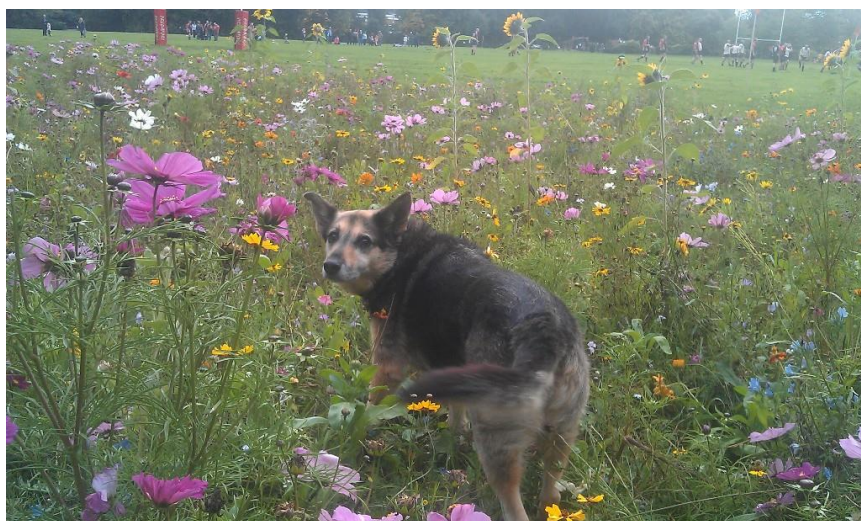


**The Coronation Valley at Queens Park, Crewe in the spring**

## **Objective 5: Recreation and Exercise:**

Evidence currently shows high levels of obesity in our adult population. Good parks that meet user needs encourage greater active participation thus support healthier lifestyles. The majority of visitors currently use the parks to walk, play or take part in some form of physical activity. Over recent years, adult gym equipment and fitness trails have been installed into parks in Cheshire East. Cheshire East Council also provides playing fields for the community to encourage participation in competitive sports for a wide range of ability levels. We need to ensure that there are sufficient facilities available to match current and future needs for quantity and quality.

***Objective 5: We will aim to find new ways of encouraging physical activity in the general population, forging strong partnership with sports clubs, associations and other stakeholder groups to ensure parks fulfil their potential of fostering healthy physical activity.***



**Congleton Park: Suzie caught watching the rugby**

## Objective 6: A Place to Meet, Socialise and Celebrate:

Parks play a vital part in sustaining and developing social cohesion in the local population. They encourage the community by providing places for them to relax, enjoy and mingle. Not everyone wants to play or take part in an activity or sport and we recognise that many of our users come for a walk or just to relax in a quiet way. Our parks are also home to numerous community events. Not all our parks are capable of or suitable for hosting events.

***Objective 6a: We will aim to look at how we design places and manage the verdant landscape with seating and quiet areas to ensure that there is space for quiet contemplation of the environment.***

***Objective 6b: We will distinguish areas appropriate for large scale events and those that are more suitable to smaller community events and local celebrations.***

## Objective 7: A Place for Nature:

The Borough's parks and open spaces play a fundamental part for conserving, enhancing and promoting local biodiversity. This is a particularly vital function within an urban environment. For example, the trees help to cool summer temperatures, reduce air pollutants, absorb noise and the green areas absorb rainfall preventing flooding. Whilst providing green oases and refuges for wildlife, in parks there are often significant opportunities to enhance biodiversity in line with our legislative responsibilities. Initiatives such as, establishing wildflower meadows, supporting bat roosts, restoring ponds and wetlands contribute significantly to wildlife diversity. When combined with more sensitive development and maintenance operations and with greater local engagement, through volunteering and friends of parks groups, these measures will bring residents closer to nature increasing their overall enjoyment and physical and mental wellbeing.

***Objective 7: We will aim to develop initiatives that will bring residents closer to nature increasing their overall enjoyment of parks to enhance their physical and mental wellbeing.***

**Objective 8: Well designed places that reflect their cultural heritage:**

Ideally all parks should be attractive, have excellent facilities and be physically accessible to all residents. They should also be well designed, well maintained and feel safe. How we design the spaces and how we plant and furnish them changes how local residents respond to them when they visit. Good design enriching the experience for all. Our parks are not all the same either in origin, context or their features. Understanding the unique character and indeed the reasons for each individual park's existence is the key to finding the way in which each should be managed. We must develop management plans for our parks which consider these factors, ensuring that any changes to the design, planting or features is actually appropriate for the park.

***Objective 8a: We will seek to develop and manage the parks, reflecting their cultural and heritage importance, in line with the aspirations of the local communities.***

***Objective 8b: We will aim to develop individual management plans for each of our key and secondary parks, based on local needs in the lifetime of this Strategy.***

***Objective 8c: As our overarching design philosophy, we will aim to treat each park as a unique design, judged on its own merits. The type of landscape, equipment and furniture we use will also need to reflect the area and nature of the provision.***



## Our Consultation: Are these objectives supported by our communities?

In preparing this strategy a public consultation on the above objectives produced a resounding endorsement. Cheshire East Council undertook a survey during late November to early December 2014 to gain views from Cheshire East residents and users of the parks on its draft strategy. The survey was available online and the questions mainly asked about views on the twelve objectives. 557 responses were received. The results have helped refine this strategy.

### **Key findings: Usage of Cheshire East parks and open spaces**

Respondents were first asked how often, they had visited a Cheshire East park within the last 12 months. In summary:-

- 29% had visited most days/ every day or at least once a week,
- 31% had visited at least once a month
- 40% visiting less often or not at all.

Respondents who had visited a Cheshire East park (within the last 12 months?) were then asked to select up to three main reasons as to why. The top five overall reasons were as follows:-

1. For leisure, spend time with family and friends, 45%
2. Walking, 41%
3. To enjoy the natural environment, 31%
4. To visit the playgrounds/ recreational areas, 31%
5. Dog walking, 24%.

## Views on the proposed objectives

Over 90% of respondents agreed that Cheshire East Council should:-

- Consult with individuals and local community groups when planning a project within the parks, 93% (61% strongly agree, 32% tend to agree)
- Aim to provide facilities that meet the needs of different age groups, 93% (61% strongly agree, 32% agree)
- Treat each park as unique, designing landscape, equipment and furniture in line with the area and nature of provision, 91% (61% strongly agree, 32% agree)
- Design places and manage landscape so that seating and quiet areas are available for quiet contemplation, 91% (57% strongly agree, 34% agree).

Over 80% of respondents agreed that Cheshire East Council should:

- Develop individual management plans for each of our key and secondary parks based on local needs, 89% (50% strongly agree, 39% agree)  
Develop and support local park friends groups, 82% (45% strongly agree, 37% agree)
- Work in collaboration with the Health and Wellbeing Board to ensure our parks and open spaces provide maximum health, well being and sustainability benefits, 82% (49% strongly agree, 33% agree)
- Develop and manage parks while reflecting their cultural and heritage importance in-line with aspirations of local communities to achieve Green Flag Standard, 82% (41% strongly agree, 41% agree)
- Develop initiatives that will bring residents closer to nature increasing their overall enjoyment of the parks and their physical and mental well-being, 86% (47% strongly agree, 39% agree).

**Our thanks to all who responded to the survey and contributed their photographs for this document**

## The Current Situation:

Achieving the Green Flag standard is held as a clear indication of a well managed park and for demonstrating a long term commitment to excellent parks. The criteria of the Green Flag scheme are very relevant for all park types and ensure a consistency that is easily benchmarked as the parks achieving Green Flag Accreditation are published annually.

**Parks at Green Flag Standard:** In 2015, the following Parks had attained and retained Green Flag Status:

- Congleton Park,
- The Moor, Knutsford
- Bollington Recreation Ground.
- Sandbach Park

**Parks Close to Green Flag Standard:** A number of parks are close to achieving the standard having had significant infrastructure investments over recent years. These parks benefit from the involvement of the community through strong Friends Groups. Whilst some further investment is required to deal with outstanding infrastructure issues, the key outstanding issue is the lack of a Management and Maintenance Plan. At:

- Elworth Park
- Milton Park
- The Carrs, Wilmslow
- Queens Park, Crewe (Following completion of the Pathways Network)

**Parks still requiring investment:** Before the following parks will be in a condition appropriate for an application for “Green Flag Status” more extensive programmes of investment will be required.

At:

- Alderley Edge Park
- Lacey Green Park, Wilmslow
- Meriton Road Park, Handforth
- South Park, Macclesfield
- Victoria Park, Macclesfield
- West Park, Macclesfield
- Fountain Fields, Middlewich
- Brookfield Park, Nantwich

In 2014, Cheshire East Council created a Park Development Fund to support investment in parks across the Borough. This is an investment programme aimed at repairing infrastructure problems and leveraging out more substantial funding from external grants aiding bodies and supporting local community initiatives in parks. Significant investments required for a project will be scheduled in the Council’s Capital Programme.

#### **The evidence base:**

We have a wealth of parks and open spaces that are greatly valued by all our local communities as demonstrated by the response to the consultation on this strategy.

The key to attracting investment into our parks is the gathering of the evidence of need. Data must be collected on the level of usage, customer satisfaction and the benefits gained from usage. Gathering this data has to be a major priority for the Council as it holds the key to making the real case for significant future investment.

## Delivery and Implementation: Action Plan

### Timetable for delivery and review:

This in line with the local plan the Cheshire East Municipal Parks Strategy will guide investment and development to 2030. With so much to be achieved, it will take this period to deliver the improvements we all want to see in our parks.

**Action 1:** As good data is the bedrock of well managed parks. We need to improve our data collection to understand the value of our investment in green spaces to our residents. In addition we must develop a system to monitor the use made of Cheshire East parks by the Borough's local population including evaluation of visitor numbers, qualitative data on visitor experience and its relationship to community health and wellbeing indices.

**Action 2:** Managing successful parks requires a longer term vision and the proposed programmes and projects will take several years to succeed. Each of our larger parks will require a full Management and Maintenance Plan. These plans will include a full risk assessment and an Implementation / Action Plan setting out the main projects to be developed and implemented.

**Action 3:** Develop a prioritised rolling programme of park improvement projects to target expenditure to reflect the objectives of this strategy. The programme for delivery will be considered annually through consultation with Local Councillors and approved by the Portfolio Member for Strategic Commissioning to enable works to be commissioned to reflect need and corporate priorities.

**Action 4:** Look to demonstrate the quality of our parks through a carefully considered plan to raise standards and to achieve Green Flag status in 5 more parks by 2030.

**Action 5:** To work in close cooperation with all our partner organisations to look for and grasp opportunities to protect and improve all our parks both large and small for all the residents of Cheshire East.

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	12 April 2016
<b>Report of:</b>	<b>Kath O'Dwyer – Deputy Chief Executive/Director of Children's Services</b>
<b>Subject/Title:</b>	Commissioning Children's Nurseries in Crewe
<b>Portfolio Holder:</b>	Cllr Liz Durham

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#### 1. Report Summary

- 1.1. The Council is the commissioner of three day care settings in Crewe. Notice has been served on the current provider with the contract ending on the 18/07/2016.
- 1.2. The recommended approach is to re-procure the nursery provision in Crewe following the Public Contracts Regulations 2015.
- 1.3. The purpose of the paper is to seek Cabinet approval to proceed with the procurement and award of contracts for 9 years at a value of circa £8 million. (This is per capita funding from DfE)
- 1.4. The council needs to procure these nurseries as it is not likely that the market will make this provision in the least affluent areas. We have a statutory duty to ensure sufficiency of child care and without this provision we would be in breach of this. The purpose of this procurement is to ensure that children in our most deprived wards have access to high quality child care which contributes to narrowing the attainment gap

#### 2. Recommendations

- 2.1 That members agree the re-procurement of these three child care settings with a particular emphasis on achieving social value.
- 2.2 That Cabinet delegates authority to the Executive Director of Children's Services in consultation with the Portfolio Holder for Children's Services to undertake the procurement and award of contracts to the new provider and to take all necessary steps to implement the new contract.

### **3. Reasons for Recommendations**

- 3.1 The key reason for this recommendation is to ensure that the quality of Early Years learning in Crewe is maximised. The economics of running high quality child care in less affluent areas are challenging. This is magnified when there is a need to make a return on investment. In order to ensure a return it is necessary to minimise the staffing costs. High quality staff are a prerequisite of running high quality provision but attracting and retaining high calibre staff means that there would be little room to make a profit in the context that these three settings operate.
- 3.2 The current provider is financially sustainable however a proportion of their turnover goes out of Crewe in profit. A not-for-profit option would seek to reinvest this money in the settings in a staffing model that would allow for better qualified and experienced staff and better resourcing of the buildings leading to better outcomes for children in Crewe.

### **4. Background/Chronology**

- 4.1 In 2007 when Children's Centres were established in Crewe there was a requirement that Children's Centres in the bottom 30% Index of Multiple Deprivation areas provided Child Care on site. This resulted in the setting up of three day care provisions at Oak Tree/Underwood West, The Brooks and Monks Coppenhall. All three are on joint school and Children's Centre sites.
- 4.2 Excellence in Crewe Limited (EIC) was appointed via tender in 2007, to operate these three Children's Centre nurseries. This was a company established by a consortium of Crewe primary schools. The nurseries provide a total of 171 places for children aged 0 to 5 years in the most deprived wards in Crewe.
- 4.3 It would appear that this company did not operate in a financially sustainable way and received considerable subsidy from the local authority both in monetary terms and officer time. There doesn't appear to have been consistent financial information from EIC or any evidence of an understanding of their financial situation. By November 2010 administrators had been called in to wind up the company after the council ceased to underwrite the company's losses.
- 4.4 The EIC nurseries ceased trading on 24<sup>th</sup> December 2010. In order to address this and to meet the Local Authority duty to provide sufficient child care the nurseries were subsequently run directly by Local Authority staff and the existing nursery staff was transferred to the Local Authority under TUPE regulations until a retendering process was completed and the contract awarded in June 2011 to the Safehands Ltd, the current provider.



