

# Cabinet Agenda

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**Date:** Tuesday, 21st July, 2015

**Time:** 2.00 pm

**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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

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

**1. Apologies for Absence**

**2. Declarations of Interest**

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

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

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

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

4. **Questions to Cabinet Members**

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

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

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

To approve the minutes of the meeting held on 30<sup>th</sup> June 2015.

6. **Outside Organisation Arrangements 2015-2019** (Pages 11 - 22)

To receive a report on the appointment of representatives to the Category 1 list of outside organisations.

7. **Dealing with Psychoactive Substances/Legal Highs** (Pages 23 - 36)

To note the decision of the Cabinet Member for Communities in relation to this matter.

8. **Anti-Social Behaviour Crime and Policing Act 2014** (Pages 37 - 56)

To note the decision of the Cabinet Member for Communities in relation to this matter.

9. **Cheshire East Local Plan Strategy** (Pages 57 - 252)

To consider the output of the additional work undertaken during the suspension period, which supplements the Local Plan evidence base, and to approve the suggested revisions to the submitted Local Plan Strategy for the Inspector's consideration.

*N.B: Due to the number of appendices relating to this report only Appendix 1 has been published with this agenda; the annexes and the remaining appendices 2-11 can be found on Cheshire East's website at the following address, which can also be accessed from the report.*

<http://cheshireeast-consult.limehouse.co.uk/portal/planning/cs/hs/cabinet>

10. **Cheshire East Domestic Abuse Commission** (Pages 253 - 260)

To consider a report on a proposed procurement process for a whole family domestic abuse service.

11. **Adult Social Care - Care Act Policy Review** (Pages 261 - 296)

To consider a report on proposed changes to the charging policy for care and support.

12. **Development of a Cheshire East Gypsy and Traveller Transit Site** (Pages 297 - 306)

To consider a report on the development of a gypsy and traveller transit site in Cheshire East.

13. **Skills & Growth Company - ASDV** (Pages 307 - 314)

To consider a report proposing a full review of the Council's skills and growth services with a view to creating an arms-length Alternative Service Delivery Vehicle that will improve services to residents and businesses, grow income and reinvest profits.

14. **Strategic Asset Management Plan** (Pages 315 - 348)

To consider a report on a revised Strategic Asset Management Plan.

15. **Winter Service Fleet** (Pages 349 - 354)

To consider a report on the procurement of a new winter service fleet.

16. **2014/15 Final Outturn Review of Performance** (Pages 355 - 428)

To consider a report which sets out the Council's continuing improved performance for 2014/15, and which highlights the latest progress towards achieving the Council's Residents First Outcomes as described in the Council's three year plan 2013 to 2016.

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet**  
held on Tuesday, 30th June, 2015 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

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

Councillors Rachel Bailey, J Clowes, J P Findlow, L Gilbert, P Groves and  
D Stockton

**Members in Attendance**

Councillors D Bailey, S Brookfield, C Chapman, S Corcoran, T Dean,  
B Dooley, I Faseyi, D Flude, M Grant, S Hogben, J Rhodes, L Smetham,  
G Walton and G Williams

**Officers in Attendance**

Mike Suarez, Peter Bates, Caroline Simpson, Anita Bradley, Heather  
Grimbaldeston, Sarah Smith and Paul Mountford

**Apologies**

Councillors A Arnold and A Moran

**1 DECLARATIONS OF INTEREST**

Councillor Michael Jones declared a non-pecuniary interest as a board member of Alderley Park Limited and announced that he would be abstaining from voting on the agenda item relating to the Alderley Park Development Framework.

Councillor Rachel Bailey also announced that she would take no part in the discussion on that item and would also abstain from voting.

**2 PUBLIC SPEAKING TIME/OPEN SESSION**

A number of speakers spoke in relation to proposed changes to the provision of carer respite services. Sue Helliwell wondered if private care homes would pay the living wage, whether the quality of care would be as good and whether any members of the Council or its staff stood to gain financially from the closure of in-house facilities. Charlotte Peters Rock referred to a petition which would be submitted to the Council meeting in July; she felt that the proposed changes were unnecessary and that the report on the agenda lacked substance. Kevan Larkin felt that the proposed changes would make carers vulnerable and he warned of the consequences if carers became ill. David Wood questioned whether there were sufficient replacement beds available in the independent sector and he felt that the proposed changes would place more financial pressure on

carers and their clients. Sue Molesworth was conducting a study of Lincoln House in connection with her PhD. She commented that the most valuable assets in such facilities were the intangible ones such as the knowledge and experience of the people who worked there. Organisations which valued such assets had a competitive advantage. Jean Bennett referred to a number of care homes in the independent sector which she claimed were ill-prepared to provide respite care and would charge significantly higher fees.

The Leader of the Council responded that the Council was committed to providing high quality respite care through the independent sector which he was confident had the capacity to meet demand within the Borough. The Council would look to pre-book beds to ensure the availability of beds at reasonable charges. The Portfolio Holder for Adults, Leisure and Health, Councillor J Clowes, added that many of the people currently using Lincoln House and Hollins View were also using the independent sector.

Sylvia Dyke referred to the unplanned development taking place in Alsager and urged the Council to protect Fanny's Croft which was the only remaining significant piece of open space in the town. The Leader gave his assurance that the Council would do everything it could to prevent the development of the land.

