

Jobs, Regeneration and Assets Overview and Scrutiny Committee

Agenda

Date: Monday, 21st March, 2016
Time: 2.00 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

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

1. **Apologies for Absence**

2. **Minutes of Previous meeting** (Pages 1 - 4)

To approve the minutes of the meeting held on 18 January 2016

3. **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.

4. **Declarations of Party Whip**

To provide an opportunity for Members to declare the existence of a party whip in relation to any item on the Agenda

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

For requests for further information

Contact: James Morley

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A total period of 15 minutes is allocated for members of the public to make a statement(s) on any matter that falls within the remit of the Committee.

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

Note: in order for officers to undertake any background, it would be helpful if members of the public notified the Scrutiny Officer listed at the foot of the Agenda at least one working day before the meeting with brief details of the matter to be covered.

6. **Apprenticeships Task and Finish Group Final Report** (Pages 5 - 30)

To consider for approval the final report of the Apprenticeships Task and Finish Group for submission to Cabinet.

7. **Section 106 Agreements Task and Finish Group Final Report** (Pages 31 - 66)

To consider for approval the final report of the Section 106 Agreements Task and Finish Group for submission to Cabinet.

8. **Skills and Growth ASDV Progress Report** (Pages 67 - 72)

To consider a progress report on the Skills and Growth ASDV prior to the company's full launch on 1 April 2016.

9. **Work Programme** (Pages 73 - 78)

To review the current Work Programme

CHESHIRE EAST COUNCIL**Minutes of a meeting of the Jobs, Regeneration and Assets Overview and Scrutiny Committee**

held on Monday, 18th January, 2016 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor H Wells-Bradshaw (Chairman)
Councillor J Weston (Vice-Chairman)

Councillors S Brookfield and B Roberts

Apologies

Councillors D Bebbington, C Browne and L Durham

OFFICERS PRESENT

David Malcolm – Head of Planning
Sean Hannaby – Director of Planning and Sustainable Development
Andrew Round – Director of Growth and Regeneration
Phillip Riding – Regeneration Programme Manager (seconded to Cheshire East Engine of the North Ltd)
James Morley – Scrutiny Officer

30 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting on 23 November be approved as a correct record and signed by the Chairman

31 DECLARATIONS OF INTEREST

There were no declarations of interest

32 DECLARATIONS OF PARTY WHIP

There were no declarations of party whip

33 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present who wished to speak

34 CIVICANCE LTD PROGRESS REPORT

Sean Hannaby and David Malcolm provided a progress report on the Council's arms length planning and development company Civicance Ltd. The alternative service delivery vehicle (ASDV) had been launched in April 2015 as part of the Council's move towards being a 'commissioning council'. The key services delivery areas for Civicance were:

- Building Control
- Local Land Charges
- Planning Support, liaison and customer interface
- Street Naming and Numbering

The Committee was informed that through planning support the ASDV provide administration for the planners at the Council who dealt with planning applications and reported to the Council's three planning committees. It was suggested that the new working relationships between the officers of the two bodies were mixed. Performance targets were being met and improvements had been made in the speed at which planning applications were turned around. However the quality was the same and this also needed to be improved in order to see a full benefit from the new way of working

It was suggested that there were some cultural issues with the separation between the client and the customer created by the new way of working however this was expected to be improved as the new relationship developed. Staff of the ASDV were due to receive additional training which was hoped would improve quality and they would be encouraged to be more flexible with requests from planning officers rather than strictly sticking to the contracted duties of the company.

The company had currently been in operation for approximately nine months. Officers suggested that by 18 months there should be noticeable changes in the culture and much improved outcomes from the previous arrangements. The Chairman requested that officers returned with a further report in Autumn to enable the Committee to continue monitoring the performance of Civance Ltd.

RESOLVED

- (a) That the progress report be noted
- (b) That the Head of Planning and the Director of Planning & Sustainable Development be requested to provide a report on Civance Ltd performance at the Committee's meeting on 19 September 2016.

35 ENGINE OF THE NORTH PROGRESS REPORT

Andrew Round (Commissioning Manager for the contract) and Philip Riding (seconded to EotN) provided an report on the performance of Cheshire East Engine of the North Ltd (EotN), the Council's arms length delivery company for property development. The company was the first alternative service delivery vehicle (ASDV) to be set up by the Council in 2013 tasked with maximising the value of development land for the Council whilst minimising the risk to the Council. The company charged services to the Council at cost therefore did not make any profit or loss.

The Committee requested the report to consider whether EotN was performing well. The Chairman suggested that it was difficult for the Committee to comment on performance without measurable performance targets and context which to benchmark them against.

Unlike some of the Council's other ASDVs, EotN did not have many Key Performance Indicators (KPIs) in its contract with the Council except some

related to land values. Officers were currently revising the business plan and looking to set out new measurable KPIs for the company. It was suggested that the number of homes and jobs created on development involving EotN were soft indicators of performance.

EotN operated on a task and finish basis which enabled it to be flexible with staffing as it had no fully employed staff. There were three employees seconded from the Council and four or five consultants who were employed on a case by case basis. It was suggested that the model was working well and that EotN had enabled the sale of large sites which the Council had struggle to dispose of in the past. EotN was able to focus resources better on key sites among the 1000s of assets that the Council had. The Council's Assets Team was responsible for the smaller, less strategic assets. The sites dealt with by EotN were set out in the original contract by Cabinet; The Council needed to consider how and what new sites would be added in the future.

The Chairman requested that another report be brought to the Committee in Autumn, with the proposed new business plan, to enable further monitoring of EotN performance.

RESOLVED

- (a) That the report be noted
- (b) That the Director of Growth and Regeneration be requested to provide a report on the performance of Cheshire East Engine of the North Ltd with the new business plan at the Committee's meeting on 19 September 2016.

36 WORK PROGRAMME

The Committee gave consideration to its work programme. It was agreed that that reports on Civacance Ltd and Cheshire East Engine of the North Ltd would be requested from the Commissioning Managers for the Committee's September meeting.

The Committee requested an update from Cheshire Neighbours Credit Union at it's next meeting. The Corporate Overview and Scrutiny Committee had requested that the Committee consider adding an item on Private Housing, particularly Homes of Multiple Occupancy (HMOs) to its work programme. The Committee agreed to request a briefing on the subject from the Housing Standards Manager at one of its informal meetings before deciding on adding anything formal to the work programme.

RESOLVED – That the work programme be updated as discussed

The meeting commenced at 2.00 pm and concluded at 3.30 pm

Councillor H Wells-Bradshaw (Chairman)

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CHESHIRE EAST COUNCIL

REPORT TO: Jobs Regeneration and Assets Overview and Scrutiny Committee

Date of Meeting: 21 March 2016
Report of: Director of Legal Services and Monitoring Officer
Subject/Title: Section 106 Agreements Task and Finish Group Report
Portfolio Holder: Councillor Ainsley Arnold

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 the Committee receive the Task Group's Report (attached).
- 2.2 That the Committee approves the Task Group's recommendations, which are contained in the attached report at page 3, section 2.1.
- 2.3 That the Committee submit the Task Group's Report to Cabinet for consideration.

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, communication with town and parish councils

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



Apprenticeships

Task and Finish Group

Final Report

February 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.

Enterprise Bill

- 3.3 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.
- 3.4 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%.
- 3.5 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

- 3.6 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).
- 3.7 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.
- 3.8 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.
- 3.9 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

- 3.10 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.

- 3.11 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.
- 3.12 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.
- 3.13 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

- 3.14 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.
- 3.15 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

- 3.16 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.
- 3.17 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.
- 3.18 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 The Council currently employs approximately 2800 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 will not count towards the total staff to measure the 2.3% quota for apprentices 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 2800 staff the Council will need approximately 64 apprentices to achieve 2.3% target. The Council currently has 43 apprentice positions therefore the Council would require an additional 21 positions before the quota is fully introduced. The full cost to the Council of employing one apprentice with on costs is approximately £16,000; however there are other additional costs such as providing employability workshops, performance development reviews and assessments. Employing an extra 21 apprenticeship positions will result in an additional £336,000 in costs (21 x £16,000).
- 5.3 The Group estimates that the Council's wage bill is approximately £75,000,000 (2800 staff x £25,000 average salary) meaning that £360,000 (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 training costs are estimated to be an average of £6,000 per apprentice then this would equate to £384,000. 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.
- 5.4 The Apprenticeship Levy and management of the Digital Apprenticeship Service will come with an additional administration cost. Officers have advised that it is likely a grad 5 post would be required to administer the DAS with a salary of £24,000 plus on costs. The salary equates to £375 per apprentice (£24,000/64).

Workforce Development and Apprenticeship Provision

- 5.5 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.
- 5.6 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.
- 5.7 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.

- 5.8 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.
- 5.9 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.
- 5.10 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.
- 5.11 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.
- 5.12 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

- 5.13 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).

- 5.14 Previously the Council had between 40-50 apprentices at any one time. There are currently 43 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.
- 5.15 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.
- 5.16 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

- 5.17 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 where 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

- 5.18 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.

- 5.19 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.
- 5.20 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.
- 5.21 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

- 5.22 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.
- 5.23 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.
- 5.24 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.