- 4.5 The contract was awarded in June 2011 for nine years with a break clause at five years. This break clause was in June 2016 and required nine months' notice therefore for we were required to give notice on 6<sup>th</sup> September 2015.
- 4.6 Whilst Safehands Ltd received some sustainability funding in the initial set up of the contract they have been making a substantial profit over the last few years. About 70% of all income comes from the DfE grant funding for 15 hours of Free Child Care for 2, 3 and 4 year olds.
- 4.7 The issues with the current model would appear to be the diametrical opposite of the provider they replaced. Whilst the current provider has very strong control over costs and can run the provision at a profit, this can only be done by controlling the single largest cost which is staffing. The current delivery model relies on keeping staffing costs low with the majority of staff being employed at or close to the minimum wage with the subsequent impact on the quality of staff that can be employed.
- 4.8 Whilst all three nurseries currently are judged to be Good by Ofsted both our Early Years Team and the co-located schools continue to be concerned about the consistent quality of the provision.
- 4.9 The setting up of a Community Interest Company has been explored to run these nurseries on a not for profit basis, however having carried out soft market testing we have received sufficient interest from existing not for profit providers which would seem to make this step unnecessary.
- 4.10 The Public Contracts Regulations 2015 allow Contracting Authorities to reserve contracts to 'qualifying organisations'. The object of qualifying organisations must be the pursuit of a public service mission with profits being reinvested with a view to achieving the organisations objectives. Child day care services fall into the light touch regime and the Regulations state that the opportunity should be advertised to qualifying organisations to comply with the general transparency obligations. However letting a contract on these terms would limit the length that the contract could be let for which may not be attractive to a new provider investing in this provision. Therefore the recommended option is to commence a full OJEU procurement with the contract being for 9 years with a break clause at 5 years to provide a longer term commitment to the market.

## **5. Other Options Considered**

### **5.2 A School based option**

- 5.2.1 Two of the on-site schools may be interested in running these settings (Underwood West and Monks Coppenhall) in conjunction with their Academy Trusts. There is no doubt that the schools are well equipped to run high quality early years provision.

- 5.2.2 Any option based on the schools directly running the settings would have to be predicated on the schools being in a position to run the provision on a 52 week basis and as full child care. Any move to a school day and term time only pattern would have the net effect of reducing the volume and availability of child care in Crewe at a time when the onus is on Local Authorities to expand the availability of child care. Such an option would also need to take account of the need to expand not reduce the availability of 2 year old places and be mindful of the government commitment to expand free child care for working parents to 30 hours a week in 2017.
- 5.2.3 These three settings currently offer full child care i.e. 8 am to 6 pm for 52 weeks of the year. They also provide approximately 25% of the 2 year old child care places in Crewe as they serve areas where a significant number of the eligible two year olds live. There are currently 72 two year olds attending across these three settings. The loss of these places would impact severely on the roll out of 2 year old provision that is currently being monitored and reported to DfE.
- 5.2.4 There are two broad policy objectives to the expansion of Early Years places. The first is the provision of high quality early years education and the positive effects that this can have in giving young people the best start in learning. The second is the provision of accessible and affordable child care in order to ensure that parents are able to work or access training. Whilst a school based option would address the first of these any reduction in the hours that these settings operate would fail to address the second.
- 5.2.5 The government's thrust is that schools are being encouraged to offer full child care to address both of these objectives, as evidenced by the Secretary of State's recent announcement that parents were going to be given the right to request the extension of school based child care to full child care.
- 5.2.6 A further option considered was letting these nurseries as separate lots. This option was considered last time these nurseries were tendered however was rejected as the three settings operate at various degrees of stand-alone financial sustainability. Let as one lot there is room for cross subsidy between the settings which would support long-term sustainability of the whole.

## **6. Wards Affected and Local Ward Members**

- 6.1. All Crewe Wards

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

There is a strong council commitment to improve the educational outcomes of children of the most vulnerable children and to improve educational outcomes for children in Crewe.

### **7.2. Legal Implications**

Services of this nature fall under a light touch regime in the Regulations. This affords the Council significant flexibilities in how the procurement process is designed. Subject to the timescales for tenders being proportionate and reasonable for the contracts being tendered, any process or procedure can be adopted as long as it respects the treaty principles of transparency and equal treatment.

### **7.3. Financial Implications**

7.3.1. The commissioning of a sustainable provider will be cost neutral.

### **7.4. Equality Implications**

The expansion of child care is aimed at increasing school readiness and parents employment and training oppertunities.

### **7.5. Rural Community Implications**

None

### **7.6. Human Resources Implications**

The transfer of staff between providers will require a TUPE process however this will not directly involve the council.

### **7.7. Public Health Implications**

The recommissioning of the settings will allow for intergrated working between the settings, Health Visitors and Children's Centres on public health outcomes.

### **7.8. Other Implications (Please Specify)**

None

## **8. Risk Management**

- 8.1. That the provision does not remain financially sustainable and requires additional council support. This risk can be mitigated by ensuring that the successful provider is sufficiently capitalised and has strong financial management systems in place.

## **9. Access to Information/Bibliography**

None

## **10. Contact Information**

Contact details for this report are as follows:-

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## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 12 April 2016

**Report of:** Kath O'Dwyer  
Director of Children's Services and Deputy Chief Executive

**Subject/Title:** Residential Redesign

**Portfolio Holder:** Cllr Liz Durham

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#### 1. Report Summary

- 1.1. The purpose of this report is to start the process of redesign of residential homes for children in care. It is not intended to present a detailed analysis at this stage but to provide sufficient information about the broad direction of travel and plan a timeline to make decisions.
- 1.2. This redesign supports the strategic intentions and ambition for our children in care and demonstrates further evidence of the Council's passion and commitment to put children and particularly children in care at the heart of all that we do.
- 1.3. The Council's Corporate Plan 2016 – 2020 is clear in its priority setting and as a commissioning council we will apply the "best fit" approach to achieve its outcomes. The commissioning cycle outlined in the Corporate Plan includes a variety of vehicles to achieve outcomes ranging from in-house service provision to outsourcing.
- 1.4. Children in care are our children and it is our role to ensure they are supported, nurtured and helped to be, and feel, safe, achieve their potential and grow into confident young people and adults. Ensuring our children can live and grow up in a safe and stable home is integral to ensuring their wellbeing and securing their positive development.
- 1.5. The principal matters that will form part of the review are:
  - Contractual: whether to opt for in-house provision or to commission the service from the independent / voluntary sector or a mix as is currently the case
  - Operational: to consider the model under which the homes operate and the potential scope for the development of the service
  - Configuration: the number and size of individual homes and the total number of available beds

- 1.6 The key principles that drive decision making in respect of residential placements are good quality, value for money services that are local. The redesign of internal residential provision and how it sits in the wider external market is critical to achieving the key principles.

## **2 Recommendation**

### **2.1 Cabinet is recommended to:**

- i) Approve the design of Children's Homes to include retaining the three existing four bed properties and adding two additional two bed homes.
- ii) Delegate the decision of location of the two new homes to the Executive Director of Children's Services in consultation with the Children's Portfolio Holder.
- iii) Approve a wholly commissioned model of service ie no in-house delivery.
- iv) Agree the timeline for completion of the commissioning cycle to achieve the new model of provision by April 2017.

## **3 Reasons for Recommendation**

- 3.1 As 'corporate parent' for children and young people in care, we need to ensure that a sufficient number, type and quality of accommodation is available in order to ensure the welfare and emotional / physical well-being of every child and that they reach their potential.
- 3.2 The requirement, under s22G Children Act 1989 for Local Authorities, to publish an annual Sufficiency Statement for children in care accommodation was introduced from April 2011. The sufficiency duty requires local authorities to do more than simply ensure that accommodation be 'sufficient' in terms of the number of beds provided. They must also have a regard to the benefits of securing a number of providers and a range of services. Fundamentally, the accommodation available must meet the needs of children. The model and configuration of our internal residential provision plays a vital role in delivering against this duty.
- 3.3 The contract for the two existing commissioned Children's Homes comes to a natural end at the 31 March 2017 having already been extended. This requires a decision to be made about Children's Home delivery going forward.
- 3.4 The commissioned service model has worked in respect of good levels of occupancy and good quality of provision. Running Children's Homes comes with high levels of management input and reputational risk. The commissioned model of delivery transfers some level of risk to the external provider.
- 3.5 The budget for cared for children external agency placements is under significant pressure. We need to ensure that the design and level of internal provision is a best value fit with the availability within the external market. The

recommendations in this report provide two positive steps towards better managing budget pressures:

- The proposal for two new two bed homes (with wrap around therapeutic support from Children's Services) should ensure that those children with higher levels of emotional and behavioural difficulties can be accommodated within our own provision close to local support rather than at distance within high cost external agency placements. The external market for this type of provision is becoming increasingly scarce due to demand and costs are rising.
- The cost of the commissioned service model is significantly more cost effective than the in-house model.

## 4 Background

- 4.1 The Council's starting point for the consideration of a child's placement is that we should always endeavour to find an appropriate family setting. Wherever possible, this will be a local foster care placement that facilitates continuation of contact with family and friends and attendance at the child's allocated school, unless the assessment indicates that this would not be appropriate for some specific reason.
- 4.2 A placement in residential care would only normally be made following an assessment of the child's need for such a service. However, this does not mean that we regard placement in residential care as a measure of last resort or as something to be tried only in the event of foster placement breakdown. Ultimately it always has to be about assessment and securing the right placement for each individual young person and in practice this has meant that in the past year for example, a small number of young people have been accommodated and moved straight into residential placements.
- 4.3 It is important early in this report to provide a snapshot of the views of children. The Council is committed to actively seeking and listening to service users (the voice of children) when it make its commissioning decisions. At this stage in the residential review it is important to capture what children have to say about the existing arrangements for residential provision. Some of their thoughts are outlined below:

*I feel staff understand me and help sort out problems I have*

*The home is nice and welcoming*

*I feel I have a lot of choice and don't just get told what to do*

*Some staff are very demanding and I get on better with some than others*

*I prefer to live in residential care as in a foster placement it felt like I was betraying my family; I still have a family and I don't want to live in another one. I like seeing different staff on shift providing there's always someone I know on duty*

*I'd like more choice about who I live with as some young people cause issues and disrupt the house*

*I do find it difficult living with other young people; my autism means that I can't help winding people up sometimes but they don't always understand why I'm doing it*

*I'd prefer to live in a family with one other young person as I'd find it easier... but I know I can't as I don't always behave very well*

*I feel I get on well with the staff and feel that they support me most of the time; sometimes it can be difficult working with staff that I don't know so well*

*I wish I had a bit more freedom... for example if I want to stay at a friend's house I have to go through my social worker. I don't feel I can just do what normal young people do.*

*I'd have preferred to live in foster care as it's more like a family... residential care has had its ups and downs, both good and bad*

*There's too much paperwork... in a family there's no risk assessments and your life isn't written about every day*

*I absolutely love it here, it's the best thing that's ever happened to me. It's dead homely... like a family*

- 4.4 The voice of children will play an important part of decision making throughout this review and commissioning cycle.
- 4.5 The overall profile of the Cared For or Looked After population has tended to mirror national trends in recent years with around 60% of children placed in foster care and under 10% in residential placements. At the time of writing the residential population stands at 28 young people out of a Cared For population of 394, or 7.1 % of the total. Whilst inevitably, each of these 28 children has a set of unique circumstances and experiences, it is possible to make a number of general points about their placements in residential care:
- There has been a steady decline in the number of our children in residential placements in recent years but the complexity of individual cases is clearly increasing; we would highlight factors such as high level CSE, self-harm and mental health issues, attachment disorders and Harmful Sexualised Behaviour as significant reasons why some children cannot safely be looked after in foster care
  - 17 children are currently placed in independent or voluntary sector homes
  - 7 of these children are placed significantly more than 20 miles from home with the top three distance placements being 58, 54 and 42 miles away
  - 6 of the 28 have complex health needs including physical and learning disabilities and they are all placed in specialist independent or voluntary sector provision



- 93% of children in residential placements are in homes rated Good or Outstanding
- We are actively searching for foster families for 4 of the 28; three of these children are aged under 12 and in the past year we have implemented a strategy that no children of this age should be placed in residential care again
- Of the 11 children in agency EBD placements, 4 could have been placed in our own provision had we have had a suitable vacancy at the time; the others have levels of challenging behaviour or other considerations such as those outlined above that would have made it difficult to match them into any of our four-bedded homes.
- A significant proportion of the total, perhaps 6 or 7 young people could be moved into families with the appropriate level of support but have made positive choices about residential care
- The trend for smaller homes has continued and the majority of our young people live with two or three others

4.6 When the authority has had to utilise the external agency market via the framework contracts available or spot purchase, then we regularly find that there is little correlation between the effectiveness of a service in terms of outcomes for young people, its Ofsted rating and the weekly fees. Some of our most successful placements have been in homes that are at the lower end of the fee range whilst conversely, we have had a number of unhappy experiences with providers who promised much and charged a great deal, but ultimately delivered little.

4.7 The current internal residential service comprises three four-bedded children's homes:

- Claremont in Crewe is owned and operated by the Council;
- Ivy Lane and Victoria Lodge in Macclesfield are also owned by the Council but are managed and staffed under a contractual arrangement with the Together Trust.
- A fourth home at Broad Street in Crewe which had been owned and operated by the Council was closed in June of last year after it had been beset by problems.

There has been a steady improvement in the service as a whole with all three homes rated 'Good' by Ofsted at their last key inspections and occupancy levels throughout 2015 have generally been high.