### **3 QUESTIONS TO CABINET MEMBERS**

Councillor D Flude referred to the health implications of people spitting in the street and asked how many offenders had been prosecuted. She also asked if the Council had criteria which it used consistently when assessing children requiring special educational needs. The Leader undertook to provide written replies to the questions.

Councillor S Corcoran asked what contingencies the Council had in place in case the Local Plan was not ready in time. The Leader responded that there were a number of contingencies including neighbourhood plans.

Councillor D Bailey paid homage to the service provided at Lincoln House, and he thanked the staff there for the care a family member of his had received. In this respect, he regretted the proposal to provide respite services elsewhere in the independent sector. The Leader responded that the Council had to take tough decisions in tough times and that local authorities across the north-west were doing the same, many having taken these decisions some time ago.

Councillor B Dooley asked whether, if Hollins View remained open, Council tax would have to increase. Councillor Clowes responded that if the Council did not start providing social care and health care in different ways the situation would become unsustainable.

#### **4 MINUTES OF PREVIOUS MEETING**

##### **RESOLVED**

That the minutes of the meeting held on 21<sup>st</sup> April 2015 be approved as a correct record.

#### **5 MOVING TO LOCAL AND PERSONALISED CARER RESPITE - UPDATE**

Cabinet considered a report on proposed changes to carer respite services.

It was proposed that residential carer respite provision would cease to be provided at the Hollins View and Lincoln House sites as of 31<sup>st</sup> December 2015 and alternative carer respite support be secured from the independent sector.

It was noted that whilst the services provided at the two sites were of a good standard, they were high cost in comparison to similar services provided in the independent sector. The Council could secure quality residential respite from the independent sector at a substantially lower cost. Whilst there was a variation in care home charges across the Borough, the equivalent number of bed nights provided by the Independent sector would cost (on average) 48% less than the in-house service costs.

The changes proposed in the report would release funding for investment in the expansion of the range of carer respite support services that would enable the growing demand for support to be met in future. The proposal would release £1.3 million per annum for reinvestment. In addition, the options appraisal had concluded that the option to provide residential respite to older people and people with dementia and other long term conditions in the independent sector was the strongest option to meet the future predictions of need.

In considering the matter, Cabinet had regard to the options appraisal, an equality impact assessment, the outcome of consultation with service users and carers and four public petitions.

##### **RESOLVED**

That

1. residential carer respite provision cease to be provided at the Hollins View and Lincoln House sites as of 31<sup>st</sup> December 2015 and alternative carer respite support be secured via a formal tender process in various areas across the Borough; Lincoln House and Hollins View continue to offer carer respite beds until 31<sup>st</sup> December 2015;

2. residential carer respite provision for adults with learning disability continue to be provided at the Lincoln House site; and
3. the officers in consultation with the Portfolio Holder as appropriate be authorised to take all necessary steps to implement the decisions.

## 6 NOTICE OF MOTION - LOCAL DEMOCRACY

Cabinet considered the following motion which had been moved by then Councillor K Edwards and seconded by Councillor D Newton at the Council meeting on 26<sup>th</sup> February 2015:

*“This Council recognises the value of local councils throughout Cheshire East. It wishes to work in partnership with them on a continuous basis to improve the well-being of local residents, the prosperity of local businesses, and to enhance the quality of the visitor welcome throughout the borough.*

*“In particular, this Council recognises the strong programme of support for local democracy through:*

- a. *welcoming the establishment of new local councils for Crewe, Handforth, Styal, and Wilmslow;*
- b. *welcoming the forthcoming establishment of a local council for Macclesfield;*
- c. *supporting the work of the National association of Local Councils, through partnership with Cheshire Association of Local Councils;*
- d. *looking every opportunity to work positively with local councils to attract external resources, including grants, to improve the quality of life for local residents.”*

It was noted that the Council had undertaken a number of community governance reviews resulting in all areas of the Borough now being parished. It had also provided financial support for the Cheshire Association of Local Councils and Cheshire Community Action, and had assisted town and parish councils in finding external funding. In short, the Council was demonstrably supportive of local communities and local democracy.

## RESOLVED

That the motion referred to in paragraph 1.1 of the report be noted.

## 7 NOTICE OF MOTION - OFSTED

Cabinet considered the following motion which had been moved by Councillor D Flude and seconded by Councillor I Faseyi at the Council meeting on 26<sup>th</sup> February 2015 and referred to Cabinet for consideration:

*“This Council calls on the Secretary State for Education to mandate Ofsted that it will inform this and other Boroughs Nationally when private, not for profit or charitable residential homes for children and young people are opened in a Borough, thus informing that Borough that there are Children or Young people residing in that Borough who were not residents of that Borough before their placement”.*

The report outlined four stages of awareness in respect of the initial establishment of a Children’s Home and subsequent notification. Children’s Home providers based in Cheshire East were requested to notify the local authority when a child from outside the Borough was placed. This supported the required notification from the placing authority.

## **RESOLVED**

That, whilst recognising that the placement of children across local authority boundaries has been of concern regionally and nationally, for the reasons set out in the report, and it being noted that the Council has been highly successful in the last three years in reducing children placed in external residential care by 33%, the motion referred to in paragraph 1.1 of the report be rejected.