- 5.25 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.
- 5.26 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

- 5.27 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 compete 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.
- 5.28 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.
- 5.29 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).
- 5.30 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.

- 5.31 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.
- 5.32 Stockport also employs some apprentices working for Stockport Homes, the arm's length social housing provider as Building Apprentices on construction contracts.
- 5.33 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

- 5.34 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 Children's Services – Services for Young People (formerly Connexions Service). This enables joint working and easier access for young people and parents.



- 5.35 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.
- 5.36 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.
- 5.37 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.
- 5.38 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.

- 5.39 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).
- 5.40 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

- 5.41 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

- 5.42 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.
- 5.43 The Pledges are funded 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).
- 5.44 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 in Macclesfield but not in 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.

- 5.45 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 The Apprenticeship Levy and Quota are going to create additional costs for the Council and the need for some structural changes. At current levels of staff the Council is going to need approximately 64 apprenticeship positions, 20 more than the current level.
- 6.2 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 get FTE 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.
- 6.3 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.
- 6.4 It was suggested that the Council needed to ensure there was 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.
- 6.5 It is suggested that one or two officers within the Council's Workforce Development Team should be responsible for accessing this pot and managing spend, as opposed to individual managers having to learn the system and access it. Therefore all Apprenticeships and trainees should be managed centrally to ensure coordination and control.
- 6.6 Training and development should be promoted internally to ensure as many employees as possible can benefit and that the Council is able to at least recoup the cost of the levy through training of apprentices.
- 6.7 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 cover the cost of training courses, meaning the Council will still have to find funding for wages which may have been covered by funding previously. The Council will incur increased costs through additional wages of additional apprenticeship posts and administration costs of the levy. However the Council should benefit from having more skilled young people in the workforce.
- 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 have an apprentice provided.

- 6.9 This could be funded by top slicing funding from department budgets were 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 operated.
- 6.10 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 would help to smooth the procurement process for setting up contracts to access the levy. 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.
- 6.11 With limited opportunities 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 requesting an apprentice, departments should have a clear onward plan for their apprentice before taking them on.
- 6.12 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 are contributing to the supply of apprentices. The Group also wants to consider how more high level apprentices and degree courses for existing staff could be created.

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 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.
- 7.3 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.

- 7.4 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

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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.

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Appendix B – References and Links to Background Documents

1. National Apprenticeship Service – www.apprenticeships.gov.uk
2. Enterprise Bill – <https://www.gov.uk/government/collections/enterprise-bill>
Institute of Apprenticeships Factsheet -
<https://www.gov.uk/government/publications/institute-for-apprenticeships-enterprise-bill-factsheet>
Apprenticeship (data sharing and spending) Factsheet -
<https://www.gov.uk/government/publications/apprenticeships-data-sharing-and-spending-enterprise-bill-factsheet>
Public Sector Apprenticeship Target Factsheet -
<https://www.gov.uk/government/publications/public-sector-apprenticeship-targets-enterprise-bill-factsheet>
Make Apprentice a protected term Factsheet -
<https://www.gov.uk/government/publications/make-apprentice-a-protected-term-enterprise-bill-factsheet>
3. Apprenticeship Levy - <https://www.gov.uk/government/publications/apprenticeship-levy/apprenticeship-levy>
4. English Apprenticeships 2020 Vision -
<https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>
5. Ofsted Report Apprenticeships: Developing Skills for Future Prosperity -
<https://www.gov.uk/government/publications/apprenticeships-developing-skills-for-future-prosperity>
6. Worcestershire County Council Scrutiny Report -
http://www.cfps.org.uk/domains/cfps.org.uk/local/media/library/2014_02_apprenticeships_report_final.pdf
7. Southampton Scrutiny Report -
http://www.cfps.org.uk/domains/cfps.org.uk/local/media/library/apprenticeship_inquiry.pdf
8. Sunderland Scrutiny Report -
http://www.cfps.org.uk/domains/cfps.org.uk/local/media/library/delivery_of_apprenticeships_in_sunderland.pdf
9. Cheshire East Council A* Apprentices -
http://www.cheshireeast.gov.uk/jobs_and_careers/apprenticeships_a-team/apprenticeships.aspx

10. Skills and Growth ASDV Report Dec 2015 -
<http://moderngov.cheshireeast.gov.uk/ecminutes/documents/s44107/PH%20report.pdf>
11. Total People Website - <http://www.totalpeople.co.uk/>
12. Stockport Apprenticeships and Store -
<http://www.stockport.gov.uk/services/education/educationtrainingandemployment/apprenticeships/?view=Standard>
13. The Crewe Pledge - <http://thecrewepledge.co.uk/>
14. The Macclesfield Pledge - <http://www.macclesfieldpledge.co.uk/>

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CHESHIRE EAST COUNCIL

REPORT TO: Jobs Regeneration and Assets Overview and Scrutiny Committee

Date of Meeting: 21 March 2016
Report of: Director of Legal Services and Monitoring Officer
Subject/Title: Section 106 Agreements Task and Finish Group Report
Portfolio Holder: Councillor Ainsley Arnold

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 the Committee receive the Task Group's Report (attached).
- 2.2 That the Committee approves the Task Group's recommendations, which are contained in the attached report at page 3, section 2.1.
- 2.3 That the Committee submit the Task Group's Report to Cabinet for consideration.

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, communication with town and parish councils

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

February 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.

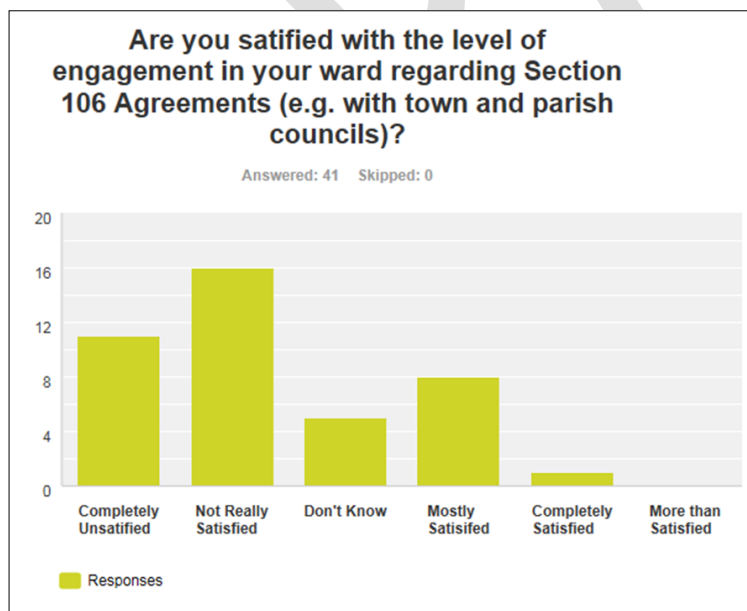
Figure 1 (as at December 2015)

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



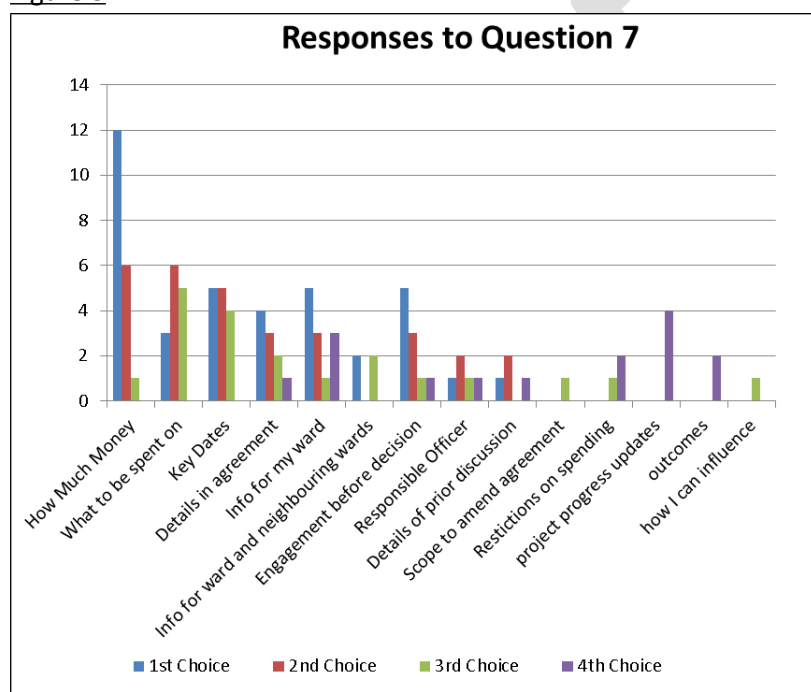
Member Survey Findings

- 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.