## 2015 Occupancy:

	Jan-Mar	Apr-June	July-Sept
Ivy Lane	100	100	100
Victoria Lodge	87.8	100	95.9
Claremont	81.4*	79.4*	96.2

\* Note low occupancy due to a very difficult placement and high staffing ratios required

- 4.8 In terms of daily operation, the homes are run along broadly similar lines and there are no specific considerations for admissions beyond the usual risk assessment and matching of individual young people to the group. When it comes to the budgets for the service and the nominal weekly fee for each young person, the additional costs associated with local authority terms and conditions and staffing levels means that the differences between the homes are significant. This is exemplified below when you compare both operating models:

Operating Model	Value over 3 years	£ difference from current model
Current Together Trust price @ £377k per home	£3393k	
Adjusted Together Trust price @ £434k per home	£3906k	+ £513k
Current market price using external agency spot purchase @ £2100 pw	£3931k	+£538k
Current market price using external agency spot purchase @ £2300 pw	£4306k	+£913k
Revised In-house price @ £542 per home	£4878k	+£1485k
Current In-house price @ £621k per home	£5589k	+£2196k

- 4.9 The table above takes the cost of existing models of operation (commissioned via Together Trust and in-house delivery of Claremont) and applies them to all three homes over a three year period to gain a clear understanding of cost. This provides a significant difference of **£2196k** over a three year period. However it is important to ensure that a fair like for like financial comparison is made when considering value for money. Both delivery models have been reviewed and adjusted (mainly around staffing complement) with a resulting **£972k** cost difference. This remains a significant cost difference.
- 4.10 It is reasonable to anticipate future external bids to come in at a slightly higher value due to general demand in the market, raised levels of expectations via Ofsted inspection and cost pressures such as the living wage. Utilising the current market price for spot purchasing external agency placements the cost difference ranges from **£972k** to **£572k**.

- 4.11 The analysis above, alongside quality indicators, points to the commissioned service model being better value for money.
- 4.12 Beyond the pure high level cost however, there are various other considerations in opting for an in-house or commissioned model, and a sensible starting point would appear to be a decision about whether we opt for a single model of in-house or commissioned service or maintain the existing mix. An initial basic SWOT analysis is set out below.

**a) In-House Provision**

<b>Strengths</b>  A sense of doing the right thing: looking after our own children Control and ownership	<b>Weaknesses</b>  Cost All the risk carried in-house
<b>Opportunities</b>  Greater scope for multi-disciplinary working Creating a vision and a model: therapeutic in-house provision Fewer agency placements	<b>Threats</b>  Reputational risk: running children's homes well is difficult (see Broad St) Ofsted's position is increasingly demanding

**b) Commissioned Service**

<b>Strengths</b>  Significant cost benefits Burden of risk carried elsewhere	<b>Weaknesses</b>  Lack of ownership and control Tension over admissions and occupancy A sense of selling to the lowest bidder (see CE & Continuum Group)
<b>Opportunities</b>  Scope for innovative partnerships and new ways of working	<b>Threats</b>  Associated reputational risk and bad publicity (see Dinan Chase)

- 4.13 In relation to timescales the following contract periods are a key determinant of the speed at which the review is undertaken:
- The Ivy Lane contract was for 3 years from 1st April 2012 to 31 March 2015 (Initial Term) with an option to extend for periods of up to two years upon giving six months' notice prior to the end of the Initial Term or Extension Period. The contract has been extended for 17 months until 31 August 2016.

There are 7 months of the possible 2 year extension period left with a possible extension to 31 March 2017.

- The Victoria Lodge is for 3 years from 1 September 2013 to 31 August 2016 (Initial Term) with an option to extend for a further 7 months upon giving six months' notice prior to the end of the Initial Term. The contract could then be extended to 31 March 2017.

4.14 In order to allow the maximum time to undertake a thorough review and go to the market if a commissioned model is part of the redesign solution the option to extend the contracts for Ivy Lane and Victoria Lodge has been taken i.e. 31 March 2017.

4.15 A final consideration regarding timing is that the Government has asked Martin Narey to conduct a review into the purpose and role of children's residential care with a focus on what works best to improve outcomes. The report (to which we will be submitting a paper in evidence) is due to be completed in the spring of 2016 and whilst we could probably be confident of second-guessing many of its likely findings, it would seem prudent to await publication before embarking on a final course of action.

4.16 A proposed timeline is attached at Appendix 1. The key milestones within the timeline are as follows:

- Initial review and redesign completed by 29 February 2016
- Cabinet Report on review and options – 12 April 2016
- Cabinet Report on progress towards solution (could include contract award) – July 2016
- Mobilisation of redesigned service – September 2016 onwards
- Redesigned service starts 1 April 2017

## 5 Model of Operation

5.1 It will be widely recognised that many independent sector organisations claim to provide services that are 'therapeutic' in nature and that a significant proportion of them fall short when either their operational models, clinical input or staff training programmes are examined in any detail. Nevertheless it is often appropriate for our homes to offer more than a straightforward residential placement, irrespective of whether we opt for an in-house or commissioned service. A genuinely therapeutic approach recognises that the abusive experiences and attachment difficulties that have brought children into residential care in the first place cause damage and harm in the form of emotional, psychological and behavioural problems (and in some cases, actual physical changes to the structure of the brain). The central task of the home therefore, is to try to put some of this damage right: to use some form of recognised model and therapeutic input to assist young people in coming to terms with their life experiences, to develop relationships with adults founded on mutual trust and respect, and to actively prepare them for early adulthood and beyond.

- 5.2 We have already considered options for developing the role of the Children & Families Support Team at Cledford House and it is envisaged that an expanded team could play a far greater role in the development of a therapeutic residential service to some of our most troubled young people.

## **6 Configuration of Properties**

- 6.1 The current configuration of properties means that by definition, any young person who cannot be matched into a four-bedded home is likely to require an agency placement. Moreover, the properties themselves are not ideal and in fact none of them matches up to the specification put forward at this same stage of the commissioning process in 2011. However, there is a need to be pragmatic and mindful of costs, and therefore one possible way to achieve significant change with the least disruption and expense is outlined below as initial food for thought:

Ivy Lane: although ideally the garden could be bigger, this home functions well as a four-bed, largely because of its split level design; this means that young people can be in different parts of the home without all being on top of each other and I would therefore propose to maintain it as it is.

Claremont and Victoria Lodge: feedback from young people and experience / observations of social care staff re what a four-bedded home should look and feel like would indicate that neither of these properties is really big enough. However registrations could be maintained at 4 to give some flexibility to the service as a whole but the general expectation would be that both these homes would operate in future as three-beds.

- 6.2 Homes 4 & 5: to give a small increase in capacity but to significantly improve our ability to respond to our more challenging young people in borough, a proposal could be to open two two-bedded homes operating under one Registered Manager and in leased properties.

## **7 Wards Affected and Local Ward Members**

- 7.1 The recommendations have the potential to affect all areas of Cheshire East as the location of homes is yet to be determined.

## **8 Implications of Recommendation**

### **8.1 Policy Implications**

- 8.1.1 The review will put cared for children at the centre of Council policy and decision making. The review will be undertaken with clear reference to the Children and Young People's Plan, Corporate Parenting Strategy and Sufficiency Statement.

### **8.2 Legal Implications**

8.2.1 There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of cared for children and care leavers. There are statutory obligations and guidance for the role of the Local Authority as the Corporate Parent in the Children's Act 1989 and 2004, and the Children and Young People Act 2008.

8.2.2 Statutory Guidance: Securing Sufficient Accommodation for Looked After Children, 2010, requires local authorities to develop a plan to secure sufficient accommodation for cared for after children within their local authority area and which meets their needs. They can only do this if they work in partnership with other agencies as the requirement is not just about accommodation and placements but also securing a 'diverse range of universal, targeted and specialist services working together to meet children's needs' and applies not only to cared for children, but also those on the edge of care and at risk of custody.

### **8.3 Financial Implications**

8.3.1 The review will ensure that the best value for money solution is put in place. This will focus on the most effective blend of internal / external provision for the varying number and need of cared for children. The final financial implications will only be evident when the overall review is complete and comparison to the reduced use of the external agency market is clear.

8.3.2 It is however clear that even if we do nothing in respect of the current model of Children's Homes the cost of re-commissioning the two homes currently run by Together Trust will provide an estimated budget pressure of at least £100k in 2017-18 and beyond.

### **8.4 Equality Implications**

8.4.1 None at this stage.

### **8.5 Rural Community Implications**

8.5.1 None identified at this stage.

### **8.6 Human Resources Implications**

8.6.1 There are no human resource implications at this stage. However if the wholly commissioned model is agreed then consultation and effective communication with the staff at the home operated in-house will take place. Potential TUPE considerations will also have to be planned in consultation with the Trade Unions.

### **8.7 Public Health Implications**

- 8.7.1** Cared for children are more at risk of health inequalities than their peers. The proposals are expected to improve the awareness and response in respect of these health needs.

## **8.8 Other Implications**

- 8.8.1 None.

## **9 Risk Management**

- 9.1 Cared for children are a vulnerable group that are risk of a number of factors – poor education and training, health, safeguarding and transition into adulthood. The design of an effective residential offer will aim to mitigate these risks to our children.
- 9.2 Individual elements of the review will provide risks surrounding reputation (ie location of Children's Homes) and finance.

## **10 Access to Information/Bibliography**

- 10.1 The legislation and key statutory documents in relation to cared for children and young people and cared leavers are set in this paper.

## **11 Contact Information**

Contact details for this report are as follows:-

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## Residential review proposed procurement timetable

## Appendix 1

## Contract Start

01-Apr-17

	Start Process	ITT process - complete by	*Days	Responsibility
Undertake detailed analysis and test out models of service delivery. Conduct supplier events to feed into your options paper / specification. Engage with young people to discuss plans and shape the service.	06 November 2015	29 February 2016	115 days	Commissioning / procurement
Make a proposal re how to proceed.	01 January 2016	15 January 2016	15 days	Commissioning
Appoint assets to draft heads of terms	15 January 2016	12 February 2016	28 days	Lee Beckett
Gather TUPE information	15 January 2016	12 February 2016	28 days	Liz Smith
Draft specification	15 January 2016	12 February 2016	28 days	Liz Smith
Draft ITT documents	12 February 2016	11 March 2016	28 days	Alison Oakes
Engage legal for contract writing	06 November 2016	11 March 2016	97 days	Legal
Draft report for MGB / Informal Cabinet	01 January 2016	07/03/16 (final day for submission), then follow the cabinet timetable for other report submission dates.	60 days	Liz Smith
Add to the Cabinet forward plan - Requires 5/6 weeks forward planning	16 December 2015	16 December 2016	1 day	Liz Smith
The service will brief their portfolio holder and their Chief Officer so that it can be presented at MGB on 06/01/16.	06 November 2015	07 March 2016	122 days	Chief Officer and portfolio holder
Cabinet	12 April 2016	12 April 2016	1 day	Leader and portfolio holder
Finalise Service Specification	12 February 2016	22 April 2016	70 days	Liz Smith
Finalise ITT documents	11 March 2016	22 April 2016	42 days	Alison Oakes
Publish OJEU notice	25 April 2016	26/04/16	2 days	Alison
Finalise the Evaluation Panel	01 April 2016	22 April 2016	22 days	Alison Oakes / Liz Smith
Issue ITT documents	04 May 2016	04 May 2016	1 day	Alison
Pre-tender Clarification deadline	01 June 2016	01 June 2016	1 day	Alison
ITT Closing Date	06 June 2016	06 June 2016	1 day	Alison
Evaluation panel to score and send scores and comments to procurement	06 June 2016	20 June 2015	14 days	Evaluation Panel
ITT Evaluation	20 June 2016	30 June 2016	10 days	Evaluation Panel
Cabinet	July 2016	July 2016	1 day	Leader and portfolio holder
Authority to let form completed	30 June 2016	15 July 2016	15 days	Liz Smith
Draft Successful / Unsuccessful letters and full debrief	30 June 2016	15 July 2016	15 days	Alison
Send out 'Intention to Award' letter along with unsuccessful letters and full written debriefs. <b>Official award after 10 day standstill</b>	18 July 2016	19 July 2016	2 days	Alison
Official Award letter to be sent	01 August 2016	02 August 2016	2 days	Alison
OJEU award notice	01 August 2016	02 August 2016	2 days	Alison
Award on contract finder	08 August 2016	08 August 2016	1 day	Alison
Contract Signing	08 August 2016	31 August 2016	22 days	Legal
Mobilisation period	31 August 2016	31 March 2017	212 days	Commissioners / supplier(s)
New contract start date	01 April 2017	01 April 2017	1 day	Alison

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## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 12 April 2016

**Report of:** Kath O'Dwyer, Executive Director of Children's Services and Deputy Chief Executive

**Subject/Title:** Review of Arrangements for the Delivery of Youth Justice Services in Cheshire East

**Portfolio Holder:** Cllr Liz Durham – Portfolio Holder for Children and Families

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#### **1.0 Background**

- 1.1 The Local Authority has a statutory duty to deliver Youth Offending Services (YOS).
- 1.2 In 2012, a proposal was made that a single YOS for the Cheshire footprint (across Halton, Warrington, Cheshire West and Chester and Cheshire East) should be established and work progressed on this basis.
- 1.3 However; prior to implementation Cheshire East Council, at this time, took the decision not to join the sub regional arrangements and developed instead an integrated Youth Engagement Service which incorporates the YOS.
- 1.4 The remaining three Local Authorities (CWaC, Warrington and Halton) developed and implemented a shared YOS arrangement from 2012.

#### **2.0 Current position**

- 2.1 The Cheshire East YOS component of the Youth Engagement Service (YES) was inspected by HMIP in June 2013 and was found to be delivering 'a high standard of service'. There has been no recent inspection of the service.
- 2.2 The Cheshire West, Halton and Warrington YOS (CWHWYOS) was inspected in November 2015 and inspectors found that the service was delivering 'high quality work and good quality reports'.
- 2.3 In relation to key performance indicators both the Cheshire East YES and the CWHWYOS perform equally well although they have different delivery models.
- 2.4 The Cheshire East Business Improvement Team were asked to undertake a review of both services to help inform decision making around the future method of service delivery for Cheshire East's Youth Offending Services. This

was prompted by a renewed request from Cheshire Police and the PCC for us to consider joining the 'Cheshire YOT'. This also coincided with a time of budget savings being identified within the Council and increasing budget pressures for the service. This review found that 'it is impossible to carry out a like for like evaluation but there are clear pros and cons for each option'.

- 2.5 In order to better 'future proof' both the statutory YOS elements of the service, and retain an appropriate focus on prevention via youth and family support provision, it is proposed that we join Cheshire West, Halton and Warrington (CWHWYOS) to create a 'One Cheshire' YOT whilst retaining the preventative services as part of a wider Cheshire East Youth and Family Support offer.
- 2.6 This proposal will reduce spend on overhead costs of management and back office and will allow the development of a revised integrated support offer locally and a more resilient specialist YOT offer led on a Cheshire wide footprint but with localised management and delivery.