## **8 NOTICE OF MOTION - TRANSITION TO WORK**

Cabinet considered the following motion which had been moved by then Councillor K Edwards and seconded by Councillor L Jeuda at the Council meeting on the 26<sup>th</sup> of February and referred to Cabinet for consideration:

*“Cheshire East Council is committed to encouraging economic growth for the area in general, and to offer opportunities to residents for gainful employment.*

*The Council will therefore:*

- a. ensure that the local living wage is paid as a minimum throughout all the companies where it has overall control;*
- b. encourage, through contractual arrangements, the local living wage as a minimum by those companies from which it procures services and materials;*
- c. encourage the location of highly skilled and well paid jobs in Cheshire East;*
- d. provide and encourage a full range of apprenticeship schemes throughout the Borough, and throughout those companies with which it has contractual arrangements;*
- e. provide and encourage high level training courses to ensure that school and college leavers have the best opportunities available;*
- f. target young people who are not likely to be in education, training or employment when they leave school.”*

The Council fulfilled its legal obligation to pay the statutory minimum wage to all employees (excluding agency workers) and was developing a policy to adopt the 'living wage'. It also encouraged those companies from which it procured services and materials to pay a 'fair' wage to their employees.

The Council continued to invest in the delivery of services to encourage the growth of existing business, and attract new business to the area to create high quality jobs.

Finally, the Council actively encouraged the take up of apprentice schemes, encouraged employers to develop and invest in higher-level apprentice programmes, and supported schools to deliver sound educational training and advice to pre-16 year olds.

## **RESOLVED**

That whilst acknowledging that the ethos of the motion is just, Cabinet does not consider it appropriate for the Council to dictate to businesses how to reward their staff financially and therefore, for the reasons set out in the report, Cabinet rejects the motion, given the investment already being made in supporting policies and activity to encourage economic growth and prosperity in Cheshire East, and to support individuals into gainful employment.

## **9 NOTICE OF MOTION - CONFIDENTIALITY AGREEMENTS**

Cabinet considered the following motion which had been moved by Councillor A Moran and seconded by then Councillor B Murphy at the Council meeting on 26<sup>th</sup> February 2015 and referred to Cabinet for consideration:

*"Subject to statutory and common law requirements and what can be deemed "good and fair practice in relation to innocent third parties", this Council calls for an outright ban on Confidentiality Agreements (aka compromise/non-disclosure/gagging agreements), particularly in relation to financial payments by the Council. In the interests of transparency, honesty and public accountability, the Council requests the Cabinet to produce a protocol or policy document for this Council's approval."*

It was standard good practice for employers to use settlement agreements when an employee left the organisation on voluntary redundancy or following a dispute which had been settled with an agreed payment.

Whilst the Council's standard settlement agreement contained a confidentiality clause in relation to the settlement, it also provided that nothing shall prevent the employee from making a protected disclosure under Section 43(b) of the Employments Rights Act 1996. This achieved a balance of consistently protecting the Council's reputation and in some

cases preventing the legal costs of a protracted dispute, whilst still protecting the former employee's right to raise critical issues through a whistleblowing route.

## **RESOLVED**

That for the reasons set out in the report, Cabinet rejects the motion and resolves to retain the Council's current policy on settlement agreements.

Note: Councillor A Moran had been unable to attend the meeting to speak on this matter but had noted the recommendation in the report.

## **10 NOTICE OF MOTION - INCENTIVE PAYMENTS**

Cabinet considered the following motion which had been moved by then Councillor B Murphy and seconded by Councillor A Moran at the Council meeting on 26<sup>th</sup> February 2015 and referred to Cabinet for consideration:

*"This Council recognises that the successful delivery of its services depends on the team effort of every single employee and therefore calls for the immediate suspension of any performance related pay or bonus scheme that is not available to every single employee."*

The Council's performance related pay policy formed part of the senior management reward package designed to ensure that rewards were linked to the achievement of the 3-Year Council Plan. Its aim was to deliver the highest levels of performance and recognise and reward that performance. The scheme would be reviewed in 2015/16.

## **RESOLVED**

That for the reasons set out in the report, Cabinet rejects the motion.

Note: Councillor A Moran had been unable to attend the meeting to speak on this matter but had noted the recommendation in the report.

## **11 0 - 19 HEALTHY CHILD PROGRAMME**

Cabinet considered a report seeking authority to enter into a contract for 0 – 5 public health services.

Since the Cabinet had last considered the matter at its meeting on 11<sup>th</sup> February 2015, the procurement process for the 0-19 Healthy Child Programme had required a new timeline which meant that all three Healthy Child Programme contracts (Health Visiting, School Nursing and Breastfeeding) would now start on 1<sup>st</sup> October 2015.

The report updated Cabinet on the new procurement timeline and reported that authorisation had been given to the relevant Portfolio Holders, the Director of Public Health and Executive Director of Strategic

Commissioning to enter into a contract for 0 – 5 public health services (Health Visiting and Family Nurse Partnership) with a supplier, such authorisation having been given by way of an urgent decision taken in accordance with Cabinet Procedure Rule 53.

**RESOLVED**

That following the procurement process, the Council enter into a contract for 0-5 years (Health Visiting and Family Nurse Partnership) with a supplier, it being noted that the authority to enter into a contract has been delegated to the relevant Portfolio Holders, the Director of Public Health and Executive Director of Strategic Commissioning by way of an urgent decision taken in accordance with Cabinet Procedure Rule 53.

**12 MACCLESFIELD TOWN CENTRE REGENERATION**

Cabinet considered a report on the work undertaken by officers to date to progress alternative regeneration proposals for Macclesfield Town Centre.