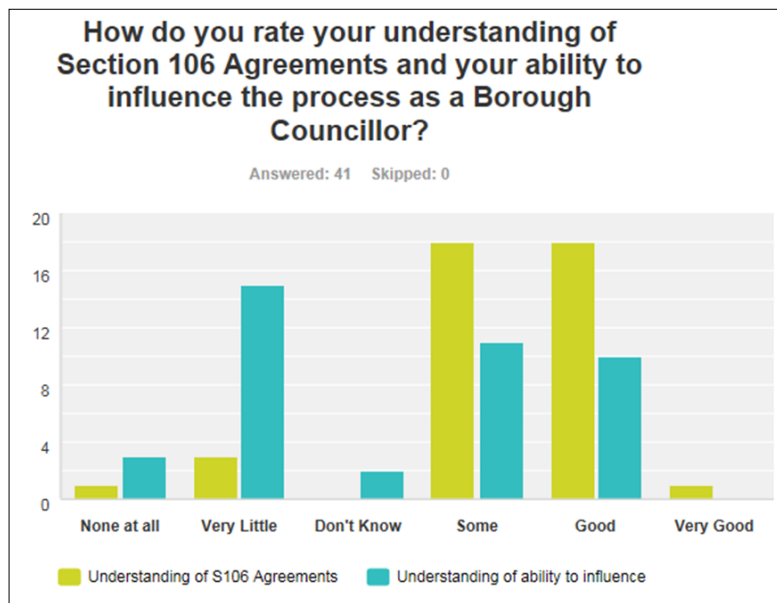
- 6.14 The Task Group received a very good response (50%) from councillors to the Member Survey which provided very useful information as well as illustrating the interest that councillors have in S106 Agreements. The Task Group considered the results of the Member Survey at its third meeting.
- 6.15 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



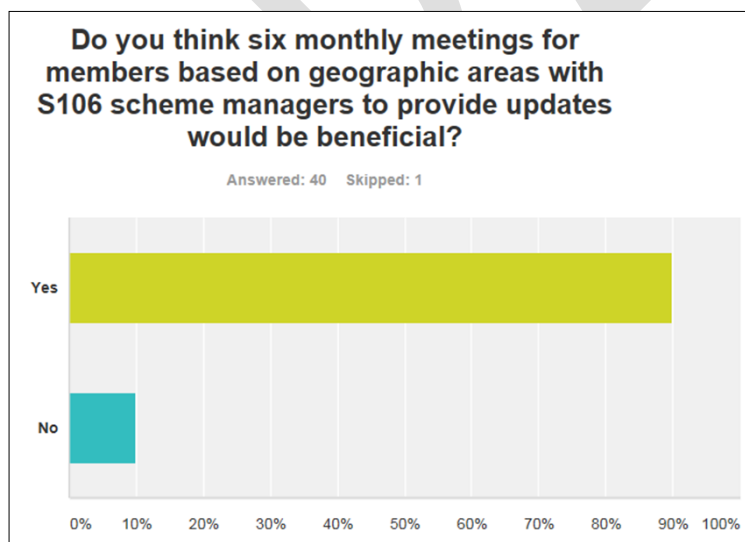
- 6.16 The training sessions for members held in December 2015 (as mentioned in 3.2 of this report) were relatively well attended however the survey results seem to suggest that there is still a significant proportion of members, particularly new ones, who have not yet had any form of training (Fig.4) 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.

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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

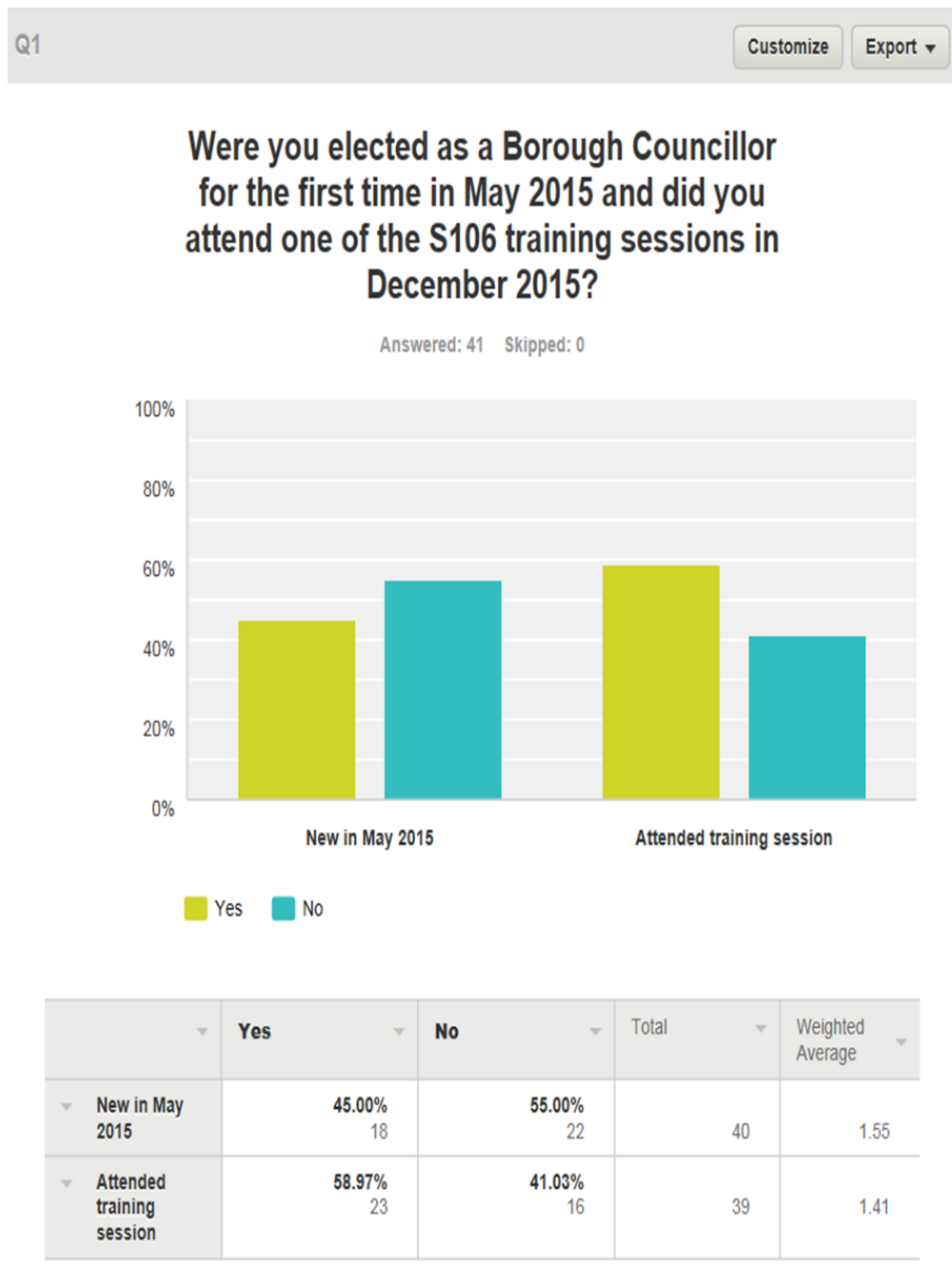
9. Do you think six monthly meetings for members based on geographic areas with S106 scheme managers to provide updates would be beneficial?

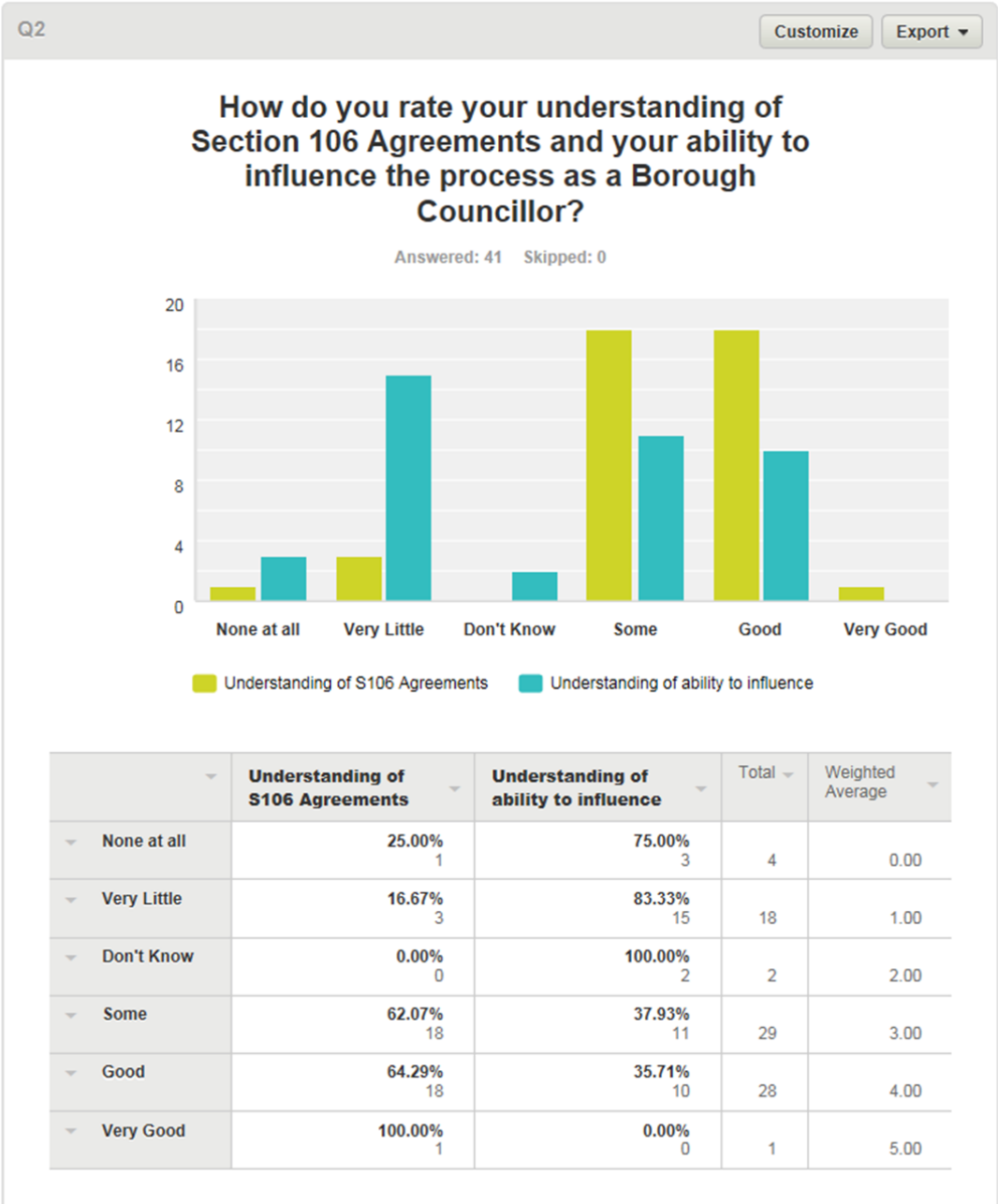
<input type="radio"/> Yes
<input type="radio"/> No