### **3.0 Recommendations**

- 3.1 To agree to:-
- i. Transfer the Youth Offending Specialist Services into a One Cheshire YOT. Cheshire East staff will remain employees of Cheshire East and retain their terms and conditions of employment but will work through the terms of a Memorandum of Understanding (MoU) between the partner authorities.
  - ii. Combine the Preventative Youth Support aspects of the service with our remaining/existing Youth and Family Support Services into a single service within the Children and Families Directorate.
  - iii. Delegate the implementation of the proposals to the Executive Director of Children's Services in consultation with the Cabinet Member for Children and Families.
  - iv. Proposals on the partnership arrangement including ways of working and any reduction in the number of CE staff under new arrangements will form part of a formal Consultation with affected staff.

### **4.0 Reasons for recommendations**

- 4.1 To enable the Council to continue to deliver high quality specialist Youth Offending Services and to deliver a preventative youth service across the Borough, with diminishing resources, it is proposed that our current Cheshire East YES service is redesigned to:-
- a) Transfer the specialist Youth Justice Services to the high performing CWHW YOS to create a 'One Cheshire YOS' and;
  - b) Transfer the remaining Youth Engagement Services to combine with existing youth and family support services to deliver a comprehensive preventative offer to young people in Cheshire East.

## **5.0 Opportunities and Threats**

5.1 There are a range of both opportunities and threats in relation to the future expectations, funding and positioning of Youth Offending Services within Local Authorities.

### **5.2 Funding**

The Youth Justice Board has implemented an in year cut of 10.6% to the budget passported to Local Authorities for YOS provision and we are awaiting notification of an expected 15% further reduction over the next four years.

5.3 The Police and Crime Commissioner has communicated a preference for a single YOT and makes a contribution of £40k.

5.4 Within the £2.5million savings to be identified for 2016/17 and beyond from within the Children's Services Directorate, savings will need to come from the YOS.

5.5 It is likely that further funding cuts from the existing YOS contributing partners, YJB and PCC will continue in the future and a method of delivery that withstands such cuts is sought.

### **5.6 Specialist v Preventative**

The Cheshire East YES combines specialist YOT services in an integrated model with preventative youth support services. We also have other youth support services located elsewhere within the Directorate.

5.7 It is proposed that to obtain greatest benefit from the proposed change in arrangements we retain both aspects but join the specialist YOS provision into the current Cheshire West, Halton and Warrington YOS and retain the preventative services and join them into our existing youth and family support arrangements. This would therefore result in better value for money and no reduction in service delivery.

### **5.8 Opportunity to reduce overhead costs**

The Cheshire East YES has within it 56 staff. This includes 8.5 managers and 5 administration support staff. By combining the YOT specialist elements within the Cheshire West, Halton and Warrington YOS and the preventative elements within the existing youth and family support service, we would seek to reduce managerial and back office staff costs. There is no proposal to reduce practitioner roles or reduce services to children and young people.

5.9 Pressure on partner agency budgets is having an impact upon both YOT services with the Cheshire East YOT having its Police Officer contribution reduced by 50% (to 1x FTE) in recent months. This leaves limited cover when the one remaining officer is absent.

5.10 Local Influence and Delivery

One of the concerns back in 2012 when the issue of Cheshire East joining the Cheshire wide YOT was previously considered was concern regarding a loss of local influence and local delivery.

5.11 Having sought feedback from the existing Local Authorities within the Cheshire West, Halton and Warrington YOS, all report that through the Management Board, rotating Chair arrangements and the MOU agreement there has been no reduction in local influence or the ability to respond effectively and appropriately to local need and local delivery demands.

5.12 Opportunity to build on existing shared arrangements

There are currently a range of joint working and joint delivery arrangements in place between the Cheshire East YES and the Cheshire West, Halton and Warrington YOS. These include:-

- Divert – a disposal process to divert young people from court.
- Transition to Mental Health for young offenders.
- MAPAA – current shared arrangements across Cheshire.
- Restorative Justice – current shared arrangements across Cheshire.
- Courts – shared arrangements to cover Saturday courts.
- Custody suite – shared arrangement for covering the Appropriate Adult arrangement at Middlewich.

5.13 Partner Views

The Police and Crime Commissioner and Cheshire Constabulary are very clear in their view that they would prefer a single YOT for the Cheshire Sub Region as this would be, in their view, the most effective and efficient model.

5.14 Colleagues in Probation do not hold a strong view and would be content with either arrangement.

5.15 For Health colleagues, this is again not a huge issue as there would not be any difference in coterminosity.

5.16 Highly specialist services

One advantage of a One Cheshire YOT would be the opportunity through a larger footprint to delivery high quality, highly specialist services and to small groups of young offenders such as girls and young people who sexually offend.

**6.0 Proposals**

6.1 It is proposed that:

a) the current CE YES is redesigned into two services – specialist and preventative. The specialist Youth Justice elements of the service will be delivered through a partnership arrangement whereby Cheshire West, Halton and Warrington YOS current partnership will be extended to include the Cheshire East YOS. This partnership will create a single Cheshire YOT (One

Cheshire YOT) in line with partners' footprints (Police, Fire, Probation, PCC) and sub regional developments.

b) the preventative youth engagement elements of the service transfer into the existing youth and family support service within the Children and Families Directorate.

c) there is no reduction in practitioner posts or service delivery capacity.

d) appropriate reductions in managerial and back office support are identified and implemented.

e) the existing MOU is modified and developed to reflect the participation of Cheshire East in the Cheshire West, Halton and Warrington YOS and to ensure appropriate and effective delivery as part of a one Cheshire YOT.

f) decision making as to the detail of these proposals is delegated to the Executive Director of Children's Services in consultation with the Cabinet Member for Children and Families.

## **7.0 Wards effected**

7.1 All

## **8.0 Local Ward Members**

8.1 All

## **9.0 Policy Implications**

9.1 The decision to join the current Cheshire West, Halton and Warrington YOS to create a One Cheshire YOS would represent a change in Council policy and any such arrangement would be the subject of a clear and detailed MOU to reflect the partnership arrangement between the four local authorities.

## **10.0 Financial Implications**

10.1 The proposal would seek to deliver financial efficiencies in managerial and back office shared arrangements that can be used to:-

a) deliver required savings

b) future proof against further cuts in available funding

c) improve and/or redesign service delivery in other areas within the Directorate

d) address pressures in other areas within the Directorate

10.2 The proposal to join a single Cheshire YOS would deliver value for money, provide the opportunity for current and also potential future efficiencies and present the opportunity to develop a specialist YOS service whilst also

enhancing existing youth and family support services to allow future redesign to support appropriate service levels for less cost.

### **11.0 Legal Implications**

- 11.1 The ways of working of the new One Cheshire YOT partnership would be outlined in a detailed MOU between the four Local Authorities.
- 11.2 Any workforce change would be delivered via the required consultation process.

### **12.0 Summary and Conclusions**

- 12.1 The Council is committed to delivering the best possible services to vulnerable children and young people. To do so in the context of reducing resources, increasing demand and the devolution agenda, we need to think differently about how we deliver and develop our services.
- 12.2 It is therefore proposed to align our specialist Youth Offending Services to join the Cheshire West, Halton and Warrington YOS to create a 'One Cheshire' YOT, with partners including Police, PCC, Fire and Probation Services in the region. This will ensure efficiencies in management and back office costs support the delivery of robust specialist services whilst retaining local delivery to respond to local need.
- 12.3 It is further proposed to align our Youth Engagement aspect of the current service to join the existing family and youth support services within the Children and Families Directorate to ensure a comprehensive and robust preventative offer to vulnerable children, young people and their families.

### **13.0 Access to information**

- 13.1 The background papers relating to this report can be inspected by contacting the report author.

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	12 April 2016
<b>Report of:</b>	Steph Cordon, Head of Communities
<b>Subject/Title:</b>	Policy for the Allocation of Community Grants 2016/17
<b>Portfolio Holder:</b>	Paul Bates – Portfolio Holder for Communities and Health

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#### 1. Report Summary

- 1.1. The Community Grants Policy was first adopted in 2009/10 to provide legal guidance for the operation of the Council's community grant scheme and requires approval from Cabinet each financial year in order to delegate decision making powers to the portfolio holder responsible for community grants.
- 1.2. Applications to the scheme are invited from voluntary, community and faith sector organisations who meet the policy criteria. The scheme has enabled funding to be focused on those organisations that contribute to meeting the Residents First Outcomes.
- 1.3. As a Residents First Council we recognise the valuable input that the voluntary, community and faith sector brings to the quality of life in the community. The Policy for the Allocation of Community Grants ensures that these organisations are assessed fairly and that grant awards are open and transparent and stand up to public scrutiny.

#### 2. Recommendation

- 2.1. That Cabinet approves the Policy for the Allocation of Community Grants.
- 2.2. That Cabinet delegates authority to the Portfolio Holder for Communities and Health to make decisions on grant applications for each round of community grants within the financial year of 2016/17.

#### 3. Other Options Considered

- 3.1. There are no alternative options for consideration.

#### **4. Reasons for Recommendation**

- 4.1. All Council departments have budgetary pressures and all funding must be able to be justified and stand up to public scrutiny.
- 4.2. The Policy for the Allocation of Community Grants 2016/17 needs adopting to allow the continuation of the community grants scheme throughout the financial year of 2016/17.
- 4.3. Community grant applications are considered at quarterly intervals with recommendations considered at a portfolio holders meeting. This meeting is open to the public to ensure transparency and fairness about the Council's decision making.

#### **5. Background/Chronology**

- 5.1 In 2015/16 114 organisations were awarded with grants which has contributed to total project costs of over £1.6 million. Collectively these organisations employ over 650 staff ranging from casual to full time and have over 3,400 unpaid volunteers.
- 5.2 A wealth of community activity has taken place across Cheshire East, through the grants awarded which includes:
  - a) One World 2015 was awarded £800, as a contribution to a total project cost of £4,275. This was to hold a festival in Alsager involving local residents that originate from other cultures and countries providing a unique insight to the community including national dishes, costumes and artefacts which contributes to community cohesion.
  - b) Friends for Leisure, based in Congleton were awarded £500 as part of a £6,500 volunteer training programme to provide the best opportunities and friendships for disabled children and young people.

#### **6. Wards Affected and Local Ward Members**

- 6.1. The recommendations relate to all wards within Cheshire East.

#### **7. Implications of Recommendation**

##### **7.1. Policy Implications**

- 7.1.1 N/A

## **7.2. Legal Implications**

- 7.2.1 The Council has the power to award grants to organisations using its general power of competence in section 1 of the Localism Act 2011. In exercising the power the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably. A grant policy is a clear statement of the criteria that the Council is applying and is essential if the Council is to defend any challenge to its decision making process.
- 7.2.2 The Policy for the Allocation of Grants to Voluntary and Community organisations 2016/17 deals with the allocation of community grants which are awarded to defined organisations following an application process, and against a set criteria. There are conditions requiring that organisations report back to the Council upon expenditure of the grant and to enable further appropriate conditions to be imposed. The decision making process is delegated to the Portfolio Holder in order ensure that decisions can be made expeditiously and at the appropriate level.
- 7.2.3 Grant funding organisations based on the application of the Council's grant policy satisfies the Council's public law duties.
- 7.2.4 Direct award of grants favour organisations and can potentially be challenged on the basis that they exclude other organisations. A competitive grants process is an open, transparent and fair means to afford all eligible organisations the opportunity to compete for and obtain grant funding from the Council.

## **7.3 Financial Implications**

- 7.3.1 There will be no overall financial impact to the Council as total Cheshire East budgets will remain the same.

## **7.4 Equality Implications**

- 7.4.1 There are no negative equality implications as the community grant scheme is open to all across Cheshire East to apply.
- 7.4.2 The community grant scheme is advertised through a variety of different means, including: on the Council's own website, on Grantfinder and other grant search organisations websites, through newsletters and mailshots and attendance at funding fairs and other events. It will soon also be advertised on The Chest to ensure that the voluntary, community and faith sector throughout Cheshire East are aware of the scheme and how to apply for funding.

## **7.5 Rural Community Implications**

7.5.1 There are no specific implications on the rural community as the community grant scheme is open to all across Cheshire East.

## **7.6 Human Resources Implications**

7.6.1 No extra personnel will be required to implement the recommendations.

## **7.7 Public Health Implications**

7.7.1 The scheme gives a positive health outcome as people are coming together in community groups and meeting other, like-minded, community members, which along with other benefits, helps to reduce social isolation and facilitates community pride and self-resilience.

## **7.8 Other Implications (Please Specify)**

7.8.1 There are no other implications.

## **8 Risk Management**

8.1 The risk of not agreeing a robust approach to funding the voluntary, community and faith sector leaves the Council open to scrutiny and challenge.

8.2 There is a risk that the amount of funding allocated to the scheme is not enough to meet demand, which means that the expectations of the voluntary, community and faith sector will need to be carefully managed.

## **9 Access to Information/Bibliography**

9.1 Access to more information can be made by contacting the report writer.

## **10 Contact Information**

Contact details for this report are as follows:-

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# Cabinet Paper

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<b>Date of Meeting:</b>	<b>12 April 2016</b>
<b>Report of:</b>	<b>Steph Cordon</b>
<b>Subject/Title:</b>	<b>Policy for the Allocation of Community Grants 2016/17</b>
<b>Portfolio Holder:</b>	<b>Paul Bates – Portfolio Holder for Communities and Health</b>

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## 1. Report Summary

- 1.1. The Community Grants Policy was first adopted in 2009/10 to provide legal guidance for the operation of the Council's community grant scheme and requires approval from Cabinet each financial year in order to delegate decision making powers to the portfolio holder responsible for community grants.
- 1.2. Applications to the scheme are invited from voluntary, community and faith sector organisations who meet the policy criteria. The scheme has enabled funding to be focused on those organisations that contribute to meeting the Residents First Outcomes.
- 1.3. As a Residents First Council we recognise the valuable input that the voluntary, community and faith sector brings to the quality of life in the community. The Policy for the Allocation of Community Grants ensures that these organisations are assessed fairly and that grant awards are open and transparent and stand up to public scrutiny.