After consideration of the various potential delivery mechanisms summarised in the Options Appraisal at Appendix A to the report, officers had identified that the best way forward to facilitate rapid delivery was to promote two alternative sites for sale, to enable consideration of all options the market could deliver. Further details were set out in the report.

**RESOLVED**

That

1. the Macclesfield Town Centre Development Agreement of 2007 (as amended in 2011) between Cheshire East Council, Wilson Bowden Developments Limited and Barratt Developments Plc be terminated;
2. the Executive Director of Economic Growth and Prosperity be authorised to withdraw the Cheshire East Council (Churchill Way, Macclesfield) Compulsory Purchase Order (CPO) 2014;
3. the proposal to press ahead with securing a leisure-led development for Macclesfield town centre be endorsed and officers be authorised to take all necessary actions to facilitate and secure the sale of an appropriate parcel of Council owned land within the area of the stalled Silk Street development to enable the accelerated delivery of a leisure-focused development, including (but not restricted to):
  - a. Taking any measures necessary to reprovide for any market traders using Churchill Way car park
  - b. Taking necessary measures to amend the Macclesfield Off Street Parking Places Order 2008 (or any replacement order) to enable either Duke Street car park or Churchill Way car park to



be released for development dependent on the granting of planning permission for redevelopment of that car park for a leisure led regenerative development;

- c. Marketing both Churchill Way car park and and Duke Street car park for sale for a regenerative leisure led development to maximise potential opportunities;
  - d. Authorising acquisition of any appropriate associated remaining freehold and leasehold interests relating to the Churchill Way or Duke Street car park sites to enable delivery of a leisure scheme, within approved budgets including taking necessary measures to agree confirmation of a 'lift and shift' agreement for accommodation of the electricity sub-station on the Churchill Way car park site;
4. authority be delegated to the Executive Director of Economic Growth and Prosperity in consultation with the Portfolio Holders for Macclesfield, Regeneration and Assets and Finance and Assets, and the Chief Operating Officer and Head of Legal Services, to authorise the sale of either site for the most advantageous scheme which emerges from the marketing process.

### **13 ALDERLEY PARK DEVELOPMENT FRAMEWORK**

Cabinet considered a revised Alderley Park Development Framework following recent public consultation.

The consultation ran between the 30<sup>th</sup> January and 13<sup>th</sup> March 2015. A summary of the representations made in response to the consultation was set out in Appendix C to the report.

A number of amendments had been made to the draft Development Framework to reflect the views expressed during the public consultation period. A final version of the Framework document was attached at Appendix B.

#### **RESOLVED**

That

- 1. the revised version of the Alderley Park Development Framework appended to the report be approved and its use as a material consideration when determining future planning applications on the site as part of the Development Management process be endorsed; and
- 2. the existing now outdated Alderley Park Planning Brief of 1999 be withdrawn as a Supplementary Planning Document.

Note: the Chairman, Councillor Michael Jones, and Councillor Rachel Bailey did not vote in relation to this matter.

The meeting commenced at 2.00 pm and concluded at 4.15 pm

Councillor M Jones (Chairman)

## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	21 <sup>st</sup> July 2015
<b>Report of:</b>	Head of Governance and Democratic Services
<b>Subject/Title:</b>	Outside Organisation Arrangements 2015-2019
<b>Portfolio Holder</b>	Leader of the Council

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#### 1.0 Report Summary

- 1.1 This report provides details of the appointment of representatives to the Category 1 list of outside organisations; these are top level strategic organisations at national, regional and local level, and the Cabinet is responsible for making these appointments.
- 1.2 Outside organisation appointments made by the Council fall into 3 categories as follows:
- Category 1 - appointed by the Cabinet; these are top level strategic organisations at national, regional and local level.
- Category 2 - appointed by the Constitution Committee; these organisations tend to be of a more local nature.
- Category 3 - statutorily these have to be made by full Council
- 1.3 A request has also been made by Cheshire East Borough's three stock-transfer housing associations, in respect of proposed changes to their Governance arrangements. These are detailed in the report.

#### 2.0 Recommendations

That

- (a) Cabinet confirms it wishes to continue with the current approach to appointing to outside organisations, and for the casual vacancy procedure to be used in the event of changes in the mid term period;
- (b) approval be given to the appointment of the representatives shown on the schedule to this report, and that the appointments will subsist until such time as representation is reviewed following the election of the new Council in 2019;
- (c) the appointments take immediate effect;
- (d) notwithstanding (a) above, the Cabinet retains the right to review the representation on any outside organisation, at any time.

- (e) an appropriate arrangement be prepared by officers, in consultation with the Leader of the Council, which will enable nominated Members to provide feedback in respect of their work on key outside organisations, and in respect of the organisation in question; and
- (f) the request of the three stock-transfer housing associations, in respect of their governance arrangements, and as set out at paragraphs 12.2-12.4 of this report, be determined.

### **3.0 Reasons for Recommendations**

- 3.1 It is important for the Council to appoint to outside organisations to ensure that it continues to represent the interests of both the Authority and the wider community.
- 3.2 Appointments are made for the duration of the Council, which is 2015 - 2019, although it may sometimes be necessary for them to be reviewed during that time.
- 3.2 There is a casual vacancies procedure for dealing with changes that arise from time to time, which will continue to be used for any changes which might occur during this period.
- 3.3 In respect of the proposed housing association governance arrangement changes, there is a need to respond to the request by the Borough's three housing associations.