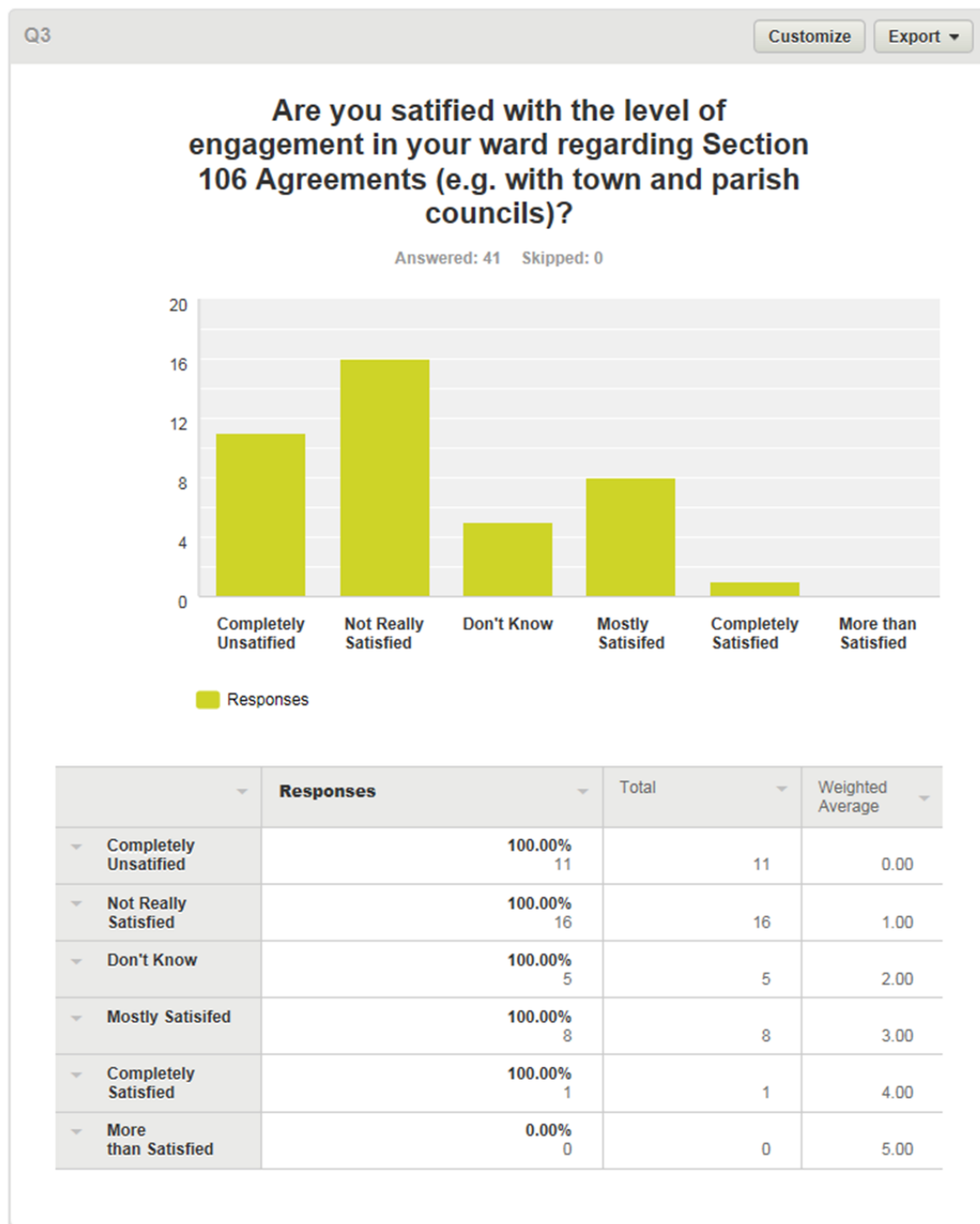
10. Below is a section for you to provide any additional comments about your views and experiences with S106 Agreements, and any suggested improvements you would like the Task and Finish Group to consider:

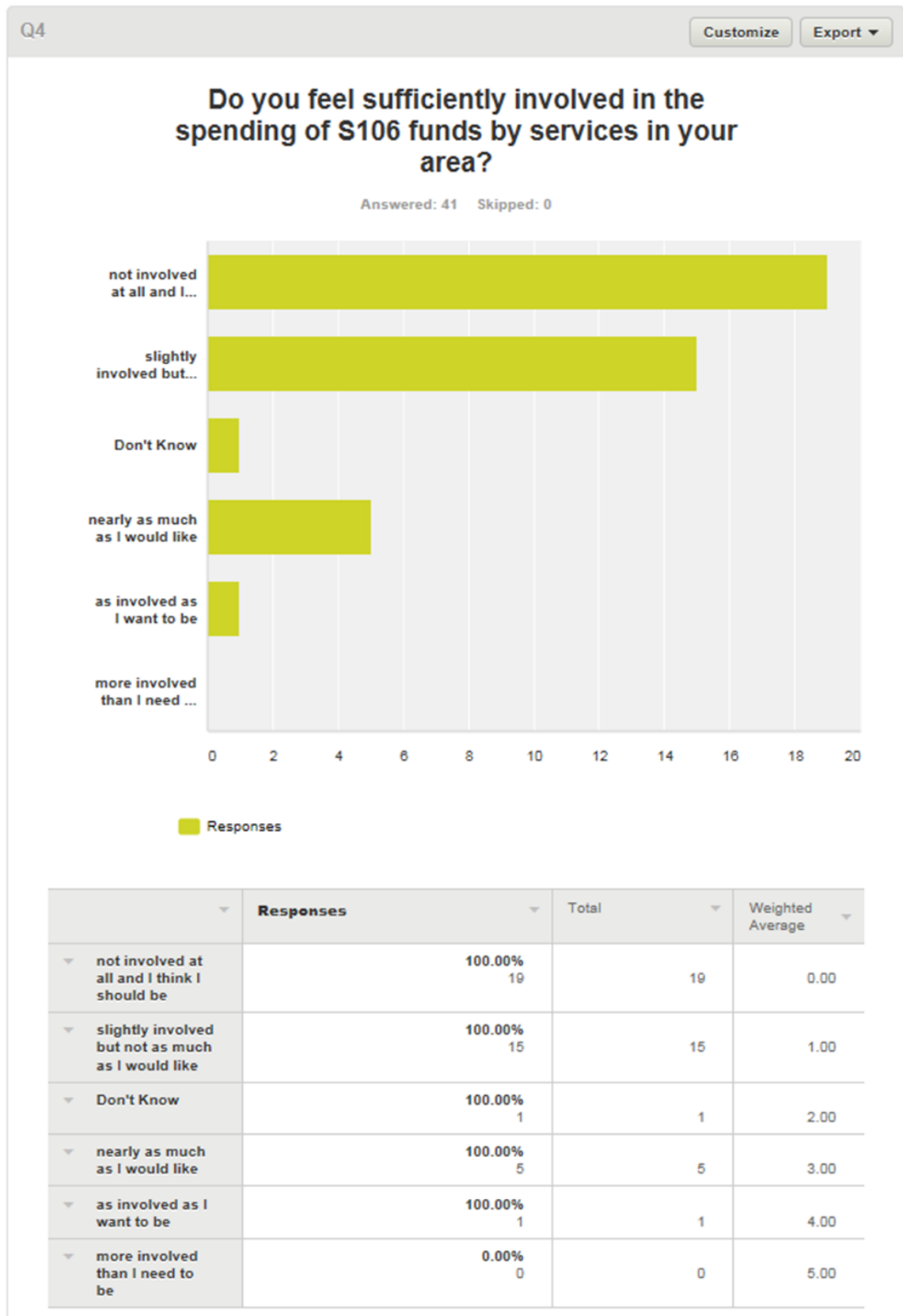
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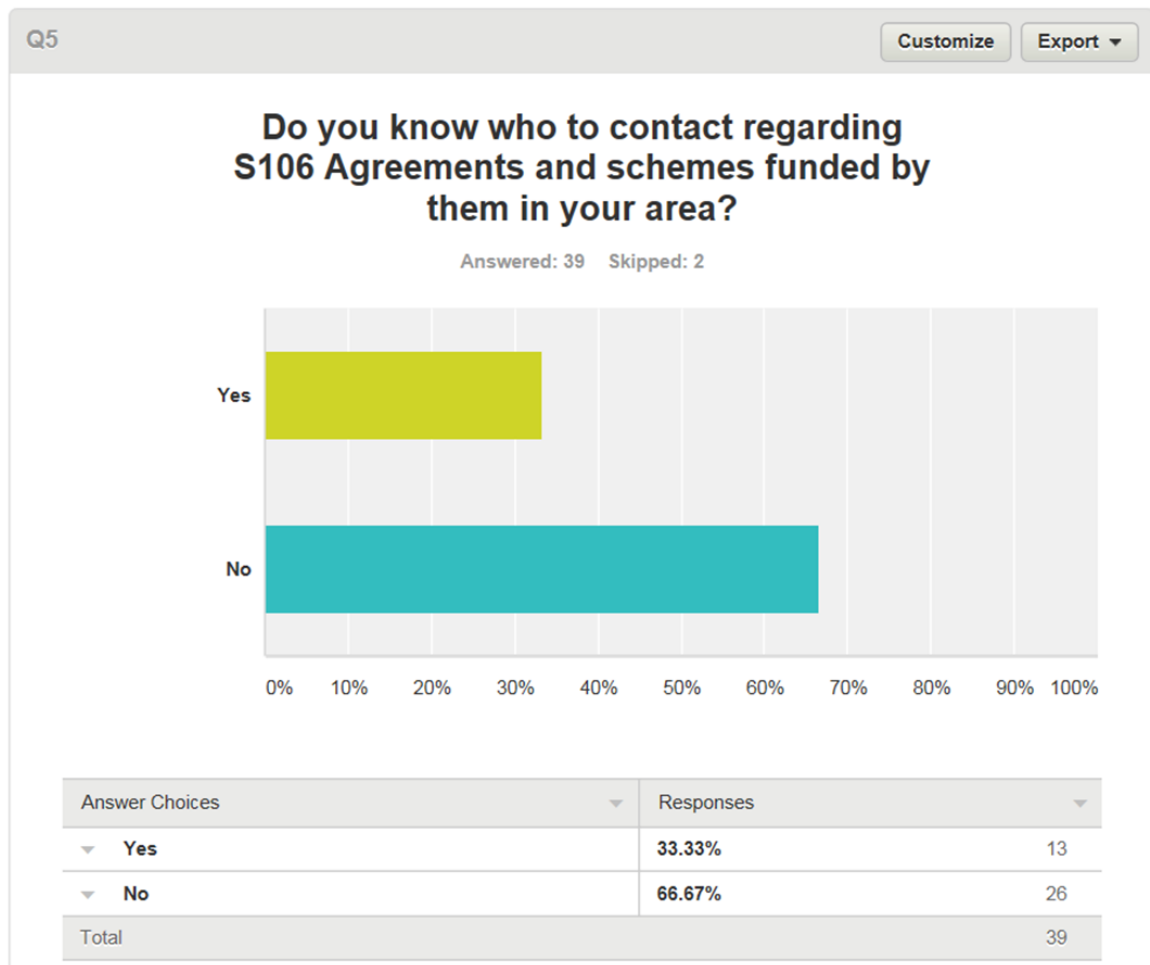
Appendix C – Member Survey Response Analysis (extracted from Survey Monkey)