## 2. Recommendation

- 2.1. That Cabinet approves the Policy for the Allocation of Community Grants.
- 2.2. That Cabinet delegates authority to the Portfolio Holder for Communities and Health to make decisions on grant applications for each round of community grants within the financial year of 2016/17.

## 3. Other Options Considered

- 3.1. There are no alternative options for consideration.

## 4. Reasons for Recommendation

- 4.1. All Council departments have budgetary pressures and all funding must be able to be justified and stand up to public scrutiny.

- 4.2. The Policy for the Allocation of Community Grants 2016/17 needs adopting to allow the continuation of the community grants scheme throughout the financial year of 2016/17.
- 4.3. Community grant applications are considered at quarterly intervals with recommendations considered at a portfolio holders meeting. This meeting is open to the public to ensure transparency and fairness about the Council's decision making.

## **5. Background/Chronology**

- 5.1 In 2015/16 114 organisations were awarded with grants which has contributed to total project costs of over £1.6 million. Collectively these organisations employ over 650 staff ranging from casual to full time and have over 3,400 unpaid volunteers.
- 5.2 A wealth of community activity has taken place across Cheshire East, through the grants awarded which includes:
  - a) One World 2015 was awarded £800, as a contribution to a total project cost of £4,275. This was to hold a festival in Alsager involving local residents that originate from other cultures and countries providing a unique insight to the community including national dishes, costumes and artefacts which contributes to community cohesion.
  - b) Friends for Leisure, based in Congleton were awarded £500 as part of a £6,500 volunteer training programme to provide the best opportunities and friendships for disabled children and young people.

## **6. Wards Affected and Local Ward Members**

- 6.1. The recommendations relate to all wards within Cheshire East.

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1 N/A

### **7.2. Legal Implications**

- 7.2.1 The Council has the power to award grants to organisations using its general power of competence in section 1 of the Localism Act 2011. In exercising the power the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably. A grant policy is a clear statement of the criteria that the Council is applying

and is essential if the Council is to defend any challenge to its decision making process.

- 7.2.2 The Policy for the Allocation of Grants to Voluntary and Community organisations 2016/17 deals with the allocation of community grants which are awarded to defined organisations following an application process, and against a set criteria. There are conditions requiring that organisations report back to the Council upon expenditure of the grant and to enable further appropriate conditions to be imposed. The decision making process is delegated to the Portfolio Holder in order ensure that decisions can be made expeditiously and at the appropriate level.
- 7.2.3 Grant funding organisations based on the application of the Council's grant policy satisfies the Council's public law duties.
- 7.2.4 Direct award of grants favour organisations and can potentially be challenged on the basis that they exclude other organisations. A competitive grants process is an open, transparent and fair means to afford all eligible organisations the opportunity to compete for and obtain grant funding from the Council.

### **7.3 Financial Implications**

- 7.3.1 There will be no overall financial impact to the Council as total Cheshire East budgets will remain the same.

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- 7.4.1 There are no negative equality implications as the community grant scheme is open to all across Cheshire East to apply.
- 7.4.2 The community grant scheme is advertised through a variety of different means, including: on the Council's own website, on Grantfinder and other grant search organisations websites, through newsletters and mailshots and attendance at funding fairs and other events. It will soon also be advertised on The Chest to ensure that the voluntary, community and faith sector throughout Cheshire East are aware of the scheme and how to apply for funding.

### **7.5 Rural Community Implications**

- 7.5.1 There are no specific implications on the rural community as the community grant scheme is open to all across Cheshire East.

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- 7.6.1 No extra personnel will be required to implement the recommendations.

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- 7.7.1 The scheme gives a positive health outcome as people are coming together in community groups and meeting other, like-minded, community members, which along with other benefits, helps to reduce social isolation and facilitates community pride and self-resilience.

## 7.8 Other Implications (Please Specify)

- 7.8.1 There are no other implications.

## 8 Risk Management

- 8.1 The risk of not agreeing a robust approach to funding the voluntary, community and faith sector leaves the Council open to scrutiny and challenge.
- 8.2 There is a risk that the amount of funding allocated to the scheme is not enough to meet demand, which means that the expectations of the voluntary, community and faith sector will need to be carefully managed.

## 9 Access to Information/Bibliography

- 9.1 Access to more information can be made by contacting the report writer.

## 10 Contact Information

Contact details for this report are as follows:-

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	12 April 2016
<b>Report:</b>	Steph Cordon, Head of Communities
<b>Subject/Title:</b>	Community Right to Challenge Policy
<b>Portfolio Holder:</b>	Councillor Paul Bates – Portfolio Holder for Communities and Health

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#### 1.0 Report Summary

- 1.1 The Localism Act 2011 introduced a right for relevant bodies (Parish Councils, community and voluntary bodies, charitable trusts and 2 or more local authority employees) to submit an Expression of Interest (EOI) in taking over the provision of a service on behalf of an Authority. There is a statutory duty placed on all Local Authorities to consider expressions of interest received in this regard.
- 1.2 The Localism Act 2011 requires the Council to have a process in place to consider EOI received under the Community Right to Challenge. This report provides Cabinet with an overview of the Community Right to Challenge legislation, the implications, and recommends a policy for dealing with submissions of EOI to put the required processes in place.
- 1.3 As a Residents First Council, we continue to work proactively with our communities and Local Councils. We have an ambitious approach to Transfer and Devolution, and actively encourage community groups and Town and Parish Councils to approach us with any ideas they have regarding the future management of our assets and services. Our aim is to explore ideas at the earliest opportunity, and consider where local communities want to deliver local services.
- 1.4 The Council has already successfully achieved asset transfers of a number of Council owned assets, including for example: public toilets in Audlem village and Nantwich, the market and civic hall in Nantwich and Congleton Town Hall.

#### 2.0 Recommendations

- 2.1 That Cabinet approves the Community Right to Challenge policy.

- 2.2 That Cabinet delegates authority to the Head of Communities to develop the required application and guidance forms, ensuring that the statutory duty under Community Right to Challenge legislation is fully met.
- 2.3 That Cabinet supports the implementation of the Community Right to Challenge policy with submission of EOI between the 1<sup>st</sup> and 30<sup>th</sup> September 2016
- 2.4 That Cabinet notes that the Head of Communities will, in consultation with the Portfolio Holder and relevant Head of Service, review EOI received and refer a recommendation for acceptance or refusal to Cabinet for a final decision.
- 2.5 That Cabinet will receive and consider all EOI and make a final decision (acceptance or rejection).

### **3.0 Reasons for Recommendations**

- 3.1 The Community Right to Challenge allows relevant bodies to challenge the Council to run local services that they think they can run differently and/or better. There is a statutory duty placed on all Local Authorities to consider EOI received in this regard.
- 3.2 The Localism Act 2011 gives significant new rights direct to communities and individuals, such as taking over local assets of community value through community right to bid, adopting a neighbourhood plan under neighbourhood planning or shaping and running local services through the community right to challenge.
- 3.3 Cheshire East is required to have a process in place to respond to and consider any Expressions of Interest. The Community Right to Challenge policy sets a 30 day “window” each year for accepting EOI on a Community Right to Challenge basis. The first opportunity will be from the 1st September 2016 closing on the 30<sup>th</sup> September 2016. Upon receipt into the organisation the Head of Governance and Democratic Services will carry out the initial validation of the EOI.
- 3.4 Cheshire East will develop a specific web page to provide detailed information on the Community Right to Challenge and the process and steps relevant bodies need to follow.
- 3.5 Cheshire East will notify the relevant body that has submitted an EOI of the timescale within which a decision will be made.
- 3.6 The Head of Communities will be responsible for the strategic management of any procurement exercise. This will be supported by relevant officers within the Council.

- 3.7 During 2016 Cheshire East will be consulting on and developing a Voluntary Community and Faith Sector Commissioning Framework, which will support and be informed by Community Right to Challenge Policy and processes.

#### **4.0 Wards Affected**

- 4.1 All

#### **5.0 Local Ward Members**

- 5.1 Local Ward Members will be consulted regarding any Expressions of Interest received from their respective communities.

#### **6.0 Policy Implications**

- 6.1 A Community Right to Challenge Policy and Guidance Document is required under the Localism Act 2011.
- 6.2 Procurement - Where accepted EOI will lead to a procurement exercise. The Council needs in-house comparators against which to assess bids, to ensure best value and demonstrating that any EOI is consistent with our key corporate documents.
- 6.3 Commissioning - Where a Head of Service, after consultation with the relevant Cabinet Member, decides an in-house bid will be prepared and submitted, they must agree with the Chief Operating Officer the arrangements for the identification of separate commissioning and bid preparation teams.
- 6.4 Publicity - Information regarding the Community Right to Challenge will be made available publicly, both through Cheshire East Council and other partner websites e.g. CVSCE and ChALC. We will also use a range of communication methods to ensure the voluntary, community and faith sector and Town/Parish Councils are kept informed. Further information about the application process will be publicised as it is agreed.
- 6.5 The process will be reviewed on an annual basis to ensure it is fit for purpose. Any proposed changes will be reported back to Cabinet for approval.

#### **7.0 Implications for Rural Communities**

- 7.1 Relevant bodies from within rural communities will be eligible to submit Expressions of Interest to deliver relevant services on behalf of relevant authorities.

#### **8.0 Financial Implications**

- 8.1 Staff time for setting up, implementing and monitoring the process, can be met within existing resources available

- 8.2 Any transfer of ownership of assets or responsibility for service delivery will have financial implications. These will be identified separately when the transfer is considered.

## **9.0 Legal Implications**

- 9.1 The Community Right to Challenge (CRC) was introduced by s81 to 86 of the Localism Act 2011
- 9.2 The Community Right to Challenge [Expressions of Interest and Excluded Services] [England] Regulations 2012(the 2012 Regulations) set out what information must be included in an expression of interest (EOI) and which services are excluded from the Right to Challenge. The DCLG has also published statutory guidance on the CRC.
- 9.3 The CRC allows certain “relevant bodies” to challenge a “relevant authority” (the Council) by expressing interest in running a “relevant service” (all defined within the 2012 Regulations). When such a challenge is made and accepted by the Council this will then trigger a procurement process. The procurement process must comply with any applicable public procurement requirements (dependent upon the nature and value of the service which is subject to the challenge).
- 9.4 A policy, which follows the law and statutory guidance, is an open and transparent way in which to set out how the Council will deal with any EOI it does receive. It enables the Council to specify a time period for the submission of EOIs and manage the process. The policy also sets out the procedure (following the guidance and the law) and the decision making route.
- 9.5 In deciding to accept or reject an EOI the Council must satisfy its public law duties.

In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably. A policy provides a clear statement of the criteria that the Council is applying and is essential if the Council is to defend any challenge to its decision making process (which challenge would be by judicial review).

## **10.0 Risk Management**

- 10.1 Community Right to Challenge may have huge implications on service delivery if not considered properly. The Council needs to be prepared for challenges to the services it delivers and commissions and be clear about the processes it follows in contracting its services. It also needs to have a clear rationale as to why any challenges would be rejected and on what grounds. A robust policy and guidance will ensure our approach is sound.

## **11.0 Background and Options**

- 11.1 The Community Right to Challenge applies to all relevant services. A relevant service is a service provided by or on behalf of a relevant authority in the exercise of its functions in relation to England, except services which are excluded from the right in secondary legislation.
- 11.2 If a relevant group submits a valid expression of interest to run a Council service the Council must consider the proposal and either:
- a. Reject the proposal - If the Council rejects it, it must publish the reasons why. It can only reject it on grounds specified in the Regulations.
  - b. Request that modifications be made – The Council can only ask for changes to the proposal to be made if it would otherwise have rejected it.
  - c. Accept the proposal – If the Council accepts the proposal, it must start a procurement exercise in line with current procurement legislation, this means inviting interested bodies to bid for the contract to run the service.
- 11.3 The Council has chosen to specify a period during which expressions of interest can be submitted in relation to a particular relevant service. Specifying the period will help the Council to manage the flow of expressions of interest and allow this to be synchronised with any existing commissioning cycles for services, and provide relevant bodies with sufficient time to prepare submissions.
- 11.4 A relevant service is a service provided by, or on behalf of, a relevant body in the exercise of its functions, and the right only applies to the provision of services. Jointly commissioned/provided services require a joint agreement by the relevant authorities to comply with the right.
- 11.5 Excluded services cannot be the subject of an Expression of Interest. These are: - a service provided to a named person with complex individual health or social care needs; or a service which includes the exercise of a statutory power which cannot be delegated.
- 11.6 In addition to accepting Expressions of Interest on Community Right to Challenge, the Council will consider providing a list each year of services that the Council is prepared to open up to challenge. This will allow the Council to manage and define what services will be accepted for challenge, and this could be aligned to service reviews or planned changes. Any progress will be reported back to Cabinet as part of a review of the Policy.

## 12.0 Access to Information

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

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# Community Right to Challenge Policy

Version	Date	Summary of Changes	Issued
1.0	March 2016		

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## **1. Purpose**

This policy sets out how Cheshire East Council will administer the Community Right to Challenge process, from acceptance of expressions of interest through to procurement.

## **2. Background and Scope**

From 27 June 2012, the Localism Act 2011 introduced a right for Parish Councils, community and voluntary bodies, charitable trusts and 2 or more local authority employees to submit an Expression of Interest in taking over the provision of a service on behalf of an Authority.

Therefore, where a valid expression of interest is received, Cheshire East Council is required to undertake a procurement exercise for that service, which may lead to the Council awarding a contract for the provision of that service.

This Policy is based on the Community Right to Challenge Statutory Guidance June 2012, which provides an explanation of the legislative framework as contained in Part 5, Chapter 2 of the Localism Act 2011.

## **3. Who can submit an Expression of Interest?**

An expression of interest can be submitted by a “relevant body”, comprising:–

- A Parish Council, but not limited to services or facilities within its area;
- A Voluntary Body – a body, other than a local authority, the activities of which are not carried out for a profit;
- A Community Body – a body, other than a local authority, which carries out activities primarily for the benefit of the community;
- A body or trust established for charitable purposes;
- 2 or more employees of the authority, whether or not they have formed themselves into a body for this purpose, or
- Such other persons or bodies as may be specified by the Secretary of State by regulations
- A body responsible for the implementation of Business Improvement District arrangements

Relevant bodies that deliver contracts for the Council would be expected to be incorporated with limited liability. Relevant bodies that need to incorporate for this reason will be able to do so in the period between their EOI being accepted and the procurement exercise starting.