### **4.0 Wards Affected**

- 4.1 Not applicable.

### **5.0 Local Ward Members**

- 5.1 Not applicable.

### **6.0 Policy Implications**

- 6.1 This report seeks a decision of Cabinet, which will effectively establish the policy of the Council in respect of Council nominations to outside organisations generally, and to the Boards of housing associations.  
There is a need for consistency in the approach taken in response to the requests made by the housing associations, as these will be regarded as a precedent which would be expected to be followed in the future.

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

None directly identified.

## 8.0 Financial Implications

8.1 None identified which directly relate to the Council.

## 9.0 Legal Implications

9.1 Whilst membership of outside bodies carries with it the potential for personal liability for elected Members undertaking such roles as ancillary to their status as a Councillor, particularly in respect of trusteeships, Cheshire East Borough Council has resolved to put in place for elected Members the maximum indemnity which is allowed by law.

9.2 Section 111 of the Local Government Act 1972 empowers local authorities to do any thing which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions, and Section 2 of the Local Government Act 2000 empowers them to do anything they consider likely to achieve the object of the promotion of the economic, social or environmental well-being of their area. In addition there is now the general power of competence under the Localism Act 2011. These are the main provisions which the Council would rely on to appoint members to outside bodies/select those bodies to which they are appointed.

## 10.0 Risk Management

Risk	Mitigation
Failure to appoint Members to outside organisations could have a direct or indirect impact on the outside organisations.	The operation of a procedure for making timely appointments to outside organisations.
Cheshire East Council is unable to influence key stakeholders.	Operation of a satisfactory scheme of appointment to ensure Council representation.

## 11.0 Background and Options-general appointments to outside organisations

11.1 Cabinet last made appointments to the list of Category 1 outside organisations in June 2011. Members were appointed to serve until such time as representation was reviewed following the election of a new Council in 2015. This has avoided there being a hiatus caused by representation ceasing in the period between the elections and the first meeting of the Cabinet.

11.2 By making appointments last until such time as they are reviewed following the election of the new council in 2019, this potential difficulty will again be avoided.

11.3 As a general rule, the term of office should be commensurate with the requirements of the organisation to which the Member is appointed.

However continuity of representation is also important. By appointing for the duration of the life of the Council, the expertise and experience of the appointee are not lost to the organisation. This approach has worked very well for the last four years.

- 11.4 There is a casual vacancies procedure for dealing with changes that arise from time to time, which will continue to be used for changes which might occur during the appointed period.
- 11.5 When making appointments to outside organisations, there is no requirement to adopt the rules of proportionality.
- 11.6 Over the period since 2011, discussion has taken place variously about the benefits of nominees to certain key outside organisations providing feedback to the Council upon their work and that of the organisation in question. This report therefore recommends that an appropriate feedback arrangement be prepared by officers, in consultation with the Leader of the Council.

## **12.0 Background and options-proposed changes to stock-transfer housing associations**

- 12.1 The appendix to this report has been submitted by the three Cheshire East stock-transfer housing associations. It summarises their requested rule changes. The constitutions of each of the housing associations require the Council to approve changes to their Articles of Association, including those which the housing associations now seek.

### Council nominations to housing association boards

- 12.2 The housing associations seek a reduction in the number of Council nominees to their boards, to one. The associations suggest that their requests stem from the expectations of the regulator: the Homes and Communities Agency (HCA). Whilst the HCA places emphasis on the need for Board members to have the right skills and competencies, it does not appear to be prescriptive in relation to nominations by local authorities of Board members, this being left to local negotiation. Board Members do not represent the interests of the nominating local authority, but they do create a key link between the two organisations and can advise both accordingly.

### Other proposed changes

- 12.3 Peaks and Plains wish to pay an allowance to Board members for the first time. Plus Dane proposes a new "Group-wide Board" in respect of which the local authority nominee would receive an allowance. Wulvern currently pays allowances to local authority Board members.

12.4 Other proposed changes include:

- A request by Peaks and Plains that the Council agree that Council nominees should not be required to be in attendance at meetings in order to meet quorum requirements.
- The proposed adoption by the three housing associations of National Housing Federation Model Rules. (see link to Model Rules:  
<http://www.housing.org.uk/publications/browse/model-rules-2015/>

12.5 Cabinet is asked to consider the requests made by the housing associations.

### **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer. There are no specific background documents.

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Schedule of Category 1 Outside Organisations – Appointments made by Cabinet for 2015-2019

Organisation	Contact Details	Members 2015 - 2019	No. of Places
Cheshire and Warrington Local Transport Body	Cherry Foreman Democratic Services	D Brown (C) M Jones (C)	2
Cheshire East Local Access Forum	Rachel Graves – Democratic Services	Rhoda Bailey (C)	1
Cheshire and Wirral Partnership NHS Foundation Trust (Mental Health Services)	Cheshire and Wirral Partnership NHS Foundation Trust Trust Board Offices, Upton Lea, Countess of Chester Health Park, Liverpool Road, Chester, CH2 1BQ Tel: 01244 364404 E-mail: <a href="mailto:Linda.leask@cwpl.nhs.uk">Linda.leask@cwpl.nhs.uk</a> Julie McMorran (Company Secretary) E-mail: <a href="mailto:julie.mcmorran@cwpl.nhs.uk">julie.mcmorran@cwpl.nhs.uk</a>	J Saunders (C)	1
County Councils Network	Lisa Wood, Office Administrator County Councils Network Local Government House, Smith Square, London SW1P 3HZ Tel: 020 7664 3011 Fax: 020 7664 3001 e-mail: <a href="mailto:lisa.Wood@local.gov.uk">lisa.Wood@local.gov.uk</a>	A Arnold (C) D Brown (C) P Findlow (C) M Jones (C)	4
Environment Agency (NW) Regional Flood Defence Committee (North West)	Mark Garratt Environment Agency, Appleton House, 430 Birchwood Boulevard, Birchwood, Warrington, WA3 7WD Tel: 01925 840 000 Website address: <a href="http://www.warrington.gov.uk">www.warrington.gov.uk</a>	R Menlove (C)	1