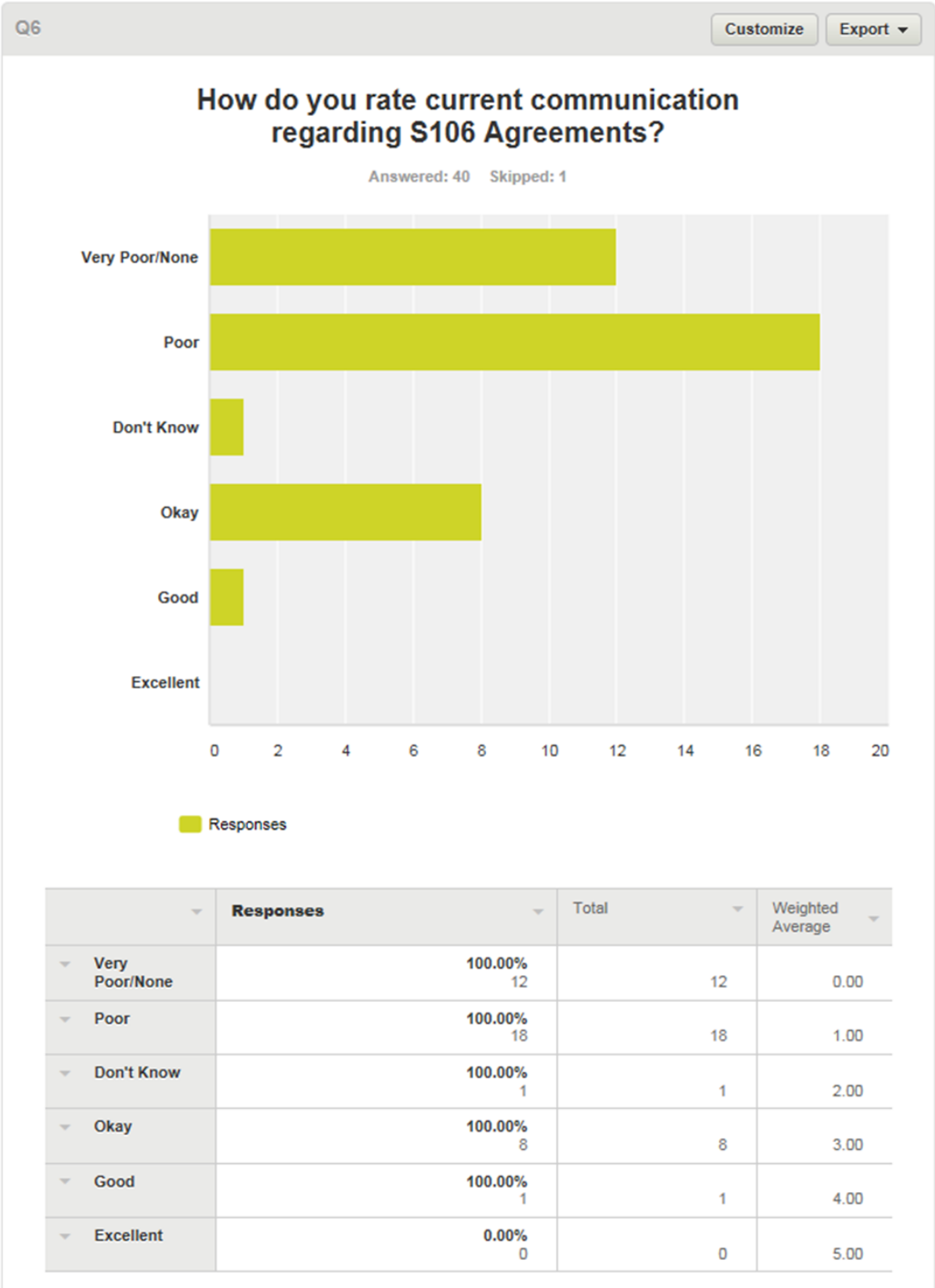






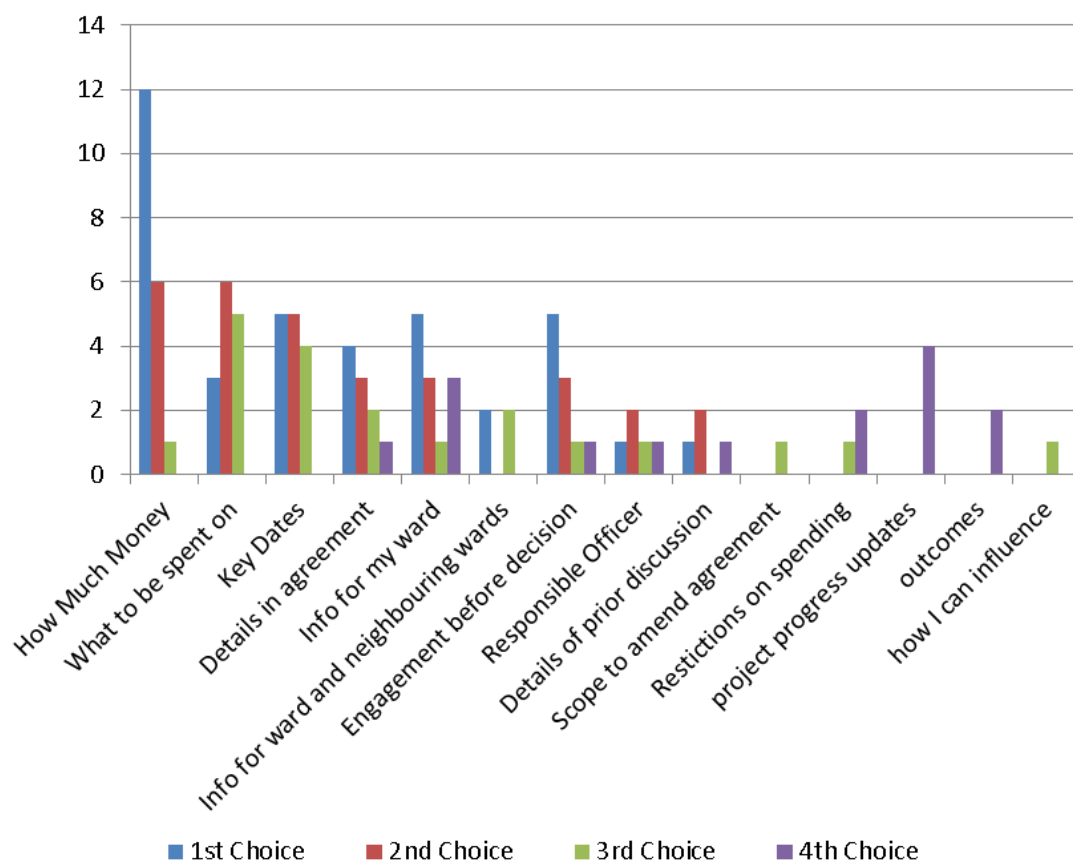






Question 7 What information would you like to receive regarding S106 Agreements?				
Response	1st Choice	2nd Choice	3rd Choice	4th Choice
How Much Money	12	6	1	0
What to be spent on	3	6	5	0
Key Dates	5	5	4	0
Details in agreement	4	3	2	1
Info for my ward	5	3	1	3
Info for ward and neighbouring wards	2	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

1st 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 |

2nd Choice (30 Responses)

1. How it is applied
2. How much committed

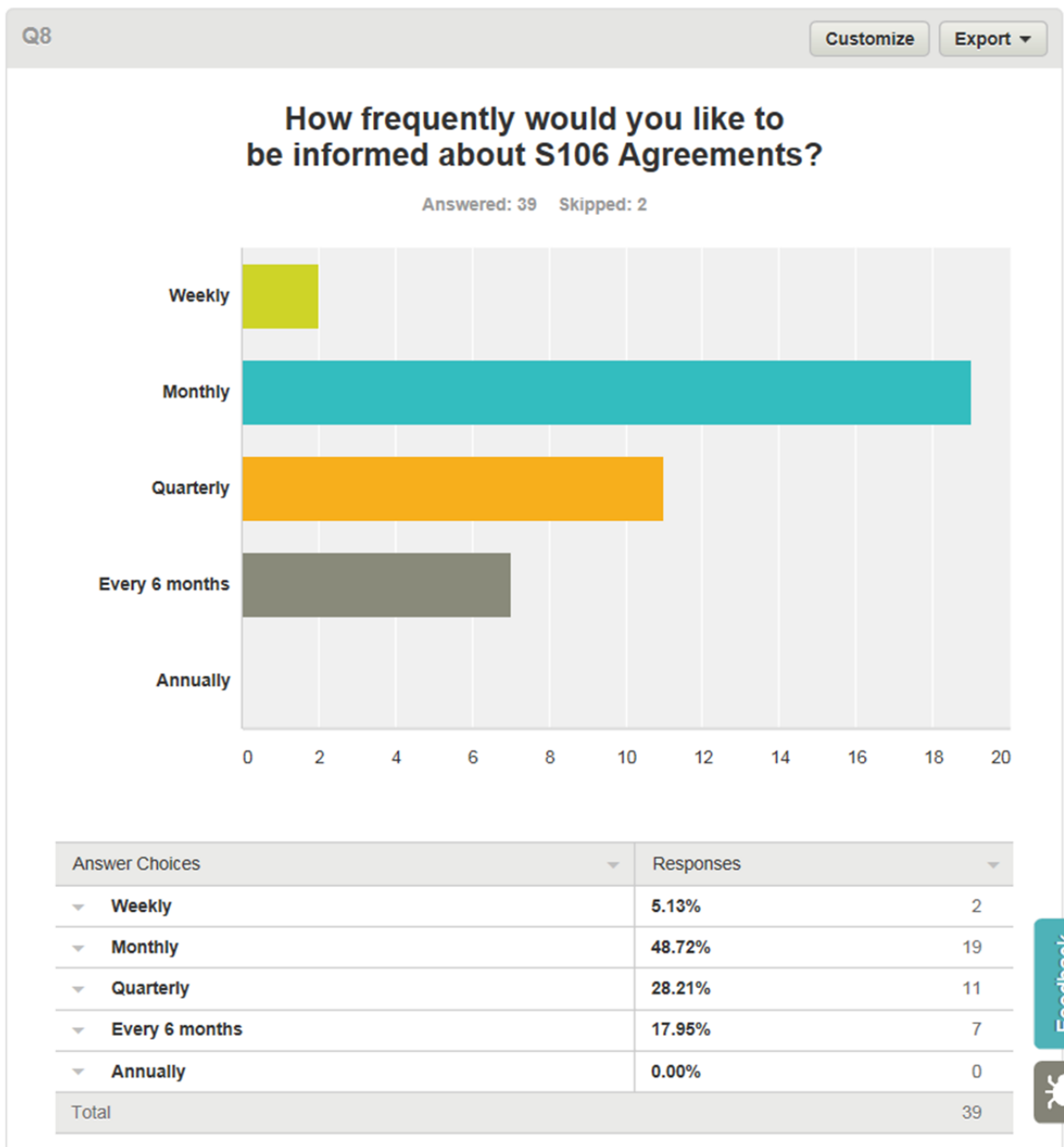
- | | | |
|--|---|--|
| 23. What they are planned to be spent on? | 9. Mechanism for influencing allocations | 4. review/discussion of outcomes |
| 24. When an instalment arrives and how it is proposed to be spent | 10. Quarterly updates and reminders of schemes about to expire | 5. The assurance that 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. | |

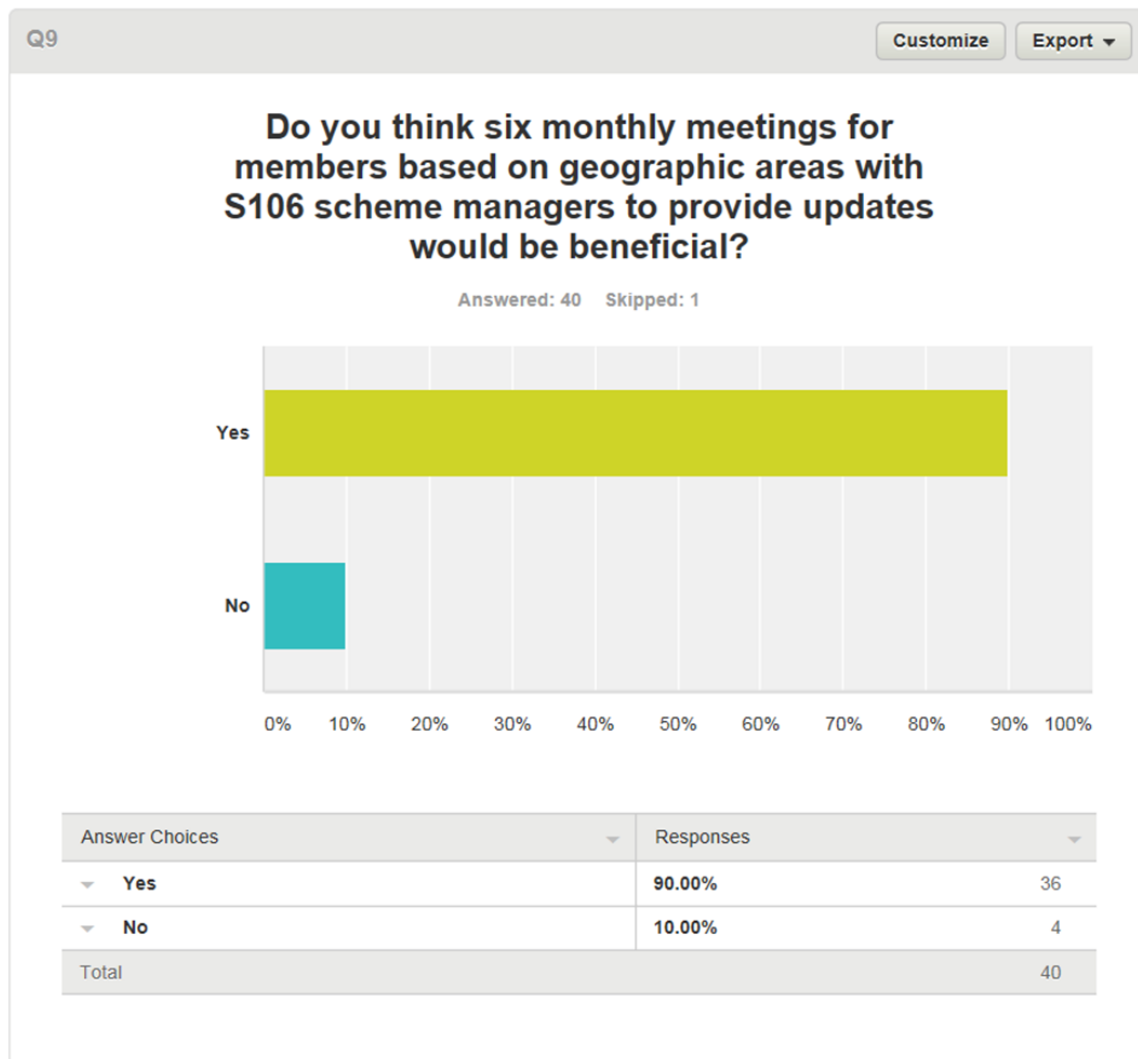
3rd Choice (23 Responses)