#### **4. What services can an Expression of Interest relate to?**

The expression of interest must relate to the provision of, or assisting in the provision of, a “relevant service”, which means any service which is currently provided by or on behalf of the Council.

The following services are “excluded services” which cannot be the subject of an expression of interest –

- A service provided to a named person with complex individual health or social care needs; or
- A service which includes the exercise of a statutory power which cannot be delegated. So, the setting of Council Tax or the determination of a planning application is not legally capable of being undertaken by anyone other than the local authority, and so cannot be the subject of an expression of interest.

#### **5. Specifying the period for submissions and list of services**

The Council has set a 30 day period each year for accepting expressions of interest on Community Right to Challenge. The first opportunity in Cheshire East is from the 1st September 2016 closing on the 30th September 2016.

It is proposed that a list of services, which are open to challenge, will be prepared and publicised on an annual basis.

The creation of such a list will: -

- Allow Cheshire East Council to manage and define what services we are prepared to accept challenge against (this could be aligned to service reviews or planned changes)
- Enable the authority to have best value comparators prepared in order to effectively benchmark any tenders that are received
- Require preparatory work to be done to define specifically what is open for challenge, and identify at what scale. (Need to be very clear on what is delivered by the service, how its resources are spent, any statutory requirements etc.)
- Require the programming of an approach that ensures every service area is accounted for.

## 6. Notifying decisions on expressions of interest

If the Council receives expressions of interest during the 30 day period, it then has up to 30 days from the 30<sup>th</sup> September to give the bidder a date, in writing, when they will receive an answer as to when the proposal will be accepted or rejected.

The council must specify the maximum period that it will take to come to a decision, and publish details of the specification including on the council website. Different periods may be specified for different cases based on the following factors: -

- Need to notify relevant bodies of a decision within a reasonable period
- The nature, scale and complexity of the service to which EOI relate
- The complexity of EOI's received
- The likely need to agree modifications to the EOI in order to accept them
- The timescales for any existing commissioning cycle relevant to the service which and EOI relates to, or any other relevant authority processes. These may include Cabinet decision making or budget setting processes

## 7. The Expression of Interest

The Head of Governance and Democratic Services is appointed for the receipt and validation of expressions of interest.

The Head of Communities will undertake to endorse validation and either accept, ask for modification or reject the EOI. The Head of Legal Services, and the Principal Manager Communities and Partnerships, are appointed to act as Deputies for the Head of Communities in situations where a conflict of interest exists

The Expression of Interest must be in writing and meet certain requirements. These include the provision of –

- a) Information about the financial resources of the relevant body which is submitting the expression of interest;
- b) Evidence that demonstrates that by the time of any procurement exercise the relevant body submitting the expression of interest will be capable of providing, or assisting in providing, the relevant service. This is particularly important when dealing with an emergent staff mutual or voluntary body, which may not be fully operational at the date of submitting an expression of interest;
- c) Sufficient information about the relevant service to identify it and the geographical area to which the expression of interest relates;
- d) Information about the outcomes to be achieved by the relevant body or, where appropriate, the consortium of which it is a part, in providing or assisting in the provision of the relevant service, in particular — how the provision or assistance will promote or improve the social,

economic or environmental well-being of the relevant authority's area; and how it will meet the needs of the users of the relevant service; and

- e) Where the relevant body consists of employees as described in section 81(6)(d), details of how that relevant body proposes to engage other employees of the relevant authority who are affected by the expression of interest.

The Council has set a period – from 1<sup>st</sup> September to 30<sup>th</sup> September - to accept expressions of interest. This is in order to manage the process via our commissioning cycle and to deal with EOI's for different parts of the service in a co-ordinated manner.

## **8. Validation of Expressions of Interest**

When an expression of interest (EOI) is received, the Council needs to check that it is submitted by a "relevant body" for a "relevant service" which is not an "excluded service". If it fails to meet these requirements, the Authority notifies the person who submitted the expression of interest that it is not a valid expression of interest, but need take no further action.

The Head of Governance and Democratic Services will be authorised to carry out the initial validation of expressions of interest and to reject any that are not valid. Valid expressions of interest will then be considered by the Head of Communities in consultation with the relevant Cabinet Member and the appropriate Head of Service and a recommendation made whether to accept or reject expressions of interest. This recommendation will be taken to Cabinet for a final decision to accept or reject the EOI. The Council's formal response will be provided to the relevant body by the Head of Communities.

The Council may only reject an EOI on one or more of the grounds specified below: -

- 1) That the expression of interest does not meet the statutory requirements, because it is not from a relevant body or is not for a relevant service;
- 2) That the supporting information is inadequate or incorrect;
- 3) That any member of the body making the bid, or of their consortium, is not suitable to provide the service. This would, for example, include consideration of absence of a necessary qualification, or past conduct;
- 4) That the Authority has already taken a formal decision to cease to provide the service. So an expression of interest cannot be used as a means to challenge an Authority's decision to close a facility or cease a service;
- 5) That taking this service in isolation would result in a loss of integration with NHS services to the detriment of users of the integrated service.

(This prevents expressions of interest un-picking integrated Section 75 Arrangements)

- 6) That the service is already the subject of a procurement exercise;
- 7) That the Authority is already in negotiations in writing with a third party for the provision of the service;
- 8) That the Authority has already published its intention to consider the provision of the service by a body to be set up by 2 or more employees;
- 9) That the expression of interest is vexatious or trivial; and
- 10) That the acceptance of the expression of interest is likely to lead to a breach of law or statutory duty. This would cover an expression of interest which would require delegation of statutory powers which cannot be delegated or where it would lead to a breach of the Authority's duty to secure best value, for example by causing greater cost by the break-up of shared service arrangements.

Cheshire East Council must then notify the persons or body who submitted the EOI of its decision and of the reasons for that decision.

The Council has discretion and may decide to accept the expression of interest. If the Council believes that it would otherwise reject an expression of interest, it may seek instead to agree with the relevant body to it being modified e.g., in cases where a part of a service is subject to challenge; where inadequate information has been received or where more information/evidence is required to make a decision.

### **Social Value**

The Localism Act requires the Council, in considering an expression of interest, to consider whether the acceptance of the expression of interest would promote or improve the social, economic or environmental well-being of the area, but this does not form a separate ground for rejecting an expression of interest.

The Council must set and publish the maximum period which will elapse between receipt of an expression of interest and the Authority notifying the body which submitted the expression of interest of its acceptance or rejection of that expression of interest. However, it may set different maximum periods for different cases

## **9. The Procurement Process**

Once a valid expression of interest has been accepted, the Council must conduct an appropriate procurement exercise.

It may be necessary for the Chief Operating Officer to agree to make resources available and designate a Procurement Officer to act as the project lead for any procurement exercise. The Procurement Officer will bring forward, for Cabinet

approval, timescales for the period between acceptance of an expression of interest and the start of the procurement exercise.

The scale of the procurement exercise will be dictated by the nature and value of the service concerned. So, for services which exceed the procurement thresholds within Public Contracts Regulations 2015 will require a formal OJEU procurement. For services that fall under the 'light touch' regime, the Regulations still apply but prescribe lower levels of formality. The Council also needs to comply with the Finance and Contract Procedure Rules, which may define higher levels of formality and which also apply below the tender thresholds.

The Council is required to adopt and publish minimum and maximum periods between the acceptance of the expression of interest and the start of the procurement exercise, but may set different periods for different cases.

**Specifying the service** - The range of the service (in terms of the service and the geographical area) to be subject to a procurement exercise will be set by the expression of interest (e.g. waste collection within a specified area, the operation of a leisure centre or maintenance of a local park). The Authority may only vary the range of services with the agreement of the body or persons who submitted it. However, the specification to which the service is to be provided, the contract terms and conditions, and the criteria for evaluation of tenders are for the Authority to determine.

**Tenders and evaluation** - Although an expression of interest may be submitted by a genuine community or voluntary organisation and the Council may wish to encourage such community involvement in service provision, once the Service goes out to open tender, the Council cannot prevent tenders being submitted by purely commercial organisations and will be required to evaluate all tenders received on the same evaluation criteria.

**In-house Bids** - There is nothing in the legislation to prevent the Council submitting an in-house "tender" for the provision of the service, on the basis of its own employees. Such an in-house "tender" would not be a part of the statutory procurement exercise, but should be evaluated on exactly the same criteria as any third party bids and can lead to the Council determining on best value grounds not to accept any of the third party tenders. However, it will be necessary for reasons of propriety to ensure that the team preparing any in-house "tender" is treated in exactly the same way as external tenderers and, as far as possible, does not improperly influence the manner in which the procurement exercise is conducted and does not receive any information which is not made available to all other bidders and which might give the in-house bid team an unfair advantage in the preparation of its bid.

**Timescale** - The Council must set a minimum and a maximum time from the acceptance of an expression of interest to the start of the procurement exercise. This allows time for the preparation of a specification for the service and for the invitation to bidders. Where the expression of interest comes from 2 or more staff, it could allow time for them to form a staff mutual as a separate legal entity to prepare and submit the bid.

**Acceptance of Tenders** - The Council's Finance and Contract Procedure Rules set out when a tender may be accepted by officers and when it must be reported to Members for acceptance. This phase of the process is essentially a procurement exercise, so it requires that there be a Procurement Officer designated to run the process, but with the appropriate Head of Service (or Director where the Head of Service will head up an in-house or staff mutual bid team) taking a leading role in settling the service specification and in the evaluation of tenders, with appropriate legal, financial, HR and other support.

## **10. Encouraging Voluntary Participation in Service Provision**

Once the statutory process is activated, there is no guarantee that the community or voluntary organisation which initiated the process will be successful in the procurement exercise.

As a Commissioning Council we want to actively source the right service from the right provider at the right price for the taxpayer. We will work with social enterprises, and the voluntary, community and faith sectors to secure the best option for service provision for our local communities that will ensure that social, economic or environmental benefits are offered to the community

We will promote the opportunity for the VCF sector to speak to the Council at any time about any ideas that they have in relation to how services could be run on the website. This opportunity will not be restricted to the September period in which challenge will be opened and should encourage a more positive, open dialogue with the sector.

This Policy will therefore also direct and inform our approach to transfer and devolution of services. The outcomes are similar and a collaborative approach will avoid duplication and confusion for potential providers.

## **11. Encouraging the development of Staff Mutuals**

The Council can provide support and encouragement for staff to establish mutuals (co-operatives and other employee-owned bodies) and to take on service provision.

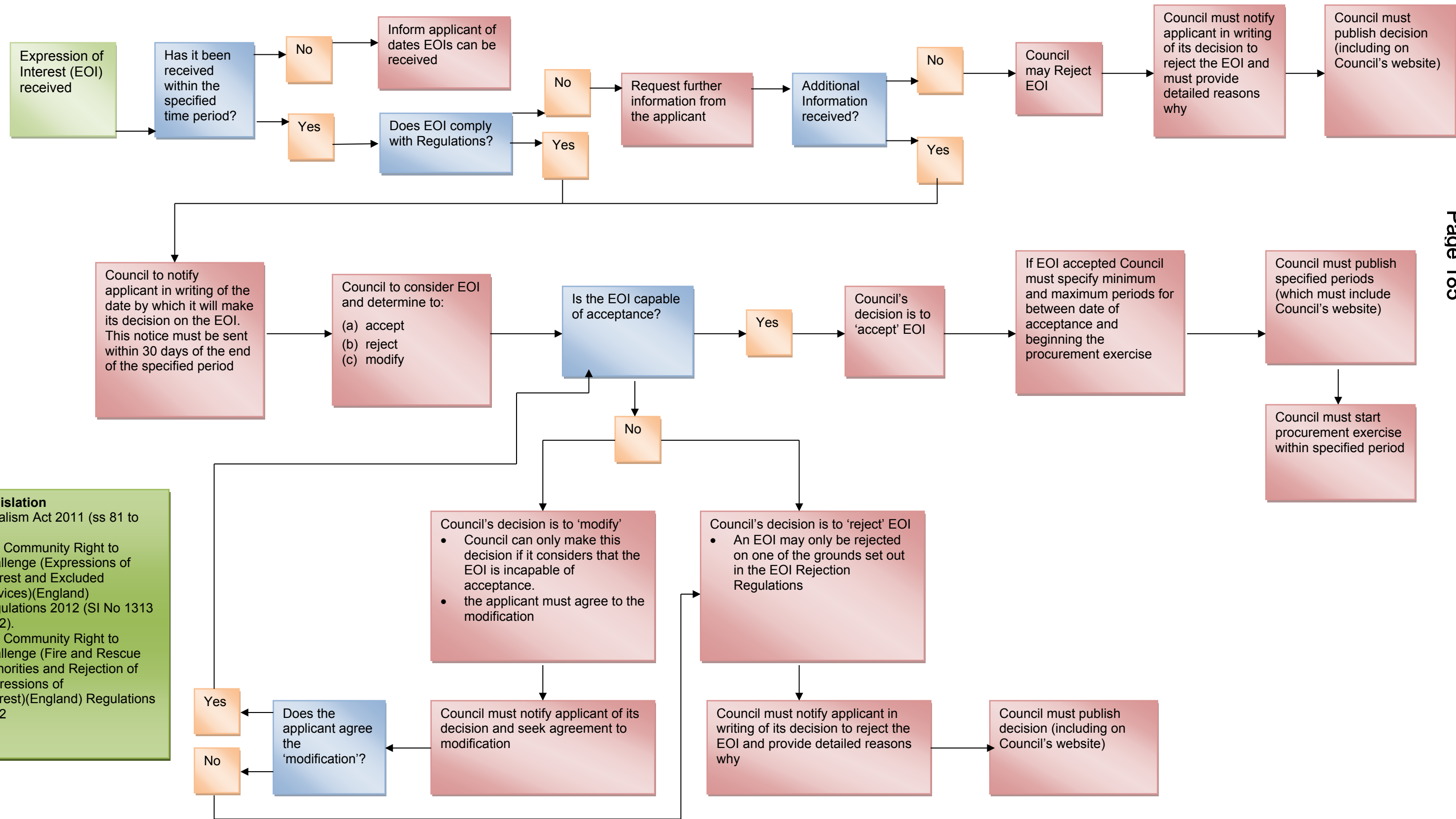
The Authority can agree to allow staff time, within their employment, to prepare such proposals and can provide financial assistance for consultancy in the preparation of a business case, the establishment of the mutual as a separate legal entity and dealing with the consequential issues such as staff transfer and leasing of premises.