Schedule of Category 1 Outside Organisations – Appointments made by Cabinet for 2015-2019

Organisation	Contact Details	Members 2015 - 2019	No. of Places
EU STRUCTURAL FUNDS GOVERNANCE GROUP. Programme Monitoring Regional Committee	Paul Byrne, Committee Secretary European Programme Secretariat, Government Office for the North-West, Washington House, New Bailey Street, Manchester, M3 5ER Tel: 0161 952 4368 E-mail: <a href="mailto:pbyrne.gonw@go-regions.gov.uk">pbyrne.gonw@go-regions.gov.uk</a>	P Groves (C)	1
European Chemicals Regions Network	Dr Hanny Nover Director of ECRNe.V.Network Secretariat Boulevard St Michel 80 B-1040 Bruxelles Email: <a href="mailto:nover@ecm.net">nover@ecm.net</a>	D Brown (C)	1
Federation of Burial and Cremation Authorities	Executive Committee The FBCA 41 Salisbury Road, Carshalton, Surrey SM5 3HA Tel: 020 8669 4521 E mail: <a href="mailto:fbcasec@btconnect.com">fbcasec@btconnect.com</a>	D Marren (C)	1
Joint Cheshire Pensions Investment Panel	Administered by CWAC	P Findlow (C) P Groves (C) P Mason (C) D Newton (L)	4
LGA - General Assembly	Marion Stribling/Noleen Rosen Local Government Association Smith Square, London, SW1P 3HZ Tel: 020 7664 3131 e-mail: <a href="mailto:marion.stribling@lga.gov.uk">marion.stribling@lga.gov.uk</a>	D Brown (C) J Clowes (C) M Jones (C) (as Leader)	3

Schedule of Category 1 Outside Organisations – Appointments made by Cabinet for 2015-2019

Organisation	Contact Details	Members 2015 - 2019	No. of Places
LGA People and Places Board	Local Government Association Smith Square, London, SW1P 3HZ	M Jones (C)	1
Manchester Airport Consultative Committee	Denise French (Middlewich Town Council) and Mike Flynn <a href="mailto:michael.flynn50@ntlworld.com">michael.flynn50@ntlworld.com</a>	T Dean (C) D Stockton (C) G Walton (C) J Macrae (C) (sub)	3 + 1 sub
Marketing Cheshire	Chris Brown Chief Executive - Direct Dial: 01244 405602 Tel: 01244 405600 E-mail: PA: <a href="mailto:s.pond@marketingcheshire.co.uk">s.pond@marketingcheshire.co.uk</a>	L Gilbert(C)	1
Mid Cheshire Hospitals NHS Foundation Trust	<a href="mailto:John.moran@mcht.nhs.truat">John.moran@mcht.nhs.truat</a> Mid Cheshire Hospitals Trust (Leighton Hospital) Leighton Crewe CW1 4QJ  Melissa Steele (Acting Trust Secretary) Tel: 01270 612128 Email: <a href="mailto:melissa.steele@mcht.nhs.uk">melissa.steele@mcht.nhs.uk</a>	J Clowes (C)	1
North West Employers Organisation	Kathryn Martin North-Western Local Authorities Employers Organisation 6 <sup>th</sup> Floor, Delphian House, Riverside New Bailey Street, Manchester M3 5AP Tel: 0161 834 9362 Website: <a href="http://www.nweo.org.uk">www.nweo.org.uk</a> E-mail: <a href="mailto:kathrynM@nwemployers.org.uk">kathrynM@nwemployers.org.uk</a> Tel: 0161 214 7123 Liz McQue (Chief Exec)	P Findlow (C)	1

Schedule of Category 1 Outside Organisations – Appointments made by Cabinet for 2015-2019

Organisation	Contact Details	Members 2015 - 2019	No. of Places
North-West Rail Campaign	Emma Antrobus E-mail: <a href="mailto:Emma.Antrobus@manairport.co.uk">Emma.Antrobus@manairport.co.uk</a> e-mail address is <a href="mailto:info@nwrailcampaign.org">info@nwrailcampaign.org</a> or <a href="mailto:info@nwrailcampaign.org">info@nwrailcampaign.org</a>	H Davenport (C)	1
PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee	Louise Hutchinson Head of Service, Joint Committee Services PATROL, Springfield House, Water Lane, Wilmslow SK9 5BG E mail: <a href="mailto:lhutchinson@patrol-uk.info">lhutchinson@patrol-uk.info</a> Tel : 01625 445565 Fax: 10625 445566	J Macrae (C)	1
Peak District National Park Authority	Peak District National Park Authority, Aldern House, Baslow Road Bakewell, DE4 1AE Jason Spencer– Democratic Services Manager e-mail: <a href="mailto:jason.spencer@peakdistrict.gov.uk">jason.spencer@peakdistrict.gov.uk</a> also: <a href="mailto:ruth.crowder@peaksdistrict.gov.uk">ruth.crowder@peaksdistrict.gov.uk</a> Tel: 01629 816 200	J Macrae (C) <sup>1</sup>	1
Peaks and Plains Housing Trust	Pauline Gosling, Governance Officer Cheshire Peaks & Plains Housing Trust Registered Office: Ropewalks, Newton Street, Macclesfield, SK11 6QJ Telephone: 01625 553542 E-mail - <a href="mailto:p.gosling@peaksplains.org">p.gosling@peaksplains.org</a>	P Findlow (C)	1 <sup>2</sup>