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

4th 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

REPORT TO: Jobs, Regeneration & Assets Overview and Scrutiny Committee

Date of Meeting: 21 Mar 2016
Report of: Julian Cobley
Subject/Title: Skills & Growth ASDV
Portfolio Holder: Cllr Don Stockton

1.0 Report Summary

- 1.1 The Jobs Regeneration and Assets Committee was provided with an update report in November 2015 detailing the progress toward establishing a wholly owned company for skills and growth services. The Portfolio Holder for Regeneration and Assets subsequently took the decision to proceed on 7 Dec 2015 to establish The Skills and Growth Company ASDV and this report seeks to provide an update on the progress made since that decision, and to brief the committee on future plans.

2.0 Recommendation

- 2.1 The Committee is recommended to:
- 2.1.1 note the contents of the report
 - 2.1.2 agree a timeline for future progress reports

3.0 Reasons for Recommendation

- 3.1 To ensure that the future performance of the company is appropriately scrutinised.

4.0 Wards Affected

- 4.1 All wards

5.0 Local Ward Members

- 5.1 All Members

6.0 Project Tasks completed/in hand

- 6.1 The name of the company was formally changed to 'The Skills & Growth Company' in December 2015 and relevant web domains purchased.
- 6.2 Client and company-side task groups have been formed and meet fortnightly in order to negotiate the operating agreement with the company. This will incorporate both the company's business plan and a well-defined performance framework (currently in draft form and containing a range of performance measures).

- 6.3 The Project Delivery Team (comprising all enabling services) has continued to meet on a fortnightly basis providing regular progress reports and resolving minor issues.
- 6.4 Staff have been advised of their rights to transfer under TUPE legislation. Regular staff briefings have been taken place and trade unions kept briefed with a new SharePoint site built in order to allow information to be shared.
- 6.5 The Oracle system build is progressing well and is on-target for completion prior to go-live.
- 6.6 Considerations are underway to locate the company in the Council owned Sandbach Enterprise Centre as tenant.
- 6.7 A task and finish MGB sponsored steering group has met and confirmed that due diligence has been met in respect of the decision making process and the validity and robustness of the business case.
- 6.8 Development of branding and marketing is underway including key external and internal communication channels and platforms.
- 6.9 The go-live date is 1 April 2016 and all indications are that this will be met.

7.0 Company – shadow operation and work plan

- 7.1 The company has appointed a Board of Directors, which meets monthly in 'shadow' mode. The Board comprises Cllrs Bates, Walmsley and Brooks.
- 7.2 The company has applied to the Skills Funding Agency to be approved as an RTO (Registered Training Organisation). If successful this will permit it to bid for additional learning and skills contracts, and will allow staff within the Lifelong Learning Team to transfer into the company conforming with grant funding rules. Until such approval these staff will remain employed by the Council.
- 7.3 The company is in the process of finalising its business plan, which seeks to specify its activities over the next 5 years. A high-level plan can be found in Annex 1.
- 7.4 Planned activity is targeted against 8 priorities:
 - Skills Priorities
 - Ensure young people are work ready
 - Tackle long term unemployment and NEETS
 - Ensure education provision meets employer needs
 - Foster high value skills for high growth business
 - Growth priorities:
 - Lead High Growth Sectors
 - Promote and secure investment in key employment sites
 - Ensure businesses have the support they need to succeed
 - Maximise and attract investment

8.0 Recent 'company' successes and achievements

8.1 A number of successes have been recorded during the shadow operation period. Achievements of particular note include:

- Summited £11.5m ERDF bid on behalf of Connecting Cheshire for the Digital 2020 Programme
- Secured approval from the Council to initiate £80k Business Support service contract with Greater Manchester
- Supported the creation of 556 new jobs with High Growth SME's in the Science Energy and Technology Sector
- Joint Venture Partnership agreed with Engie for Heat Network
- Secured Contract to deliver sponsorship package for the Cycling Tour of Britain

9.0 Current risks and issues

9.1 The relocation into the Enterprise Centre will require some refurbishment work and will not be completed by 1 April. Staff will therefore remain in their current workplaces until this is finished.

9.2 Contract negotiations are due to start and could be delayed due to staff availability over Easter. However, both parties are proceeding in good faith and a spirit of co-operation.

9.3 The evaluation of the Managing Director job description and subsequent appointment of the role is underway, but may not be completed by 1 April. It is anticipated that appropriate interim secondment arrangements can be put in place should this be the case.

10.0 Access to Information

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

Name:	Julian Cobley
Designation:	Head of Investment
Tel No:	01270 686170
Email:	Julian.Cobley@cheshireeast.gov.uk

Annex 1

High Level Work Plan 2016/17 - Skills & Growth Priorities

Skills Priorities		Action
1. Ensure Young People are Work Ready	1.1	Business Partnerships: Build on successful Crewe and Macclesfield Pledges to ensure a work readiness programme is available to students in schools and colleges in Cheshire East
	1.2	Develop an integrated Apprenticeship Framework for Cheshire East in line with Cheshire & Warrington LEP Apprenticeship Attraction Plan to accelerate the take-up of apprenticeships in Cheshire East
	1.3	Ensure businesses are ready for wide ranging Apprenticeship changes in 2017 (e.g. Levy)
	1.4	Targeted CEIAG for key sectors and major investments e.g. HS2 (learners and parents)
2. Tackle long term unemployment and NEET	2.1	Contract management of Community Learning and Adult Skills Budget learning programmes to access all those most in need of gaining access to skills and employment*.
	2.2	Prepare for new delivery of new combined Adult Education Budget programme in 2017
	2.3	Develop integrated model across Council teams (Schools, Supported Employment, Care services)
	2.4	Develop new model of working with DWP, including possible co-location
	2.5	Lead the development of bids for relevant Government funded schemes (e.g. Mental Health, Disengaged Young People, Building Better Opportunities)
	2.6	Review policies to of the Council to support employment and skills including procurement and planning
3. Ensure education provision meets employer needs	3.1	Develop a robust skills and employment evidence and analysis base to ensure public, private and voluntary sector develop and deliver appropriate skills programmes to meet employers needs in Cheshire East

	3.2	Develop a skills framework and outcome plan for Cheshire East from basic/functional skills through to degree and post graduate levels
	3.3	Facilitate and support the proposed Area Based Review in Cheshire & Warrington and the implementation of recommendations
	3.4	Shape and influence Cheshire & Warrington LEP programmes for skills including skills capital, ESIF and Devolution Deal
4. Foster high value skills for high growth business	4.1	Drive growth through Skills Boards in high growth sectors – Rail, Life Sciences, Advanced Manufacturing, Technology and Energy
	4.2	Encourage new provider pathway models of specialisation and excellence in high skills through joint working and cross sector collaboration e.g. through colleges, UTC, University, schools, private providers
	4.3	Promote careers in high growth sectors with young people and their parents through full engagement programme and case studies
	4.4	Promote greater uptake of STEM skills in schools and colleges particularly to young women, minorities and those with disabilities
Growth Priorities		Action
1. Lead High Growth Sectors	1.1	Shape and influence sector growth policy (e.g. Innovation audit, KTP)
	1.2	Lead sector growth programmes for priority sectors
	1.3	Develop and deliver high growth and specialist programmes, projects, and contracts (as agent) relating to the priority sectors - including bid writing and securing investment (e.g. Digital 2020, ELENA, INTERREG, ESIF)
	1.4	Manage the administration and governance relating to specific bodies in the priority sectors, including, Connecting Cheshire Partnership Board, Digital & Creative Industries Taskforce, Macclesfield Science Opportunity Zone Board, Advanced Manufacturing Forum.
	1.5	Influence and support the development of the Northern Gateway Development Zone.