There is scope for a lease of premises and a grant agreement in appropriate cases without competitive procurement, where the Authority is satisfied that this provides best value, where the grant agreement is for no more than costs and there is not a developed commercial market for the services.

Once the mutual is in existence and preparing its bid in competition, any further assistance from the Council would constitute State Aid.



## Appendix A - Community Right to Challenge – Decision Process Map





## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 12 April 2016

**Report of:** Peter Bates, Chief Operating Officer

**Subject/Title:** Social Value Policy

**Portfolio Holder:** Councillor Paul Findlow - Corporate Policy and Legal Services

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#### 1. Report Summary

- 1.1. The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it.

The aim of the Act is not to alter the procurement processes, but to ensure that as part of these processes, councils give consideration to the wider impact of the service's delivery.

- 1.2 The statutory requirements of the Public Services (Social Value) Act 2012 only apply to public service contracts above EU threshold. However, in order to incorporate the good practice associated with social value into mainstream procurement practice, it is the intention of Cheshire East Council to embed this policy and framework within all procurement activity as part of commissioning wherever proportionate and practicable.

- 1.3 Social Value is defined as

*“A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment”.*

Social value essentially asks the question “if £1 is spent on the delivery of goods and services, can the same £1 also be used to produce a wider benefit to the community”. It is the additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of the good or service.

- 1.4 The proposed Social Value Policy for Cheshire East Council is attached as an Appendix.

## 2. Recommendation

- 2.1. That Cabinet approves the Social Value Policy for Cheshire East Council which will be embedded within commissioning and procurement activity from a value of £5,000 wherever proportionate and practical to do so.

## 3. Other Options Considered

- 3.1. The Public Services Social Value Act 2012 came into force on 31st January 2013. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it above the EU Thresholds. As best practice Cheshire East would like to apply the same policy across all commissioning and procurements above £5,000 where it is proportionate and practical to do so.

## 4. Reasons for Recommendation

- 4.1. The policy sets out the legal context for social value and the six social value objectives that Cheshire East Council agree to deliver through commissioning and procurement activity. These are
- **Promote employment and economic sustainability** – tackle unemployment and facilitate the development of skills
  - **Raise the living standards of local residents** – working towards living wage, maximise employee access to entitlements such as childcare and encourage suppliers to source labour from within Cheshire East
  - **Promote participation and citizen engagement** – encourage resident participation and promote active citizenship
  - **Build the capacity and sustainability of the voluntary and community sector**– practical support for local voluntary and community groups
  - **Promote equity and fairness** – target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across the borough
  - **Promote environmental sustainability** – reduce wastage, limit energy consumption and procure materials from sustainable sources
- 4.2. The framework sets out the expected outcomes for each objective and provides examples of how suppliers could contribute towards these outcomes.

## 5. Background/Chronology

- 5.1. The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it.
- 5.2. The statutory requirements of the Public Services (Social Value) Act 2012 only apply to public service contracts above EU threshold. It places a statutory duty on local authorities to consider
- How proposed procurement activity can improve the economic, social and environmental wellbeing of the relevant area;
  - How in conducting the procurement process, these economic, social and environmental improvements can be secured.
  - Whether to consult with stakeholders and service users about this

This consideration must take place **before** the procurement process starts. In most cases, Commissioners will be best placed to do this with the help of Procurement.

- 5.3. Unsuccessful bidders and Contractors who believe a local authority has failed to meet its 'social value' duty can log a complaint with the Cabinet Office's Mystery Shopper Scheme. The Cabinet Office will then challenge the local authority and ask them to provide evidence demonstrating compliance.
- 5.4. The Cabinet Office also carries out spot checks to ensure local authorities are meeting this duty.
- 5.5. Cheshire East already adopt this approach to contracts and examples include
1. Large contracts awarded by Cheshire East are subcontracting to local SME's and voluntary sector organisations (FM & Cheshire East Highways Contract). This contributed to the following Cheshire East Social Value Objectives
    - ✓ Promote employment and economic sustainability
    - ✓ Raise the living standards of local residents
  2. Apprenticeship schemes being offered by Cheshire East Suppliers awarded contracts. This contributed to the following Cheshire East Social Value Objectives
    - ✓ Promote employment and economic sustainability
    - ✓ Raise the living standards of local residents

3. Cheshire East Highways worked with local community groups in Wilmslow to create a planted area. The work included cutting back bushes and tidying the footpath. This contributed to the following Cheshire East Social Value Objectives

- ✓ Raise the living standards of local residents
- ✓ Promote Participation and Citizen Engagement

## **6. Wards Affected and Local Ward Members**

- 6.1. All Wards and All members

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. Cheshire East Social Value Policy will sit within the overarching Corporate Plan. The Corporate Plan consists of six outcomes that demonstrate how Cheshire East Council will put the residents of Cheshire East first in the way that services are provided. The Social Value Policy will support the Corporate Plan by generating extra social value from the supply chain to help to achieve the Council's outcomes.

### **7.2. Legal Implications**

- 7.2.1. The Public Services (Social Value) Act 2012 (the Act) requires contracting authorities to consider at the pre-procurement stage of any services contract which exceeds EU threshold;

- 7.2.1.1. How what is proposed to be procured may improve the economic, social and environmental well-being of their area, and

- 7.2.1.2. How the contracting authority may act with a view to securing that improvement in conducting the process of procurement.

- 7.2.2. In February 2012, the Cabinet Office published a review of the Act by Lord Young which highlighted concerns that there have been inconsistent practices both in defining social value and determining how and when to include it in the procurement process. I understand that the proposed policy takes into account the review.

- 7.2.3. A policy which sets out the basis upon which the Council will consider the Act in its procurement process demonstrates how the Council has taken into account and is complying with the Act.

7.2.4. In addition to complying with its obligations under the Act, the Council also has a duty to obtain Best Value

7.2.5. In addition to the above considerations the Council is required to consider whether to undertake any community consultation on its proposals. The Cabinet Office Procurement Policy Note 10/12, published to provide guidance on complying with the Act, advises contracting authorities to mindful of the principles of any local compacts. When the Council takes a decision to consult it must do so fairly and reasonably.

### **7.3. Financial Implications**

7.3.1. Social value is the additional value suppliers offer as part of the procurement offer over and above the direct provision of the goods, works or services. This means that the cost of goods and services purchased by the Council will not be materially affected by the introduction of this policy. The implementation of this policy will be managed within existing budget allocation.

### **7.4. Equality Implications**

7.4.1. N/A

### **7.5. Rural Community Implications**

7.5.1. This policy will have a positive impact as it will encourage local first as part of the policy which will support both the rural economy and community.

### **7.6. Human Resources Implications**

7.6.1. N/A

### **7.7. Public Health Implications**

7.7.1. Social Value adds real value to tackling the wider detriments of health and will be actively targeted at those that are most vulnerable and live in some of our more deprived neighbourhoods. An example of this includes apprenticeships for young people and mentoring those in care.

**7.8. Other Implications (Please Specify)**

7.8.1. This Policy should have a positive impact on the enviroment.

**8. Risk Management**

8.1. N/A

**9. Access to Information/Bibliography**

9.1. Social Value Policy

**10. Contact Information**

Contact details for this report are as follows:

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# Cheshire East Social Value Policy

*What does it mean for the Cheshire East Pound?*



## 1. Purpose

This policy sets out the legal context for social value and the six social value objectives that Cheshire East Council have agreed to deliver through commissioning and procurement activity.

The framework sets out the expected outcomes for each objective and provides examples of how suppliers could contribute towards these outcomes. The Case Study section of the framework is being developed and will provide social value examples from within and outside of the Cheshire East area.

## **2. Background and Scope**

The Public Services (Social Value) Act 2012 came into force on 31st January 2013<sup>1</sup>. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it.

The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that as part of these processes, councils give consideration to the wider impact of the service's delivery. It allows local authorities to, for example, choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which goes beyond the basic contract terms and secures wider benefits for the community.

It could be argued that this type of approach was adopted as good practice across Cheshire East Council before the Act came into force. However, together the Act and this policy provide an opportunity to deliver a cohesive yet flexible and innovative approach to generating social value through public procurement.

The statutory requirements of the Public Services (Social Value) Act 2012 only apply to public service contracts above EU threshold. However, in order to incorporate the good practice associated with social value into mainstream commissioning and procurement practice, it is the intention of Cheshire East Council to embed this policy and framework within all commissioning and procurement activity wherever proportionate and practicable.

This policy statement sets out the aims in this regard. In particular it seeks to:

- Set out a definition of social value for Cheshire East Council
- Sets out the policy context and application for social value in Cheshire East
- Set out the priority policy objectives
- Sets out a Cheshire East Social Value Framework

## **3. Defining Social Value**

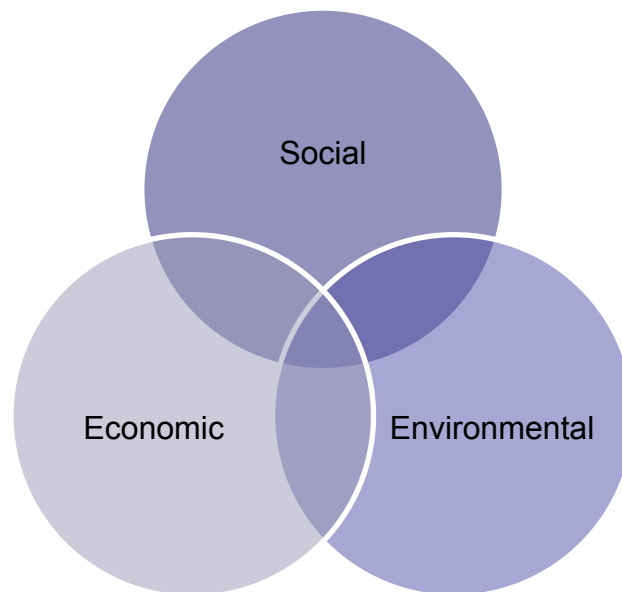
~~The Public Services (Social Value) Act 2012~~ does not define what is meant by 'social

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value', but offers a broad definition of Social Value. Therefore Cheshire East Council will adopt the definition of social value as set out by the Sustainable Procurement Taskforce<sup>2</sup>.

Social Value is defined as:

*A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment.*



Social value essentially asks the question “if £1 is spent on the delivery of goods and services, can the same £1 also be used to produce a wider benefit to the community”. It is the additional benefit to the community from a procurement process over and above the direct purchasing of the good and services. This recognises that every time the public sector spends money, it should do so in a way that achieves as many of its overall objectives as possible. Examples include:

- Develop community led initiative to engage with some of the Boroughs more vulnerable residence;
- Creates apprenticeships for the young Cheshire East residence;
- Create new job opportunities in the borough
- Provide opportunities to become part of a supply chain
- For large scale contracts provide input to curriculum development in key areas

#### 4. Policy Context and Application

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<sup>2</sup> [Procuring the Future: Sustainable Procurement National Action Plan](#)

Cheshire East Social Value policy sits within the overarching Cheshire East Corporate Plan. The Corporate Plan consists of six outcomes that demonstrate how Cheshire East Council will put the residents of Cheshire East first in the way that services are provided. Outcome numbers 1-5 focus on the activities directly affecting residents and local businesses. Outcome number 6 focuses on maximising value for money in the way the Council operates.

Outcome 1 – Our local communities are strong and supportive

Outcome 2 – Cheshire East has a strong and resilient economy

Outcome 3 – People have the life skills and education they need to thrive

Outcome 4 – Cheshire East is a green and sustainable place

Outcome 5 – People live well and for longer

Outcome 6 – A responsible, effective and efficient organisation

Each year the Council spends millions of pounds procuring a wide range of goods and services, and it is recognised that there can be no “one size fits all”. This policy will therefore need to be applied in a proportionate manner and be tailored to reflect what is being procured and how. It is the role of service commissioners and procurement leads to consider, on a contract by contract basis, what Social Value opportunities and outcomes may be relevant to that contract.

The Act applies to service contract and contracts above the EU threshold which combine service with the purchase or hire of goods, but not work and supply contracts. However, Cheshire East has for many years considered social, economic and environmental issues when procuring goods and services. Therefore social value outcomes will be considered in all contracts over a value of £5,000 (i.e. both below and above the EU threshold set out in the Act), where it can be shown that it is **relevant and proportionate** and is compliant with Public Contracts Regulations.

Cheshire East will undertake, at pre-procurement stage, a social value opportunity assessment, alongside any consultation to help decide how what is procured or commissioned might improve the economic, social and environmental well-being of the area and how this may deliver outcomes relevant to the priorities of the Councils overarching strategy.

Social Value can be addressed through a number of levers in the procurement and commissioning process;

- Asking relevant, targeted questions at the **Pre-Qualification Questionnaire** stage of major procurements – seeking to ensure that the shortlist of bidders is made up of suppliers with a strong track record on delivering social value.
- Asking specific, target-setting questions at the **Invitation to Tender** stage of relevant procurements – allowing bidders to propose specific targets and delivery plans to reduce emissions, create local employment opportunities, and provide other sustainable outcomes.

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- Including sustainable requirements as part of the specification of contracts, where possible, for example to ensure that what is purchased meets sustainable environmental standards.
- Taking steps to improve the **accessibility** of the procurement process itself, allowing a diverse range of bidders to participate. For example:
  - ✓ Removing or reducing financial turnover thresholds, where financial risk is not high, to enable small firms or start-ups are not excluded;
  - ✓ Dividing larger contracts into **lots** so that small organisations with limited capacity can bid for part of the contract;
  - ✓ Ensuring the procurement process is accessible to bids from **consortia** or partnerships;
  - ✓ Engaging in **supplier engagement** with the market, prior to major tender exercises, to ensure local bidders understand the process.

If the procurement is carried out in emergency circumstances, not due to any delay on our part, making it impractical to comply with the Act, then we may need to disregard the requirements. This is as set out in the Act.