<sup>1</sup> Appointment authorised under the Council's urgency procedures

<sup>2</sup> 1 rep is being appointed in accordance with the recommendations of the covering report

Schedule of Category 1 Outside Organisations – Appointments made by Cabinet for 2015-2019

Organisation	Contact Details	Members 2015 - 2019	No. of Places
Peaks and Plains of Cheshire Tourism	Ivor Williams Kerridge End House Rainow SK10 5TF Tel: 01625 424220	J Jackson (L) G Walton (C)	2
Plus Dane (Cheshire) Housing Association Ltd.	Alison Carey Tel: 0151 708 4664 <a href="mailto:alison.carey@neighbourhoodinvestor.com">alison.carey@neighbourhoodinvestor.com</a>	D Brown (C)	1 <sup>3</sup>
Silk Heritage Trust (The)	Penny Asquith-Evans The Heritage Centre, Roe Street, Macclesfield. SK11 6UT Tel: 01625 613210 Email: <a href="mailto:finance@silmacclesfield.org.uk">finance@silmacclesfield.org.uk</a>	C Andrew (C) D Brown (C) L Smetham (C)	3
West Coast Rail 250	Duncan Stewart, Taith Project Manager (Treasurer and Membership Secretary for the West Coast Rail 250 Campaign) Management Unit, Flint Station, Market Square, Flint, Flintshire, CH6 5NW Tel: 01352 704 561 Direct dialling: 01352 704 545 <a href="mailto:Duncan.stewart@taith.gov.uk">Duncan.stewart@taith.gov.uk</a>	H Davenport (C)	2
Wulvern Housing (Crewe)	Christine Kewley PA to Chief Exec and Board Cttee Administrator Wulvern Housing Ltd, Wulvern House, Electra Way, Crewe, CW1 6GW Tel: 01270 503602 e-mail: <a href="mailto:christine.kewley@wulvernhousing.org.uk">christine.kewley@wulvernhousing.org.uk</a>	J Wray (C)	1 <sup>4</sup>

<sup>3</sup> 1 rep is being appointed in accordance with the recommendations of the covering report

<sup>4</sup> 1 rep is being appointed in accordance with the recommendations of the covering report

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## CHESHIRE EAST COUNCIL

### Cabinet Member for Communities

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**Date of Meeting:** 20<sup>th</sup> July 2015  
**Report of:** Steph Cordon – Head of Communities  
**Subject/Title:** Dealing with Psychoactive Substances/Legal Highs  
**Portfolio Holder:** Cllr Les Gilbert, Communities

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#### 1. Report Summary

- 1.1 As a Residents First Council, we work closely with our partners to reduce crime and disorder across the borough. Over the last 3 years, this joint work has led to a 11% reduction in overall crime in Cheshire East.
- 1.2 As an Enforcing Council, we are exploring all our options to address local concerns regarding the use of Psychoactive Substances/Legal Highs. Throughout this document they will be referred to as “legal highs” which is the most recognised name for these products.
- 1.3 Legal Highs are causing increasing concern both nationally and across our communities and within a range of agencies including council services, the Police and healthcare professionals. Products sold as ‘legal, are’ alternatives to drugs which are designed to mimic established drugs which are not always legal.
- 1.4 Local concerns have increased, following recent incidents in Warrington and Runcorn, which led to several individuals being hospitalised, who it is believed took a specific legal high called “Vertex”.
- 1.5 The Government’s legislative programme for the 2015-16, includes the Psychoactive Substances Bill, which will make it an offence to produce, supply, offer to supply, possess with intent to supply, import or export psychoactive substances (so called ‘legal ‘highs’). This is to include civil sanctions to enable ourselves and the police to adopt a proportionate response to tackling the supply in appropriate cases.
- 1.6 Whilst we await the release of the proposed Bill, we are working closely with our partners to look at the powers available to us to assist in the control of these substances, including the new tools and powers within the ASB Crime and Policing Act 2014.
- 1.7 This report summarises the powers currently available which we could utilise, outlines relevant considerations and the thresholds that need to be met, and recommends actions to deal with our current issues.

## **2. Recommendations**

That the Cabinet Member agrees to:

- a) approve our continued joint work with partners to develop a joint approach using current tools and powers, to tackle the supply of legal highs and address any community impacts.
- b) approve that the Head of Communities as Chair of Safer Cheshire East Partnership, sends out a joint letter (as in appendix 2) with the Police to premises believed to be selling legal highs.
- c) That Cabinet notes the commitment to dealing with this issue

## **3. Other Options Considered**

3.1 A subregional multi agency meeting was held on the 11<sup>th</sup> June 2015 to discuss all legislation and powers available to us, to tackle legal highs. A summary of the conclusions (provided by Force Solicitors) is in Appendix 1.