2. Promote investment in key sites and maximise business rate income.	2.1	Deliver a programme of activity to attract investment into Cheshire East's key employment sites.
	2.2	Develop marketing material that captures Cheshire East's key investment prospects.
	2.3	Encourage investment in Cheshire East's key employment sites by promoting to demand from mobile occupiers and existing business looking to relocate or expand.
	2.4	Secure finance in grant and loans to off set the cost of investment or reduce exposure (e.g. Cheshire Green Employment.)
	2.5	Manage the relationship with property agents and encourage sharing of information on business expanding and mobile occupiers.
	2.6	Collate trend data on property investment trends and disseminate key messages to market.
3. Ensure all businesses have the support they need to succeed	3.1	Establish and support Growth Boards for Priority Sectors(e.g. DCI taskforce and Science Board)
	3.2	Deliver a Rural Enterprise support programme
	3.3	Deliver the High Growth SME accelerator programme (e.g. Creative Cities bid)
	3.4	Deliver the Top 100 Strategic investor programme
4. Maximise and attract investment	4.1	Deliver Inward Investment Programme (e.g. MIPIM, Tour of Britain, Sector Specific Events)
	4.2	Promote and maximise leverage of commercial investment funds and grant opportunities for businesses (e.g. Life Sciences Fund, ESIF)
	4.3	De-risk business investments through effective support, advice and guidance
	4.4	Provide event management and facilitation

CHESHIRE EAST COUNCIL

REPORT TO: Informal Jobs Regeneration and Assets Overview and Scrutiny Committee

Date of Meeting: 21 March 2016
Report of: Corporate Governance and Stewardship
Subject/Title: Work Programme update

1.0 Report Summary

- 1.1 To review items in the 2015/16 Work Programme, to consider the efficacy of existing items listed in the schedule attached, together with any other items suggested by Committee Members..

2.0 Recommendations

- 2.1 That the work programme be received and noted.

3.0 Reasons for Recommendations

- 3.1 It is good practice to agree and review the Work Programme to enable effective management of the Committee's business.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Background and Options

- 6.1 In reviewing the work programme, Members must pay close attention to the Corporate Priorities and Forward Plan.
- 6.2 Following this meeting the document will be updated so that all the appropriate targets will be included within the schedule.
- 6.3 In reviewing the work programme, Members must have regard to the general criteria which should be applied to all potential items, including Task and Finish reviews, when considering whether any Scrutiny activity is appropriate. Matters should be assessed against the following criteria:

- Does the issue fall within a corporate priority

- Is the issue of key interest to the public
- Does the matter relate to a poor or declining performing service for which there is no obvious explanation
- Is there a pattern of budgetary overspends
- Is it a matter raised by external audit management letters and or audit reports?
- Is there a high level of dissatisfaction with the service

6.4 If during the assessment process any of the following emerge, then the topic should be rejected:

- The topic is already being addressed elsewhere
- The matter is subjudice
- Scrutiny cannot add value or is unlikely to be able to conclude an investigation within the specified timescale

7.0 Access to Information

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

Name: James Morley
Designation: Scrutiny Officer
Tel No: 01270 686468
Email: james.morley@cheshireeast.gov.uk

Jobs Regeneration and Assets Overview and Scrutiny Committee – 11 March 2016

Future Meetings

Formal Meeting	Informal Meeting	Formal Meeting	Informal Meeting	Formal Meeting
Date: 21 March 2016 Time: 2:00pm Venue: Committee Suites, Westfields	Date: 25 April 2016 Time: 2:00pm Venue: Committee Suites, Westfields	Date: May TBA Time: TBA Venue: TBA	Date: 20 June 2016 Time: 2:00pm Venue: Committee Suites, Westfields	Date: 18 July 2016 Time: 2:00pm Venue: Committee Suites, Westfields

Essential items

Item	Description/purpose of report/comments	Outcome	Lead Officer/organisation/Portfolio Holder	Suggested by	Current position	Key Dates/Deadlines
Apprenticeships	To carry out a task group looking at how apprenticeships can be increased and how SMEs can be engaged	Cheshire East has a strong and resilient economy & People have the life skills and education they need to thrive	Peter Cavanagh Steve Bellairs Sue Malec	Committee	Final Report drafted for Committee approval. Due to present to JRA on 21 March 2016 and to Cabinet on 12 April 2016	21 March 2016 Meeting 11 March 2016 Agenda
S106 Agreements	To examine member involvement in the Section 106 Agreements process	Cheshire East is a green and sustainable place	David Malcolm Fiona Seddon	Committee	Final Report drafter for Committee approval. Due to present to JRA on 21 March 2016 and to Cabinet in April.	21 March 2016 Meeting 11 March 2016 Agenda
CIL	Cabinet recently approved work to develop schedules for CIL.	Cheshire East is a green and	Adrian Fisher	Corporate Scrutiny	Cabinet received a report on	TBA

Jobs Regeneration and Assets Overview and Scrutiny Committee – 11 March 2016

	Committee needs to consider its role and how it will contribute.	sustainable place		Committee	development of CIL in February 2016	
Cheshire East Engine of the North	To monitor the performance of EotN and whether it is delivering on its targets	Cheshire East has a strong and resilient economy	Andrew Round Heather McManus	Committee	Report received 18 Jan. Next report requested Autumn	19 September 2016
Civicanace	To monitor the progress of the ASDV and delivery on targets	Cheshire East has a strong and resilient economy	David Malcolm Sean Hannaby Ian Bunn	Committee	Report received 18 Jan. Next report requested Autumn	19 September 2016 meeting
Cheshire and Warrington Enterprise Partnership	To monitor the LEP and its effectiveness in achieving the aims for the Borough.	Cheshire East has a strong and resilient economy	Julian Cobley Aiden Manley	Committee	CWAC and Warrington have been approached to make arrangements for joint scrutiny	TBA
Skills and Growth ASDV	To monitor the implementation of Cabinet decision to set up new ASDV and have an input into its role and services	Cheshire East has a strong and resilient economy & People have the life skills and education they need to thrive	Julian Cobley	Committee	Update report agreed for 21 March meeting. ASDV due to go live on 1 April 2016	21 March 2016 meeting
Regeneration of Towns and Villages	To assess the regeneration needs of Cheshire East's towns and villages	Cheshire East has a strong and resilient economy	Julian Cobley	Committee	Agreed at workshop	TBA
Private Housing HMOs	The Committee to consider whether the issue would benefit from scrutiny activity	Our local communities are strong and supportive	Karen Whitehead	Corporate Scrutiny Committee	Briefing received at Feb16 meeting. Agreed to monitor progress	July/Sept 16

Jobs Regeneration and Assets Overview and Scrutiny Committee – 11 March 2016

Monitoring Items

Item	Description/purpose of report/comments	Outcomes	Lead Officer/ organisation/ Portfolio Holder	Suggested by	Current position	Key Dates/ Deadlines
High Growth City Project	A task and finish group conducted a review to help council prepare for the potential impact of Crewe being part of HS2 and submitted a report to Cabinet with recommendations.	Cheshire East has a strong and resilient economy	C Simpson K Tierney A Ross	Committee	Response to recommendations to be requested for May formal meeting	May 2016 TBA
Cheshire Neighbours Credit Union	To monitor the progress of the credit union following the reward of a further grant, subject to required actions, by the Cabinet	Our local communities are strong and supportive	Sharon Angus Crawshaw CNCU	Committee	Update received at Feb informal. Further item at May public meeting	May 2016 TBA
Business Engagement	Monitor engagement with Top 100 business in CE. Consider how CE supports SMEs (high growth). How do we stimulate the market and enable development	Cheshire East has a strong and resilient economy	John Willis	Committee	Report received in October. Update requested in six months	25 April 2016 meeting Agenda 15 April
Strategic Asset Management Plan	To monitor the implementation of SAMP and the transfer of surplus assets	Responsible effective and efficient organisation	Heather McManus	Committee	Update to be requested	Future meetings to be considered
Macclesfield Town Centre Regeneration	To receive a paper about the strategy for the town and potential risks and ongoing issues	Cheshire East has a strong and resilient economy	Jo Wise	Caroline Simpson	Presentation received at October meeting	
Crewe Town Centre Regeneration	To receive a briefing about the regeneration framework for Crewe Town Centre	Cheshire East has a strong and resilient	Jez Goodman	Committee	Presentation received at November meeting	

Jobs Regeneration and Assets Overview and Scrutiny Committee – 11 March 2016

		economy				
Congleton Town Centre Regeneration	To receive a briefing about the progress of regeneration in Congleton Town Centre	Cheshire East has a strong and resilient economy		Committee	Request for a briefing on regeneration in Congleton to be requested.	25 April 2016 Agenda 15 April
HS2	To monitor the progress of developments.	Cheshire East has a strong and resilient economy	Caroline Simpson/Andrew Ross	Committee	Latest update received at 14 December informal meeting	Future dates to be considered
Local Plan	Monitor site allocations, housing delivery and impact on regen and other strategies	Cheshire East is a green and sustainable place	Adrian Fisher	Committee	Agreed at workshop	TBA

Possible Future/ desirable items

- End to End Planning Process
- Homelessness Task Group – postponed in sept 15
- Council House Building
- Registered Social Landlords
- Congleton Town Centre Regeneration
- Starter Homes