Under the duty of Best Value local authorities also need to consider overall value. Whilst this includes economic, environmental and social value, the duty also requires local authorities to secure continuous improvement in the way in which its functions are carried out and consider the combination of economy, efficiency and effectiveness. It should be noted that the Best Value duty has not been repealed by the Act. Therefore whilst looking at Social Value the Best Value duty remains throughout and is an important factor for local authorities in the weighting and evaluation of bids.

## 5. Cheshire East Procurement Principles

As we face increasing pressure on resources and an increased demand on public services, it is essential that we achieve the maximum value from each pound we spend. When we commission and procure services, we need to be outcomes focussed in addition to concentrating on outputs, by doing this we will ensure that the greatest impact **and** the best value for money for the residents of the borough are achieved.

This Social Value Framework will achieve this by ensuring that social, economic and environmental outcomes are embedded where appropriate into our procurement practices, not only to achieve greater impact from each procurement opportunity but to act as a support mechanism to enable true consideration by Commissioners and Procurement Officers.

Cheshire East Council is committed to and expects that our providers and suppliers are committed to:

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- Supporting the local economy including SME's and voluntary community and social enterprise (VCSE) sector
- Including measurable clauses in contracts to demonstrate both Social Value and value for money
- Supporting the business and voluntary community and social enterprise (VCSE) sectors through transparent and proportionate procurement processes and contracts
- Ensuring robust contract management is in place to monitor and measure social value outcomes in partnership with our providers and suppliers
- Paying our suppliers promptly

## 6. Social Value Objectives

The following objectives reflect the definition of social value (set out in Section 3):

- **Promote employment and economic sustainability** – tackle unemployment and facilitate the development of skills
- **Raise the living standards of local residents** – working towards living wage, maximise employee access to entitlements such as childcare and encourage suppliers to source labour from within Cheshire East
- **Promote participation and citizen engagement** – encourage resident participation and promote active citizenship
- **Build the capacity and sustainability of the voluntary and community sector**– practical support for local voluntary and community groups
- **Promote equity and fairness** – target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across the borough
- **Promote environmental sustainability** – reduce wastage, limit energy consumption and procure materials from sustainable sources

## 7. Social Value Framework

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Objective	Outcomes: What are we trying to achieve?	What could this mean for suppliers?  What could they deliver (Examples Only – this is NOT and exhaustive list)	Case Studies / the art of the possible – ideas to initiate discussions / innovations
<b>1. Promote Employment &amp; Economic Sustainability</b>	<b>Outcome 1:</b> More local people in work	<ul style="list-style-type: none"> <li>• Create x number of new jobs in the local economy</li> <li>• Create x number of traineeships (including apprenticeships) for local residents</li> <li>• Provide x number of days of meaningful work experience for local residents</li> <li>• Support x number of people back to work by providing career mentoring for job clubs, including mock interviews, CV advice, and careers guidance</li> <li>• Supporting young people into work by delivering employability support (e.g. CV advice, mock interviews, careers guidance) to x number of school and college students</li> <li>• Employ x number of ex-offenders (or other group of people who typically face additional challenges in competing in the labour market)</li> </ul>	
	<b>Outcome 2:</b> Thriving local businesses	<ul style="list-style-type: none"> <li>• Support x number of new business start-ups by running practical workshops with enterprise clubs</li> <li>• Support the local economy by spending x% of total expenditure in the local supply chain</li> <li>• Support the local supply chain by spending x% of total expenditure in a xx-mile radius of / within Cheshire East</li> <li>• Supporting local SMEs and businesses</li> </ul>	

Objective	Outcomes: What are we trying to achieve?	What could this mean for suppliers?  What could they deliver (Examples Only – this is NOT and exhaustive list)	Case Studies / the art of the possible – ideas to initiate discussions / innovations
	<b>Outcome 3:</b> Responsible businesses that do their bit for the local community	<ul style="list-style-type: none"> <li>• Attract £x worth of inward investment into the borough</li> <li>• Secure positive profile for the Cheshire East through x number of positive stories in the national media</li> <li>• Support the Fairtrade status by ensuring that x% of food products in the supply-chain is Fairtrade</li> <li>• Secure £x-worth of investment in, or in-kind contributions to, fuel poverty initiatives in Cheshire East</li> <li>• Supporting SME's and local businesses               <ul style="list-style-type: none"> <li>– take steps to ensure our procurement process is accessible by identifying and removing barriers.</li> <li>- Supporting suppliers in identifying local supply chains and sub-contracting partners.</li> <li>- Provide x number of engagement and information sessions to ensure local SMEs understand the procurement process.</li> </ul> </li> </ul>	
<b>2. Raise the living standard of local residents</b>	<b>Outcome 4:</b> A Local workforce which is fairly paid and positively supported by employers	<ul style="list-style-type: none"> <li>• Work towards paying staff the Living Wage</li> <li>• Increase rates of pay for lowest-paid staff by x%</li> <li>• Improve the skills levels of existing staff by training x% of the workforce to Level 2/3/4 (for example)</li> <li>• Reduce average sickness absence by x% through an improved health, wellbeing and support package for staff</li> <li>• Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x weeks of contract start date</li> </ul>	

Objective	Outcomes: What are we trying to achieve?	What could this mean for suppliers?  What could they deliver (Examples Only – this is NOT and exhaustive list)	Case Studies / the art of the possible – ideas to initiate discussions / innovations
<b>3. Promote Participation and Citizen Engagement</b>	<b>Outcome 5:</b> Individuals and communities enabled and supported to help themselves	<ul style="list-style-type: none"> <li>• x% of service users supported to self-help</li> <li>• Coordinate and run a befriending scheme to reduce social isolation (and thus prevent the consequences of social isolation) for x number of older people</li> </ul>	
<b>4. Build capacity and sustainability of the Voluntary and Community Sector</b>	<b>Outcome 6:</b> An effective and resilient third sector	<ul style="list-style-type: none"> <li>• Contribute x number of hours of business planning support / financial advice / legal advice / HR advice to community and voluntary organisations through an Employer-Supported Volunteering scheme</li> <li>• Provide facilities for use by community and voluntary organisations for x number of hours per year</li> <li>• Work with community and voluntary organisations to create x number of new volunteering opportunities in Cheshire East</li> <li>• Support local third sector organisations through the supply chain by spending x% of total expenditure with community and voluntary sector providers based in Cheshire East</li> </ul>	

Objective	Outcomes: What are we trying to achieve?	What could this mean for suppliers?  What could they deliver (Examples Only – this is NOT and exhaustive list)	Case Studies / the art of the possible – ideas to initiate discussions / innovations
5. Promote Equity and Fairness	<b>Outcome 7:</b> A reduction in poverty, health and education inequalities.	<ul style="list-style-type: none"> <li>• Work towards paying staff the Living Wage</li> <li>• Increase rates of pay for lowest-paid staff by x%</li> <li>• Reduce average sickness absence by x% through an improved health, wellbeing and support package for staff</li> <li>• Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x weeks of contract start date</li> <li>• Supporting young people into work by delivering employability support (e.g. CV advice, mock interviews, careers guidance) to x number of school and college students</li> </ul>	
	<b>Outcome 8:</b> Acute problems are avoided and costs are reduced by investing in prevention.	<ul style="list-style-type: none"> <li>• x% overall spend disinvested from acute interventions and reinvested in prevention</li> <li>• Support prevention by running education and publicity campaigns with specific targets (e.g. support x number of staff / residents / service users to stop smoking / increase their physical activity / access money advice)</li> </ul>	

Objective	Outcomes: What are we trying to achieve?	What could this mean for suppliers?  What could they deliver (Examples Only – this is NOT and exhaustive list)	Case Studies / the art of the possible – ideas to initiate discussions / innovations
<b>6. Promote Environmental Sustainability</b>	<b>Outcome 8:</b> We are protecting our physical environment and contributing to climate change reduction.	<ul style="list-style-type: none"> <li>• Reduce the amount of waste generated by x% compared to previous contract</li> <li>• Reduce the amount of waste sent to landfill by x% compared to previous contract</li> <li>• Reduce carbon emissions by x% per year</li> <li>• Reduce overall energy consumption / water consumption by x% per year</li> <li>• Increase the use of renewable energy / community generated renewable energy as a proportion of total energy consumption by x% over the lifetime of the contract (without increasing overall energy consumption)</li> <li>• Support x number of households to better manage their energy demands through improvements in the fabric of their homes, bringing them out of fuel poverty and contributing to climate change goals</li> </ul>	

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## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 12 April 2016  
**Report of:** Director Adult Social Care and Independent Living,  
Brenda Smith and Chief Operating Officer, Peter Bates  
**Subject/Title:** Cheshire East Council Community Equipment Service Model –  
Leading the Region  
**Portfolio Holder:** Cllr. Janet Clowes – Portfolio Holder for Adult Social Care and  
Integration

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#### 1.0 Report Summary

##### Community Equipment – Adult Equipment Procurement Framework

- 1.1 This Council is committed to providing a range of excellent local care and support services for the residents of Cheshire East, building on our commitments to ensure residents are supported to live well for longer, and to remain as independent as possible. 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 community equipment service model, which provides fast access to high quality equipment, is vital to supporting independence. A new framework for adult equipment is about to be procured, as authorised by Cabinet of 3<sup>rd</sup> February 2015. That framework model that has been developed by the Council is considered at the vanguard of this area of service nationally. As a result there are a number of other Local Authorities in the North West who have expressed an interest in purchasing from this new, innovative framework.
- 1.3 The Council is committed to being a leader across the region to promote best practice, efficiency and economy. This is an opportunity for the Council to promote its reputation in that respect by establishing the new framework in a way that allows other Local Authorities and bodies to join in future. This would require those agencies to pay a fee to join that would cover the administrative costs incurred.
- 1.4 The Council already leads and delivers the community equipment service on behalf of a partnership of six agencies, (Cheshire east Council, Cheshire West and Chester Council, Eastern Cheshire CCG, South Cheshire CCG, Vale Royal CCG and West Cheshire CCG. This paper does not propose expanding that partnership; any new Local Authority would purchase directly from the CEC framework using its own ordering system.

- 1.5 In order to enable the Council to provide this valuable contribution to efficiency, the new adult framework procurement would have to include the total potential value of spend. The framework will be for a 4 year period.
- 1.6 The current maximum value of spend as approved by Cabinet of 3<sup>rd</sup> February 2015 is for a maximum spend of £15 million. The addition of the agencies below and their potential spend over 4 years brings the estimated value of the framework to £19.6m.

The additional value of spend is based on the following:

<u>AREA</u>	<u>ESTIMATED ANNUAL SPEND</u> £
Warrington	160k
Bridgewater	300k
Liverpool	1.2m
Manchester	600k
Blackpool	645k
Wigan	198k
<b>Estimated Total</b>	<b>3.1m</b>

The total maximum value of spend over four years would therefore be recommended to be £20– 25m to ensure that there is no risk that these limits are exceeded.

## **2.0 Recommendations**

- 2.1 That Cabinet approve that a number of other named Local Authorities can join the framework, approved at Cabinet on 3<sup>rd</sup> February 2015.
- 2.2 That Cabinet delegate authority to Director of Adult Social Care to approve the total value of spend of this procurement exercise to be a maximum of £20-25m over 4 years.

## **3.0 Reasons for Recommendations**



- 3.1 The publication of the framework with additional agencies would further raise the positive profile of the Council as a leader of innovation, efficiency and collaboration.
- 3.2 The procurement of a framework which allows for the potential increase in users of the framework, could improve the prospect of improved unit costs, and greater efficiency. The framework will include a means of gaining a rebate from suppliers if volumes increase substantially over certain levels. It will also be innovative in that it will bring together equipment lead authorities across the northwest, something which has been seen for some time as an opportunity. This initiative should promote increased efficiency and innovation in equipment provision, which has become more and more vital in the drive to maintain people in their home environment for as long as possible.
- 3.3 The levels of spend approved by the Council need to be high enough to ensure there is no risk that the framework becomes non-compliant to EU rules because the value of the framework has been exceeded.

#### **4.0 Wards and Local Ward Members Affected**

- 4.1 All Wards and All members

#### **5.0 Policy Implications**

- 5.1 None

#### **6.0 Financial Implications**

- 6.1 No additional Council budget will be required for the increase in numbers of users of the framework. The admission of additional Authorities to the framework could reduce the overall unit cost of equipment if volumes increase substantially.
- 6.2 Administration and monitoring costs would be charged to the additional Authorities.
- 6.3 There is no obligation for this Authority or any other user of the framework to purchase equipment and other services through the framework agreements.

#### **7.0 Legal Implications**

- 7.1 In addition to meeting the partnership's requirements, the service intend to make the framework available to other contracting bodies. In order to do so those authorities will need to be named in the notice published in the Official Journal of the European Union (OJEU Notice) and an estimate of the total value of the spend of all participating bodies will need to be provided. Only those bodies that are named in the OJEU Notice at the time of publication will be able to use the agreement. The Council will need to monitor the spend of all those bodies using the framework over the lifetime of the framework to ensure that the total value set out in the OJEU Notice is not exceeded.

- 7.2 The other authorities (participating bodies) will need to enter into an Access Agreement with the Council and then enter into separate agreements with each provider on each of the Lots that they intend to use (as there will be more than one provider on each lot).
- 7.3 The Council has not allowed other authorities to access to its framework agreements before and so consideration will need to be given to the management of participating bodies' use of the agreement. This will involve monitoring and reporting requirements and consideration as to how the Council will deal with queries (about the use of the framework) and possible complaints (possibly from suppliers who feel they have not been dealt with fairly in mini-competitions). Documents will be drafted to include indemnities and disclaimers to protect the Council.

## **8.0 Risk Management**

- 8.1 There is an opportunity to raise the positive profile of the Council as leader of innovation, efficiency and collaboration.
- 8.2 There is a risk that the administration of the framework with additional agencies will generate additional clerical work. This risk has been mitigated by the requirement of a joining fee that any new agency would have to pay to cover the costs of the additional work.
- 8.3 There is a risk that the level of spending could be exceeded making the Council non-compliant with EU rules. This has been mitigated by the requirement that the detailed monitoring of spend is done within CEC and that monitoring cost is covered within the joining fee.

## **9.0 Access to Information**

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

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