## **4. Reasons for Recommendations**

4.1 As part of our Residents First approach and as an Enforcing Council, we are proud to be one that is tough on residents and businesses that are selfish and cause harm to others. Where it can be evidenced, and in light of the growing concerns around legal highs, we are ensuring we have processes in place to deal with the impacts that legal highs have to lives of our residents and communities.

## **5. Background/Chronology**

5.1. Cheshire East Council works proactively with partners across the borough to reduce crime and disorder, and we address the impact it has on our local communities.

5.2. Our joint work has led to a 11% reduction in overall crime over the past 3 years, with even higher reductions in key areas, where Safer East Cheshire Partnership has focussed its collective resources. These include reductions in:

- Burglary - by 15%
- Criminal damage and arson - by 21%
- Shoplifting and other thefts - by 17%
- Vehicle Crime by 25%
- Fatal Collisions - by 50%

5.3. Recently our communities have reported to us concerns regarding the sale and use of Legal Highs. We are addressing this issue with local partners, to harness our joint resources to address this concern and protect our residents from both the use of and any wider impacts caused by Legal Highs.



- 5.4. The Anti-Social Behaviour, Crime and Policing Act 2014 commenced on 20<sup>th</sup> October 2014. The key powers in relation to legal highs are the Public Spaces Protection Order (PSPO), the Community Protection Notice (CPN) and Closure Powers.
- 5.5. Statutory Guidance sets out how for these tools and powers can be implemented. There are clear thresholds that need to be met, which are primarily incident and evidence based that have a clear link to Anti-Social Behaviour in order for the council to progress with the use of the any of the new powers.
- 5.6. With reference to the use of Public Space Protection Orders (PSPO), the areas that have met the thresholds so far are: Macclesfield Underpass (where Buinswick Hill meets the underpass) and Poynton Sports Club. Work to develop these PSPOs will include a prohibition regarding the use of legal highs. Further investigation is continuing to look at the identification of other areas with similar levels of evidence which include Tesco's Car Park, Crewe and Fairview Car Park, Alsager.
- 5.7. There is currently no evidence to link the use of legal highs to ASB in other areas in Cheshire East, and legal advice states that we cannot consider the use of a "blanket" Public Spaces Protection Order for the Borough at this stage. However this will be monitored on a regular basis and we will take swift action to push and test all boundaries within the new Act to tackle those areas where this can be linked.
- 5.8. Community Protection Notices warnings can be considered to serve on premises if there is a clear link that the selling of these substances is leading to ASB incidents. There is currently no evidence to link this within Cheshire East, but we will continue to review and monitor this and will take action if the situation changes. We are also looking into how we can test the interpretation of ASB with a view to push for some of these notices to be served.
- 5.9. We will use our Closure Powers if the following has occurred or will occur if the power is not used:-
- Disorderly, offensive or criminal behaviour; or
  - Serious nuisance to the public; or
  - Disorder near the premises
- 5.10. If any of the above suggested powers are considered, displacement would have to be reviewed as a risk. The health implications of consuming some of these products can be considered as far outweighing any form of ASB that is reported. There is potential for this to be "driven underground", therefore potentially putting young people and adults at further risk. Public Health and Youth Engagement Services will be consulted throughout any enforcement.

- 5.11. It is recommended that we contact retailers who have been identified as selling legal highs or alledged to have sold them. As a follow up to a number of visits already made by Trading Standards to these retailers, it is proposed that a formal letter is signed off by CEC and Cheshire Constabulary to be served in person on the relevant premises. The letter is aimed at retailers and reminds them of their obligations around the sale of these products with various warnings attached. A copy of this letter is detailed in Appendix 2. Monitoring of the premises and any other identified premises can then take place on a regular basis with both police and trading standards.

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

- 6.1. All

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. Supports the Council's Enforcement Policy, and our Corporate Outcomes, in particular Outcome One - Our local communities are strong and supportive and Outcome Five – People live well and for longer.

### **7.2 Legal Implications**

- 7.2.1 It is essential that due legal process is followed according to CEC's Enforcement Policy and that any Notice issued accords with the requirements of the Act. Appropriate legal advice would be sought prior to the publication of any Statutory Notice.
- 7.2.2. Compliance must also be met via: Articles 10 and 11 ECHR and S149 Equality Act re public sector equality duty.
- 7.2.3. It needs to be noted that a lot of reports containing concerns around the use of legal highs, involve young people. All of the suggested powers (especially PSPO's) can only be enforced on individuals who are over the age of 16. This means that the use of a PSPO banning the possession of or use of legal highs could not be fully enforced. The Council in its current position would be powerless to serve Fixed Penalty notices unless there is consideration given to lowering the age that the Council serve FPN's on. This can be set at anything above the age of 10 years (criminal responsibility) but is currently set across the board at 16 years.

### **7.3 Financial Implications**

- 7.3.1 Current work is within existing budgets. Any applications for Orders will consider financial implications as it would vary dependant on action taken.

### **7.4 Equality Implications**

- 7.4.1. None at this stage.

## **7.5 Rural Community Implications**

- 7.5.1** Proposals have no adverse impact on rural communities, and impacts are across all areas.

## **7.6 Human Resources Implications**

- 7.6.1** Work is underway to ensure officers receive the relevant training in relation to issuing the Fixed Penalty Notices and also refresh training on the relevant powers as and where needed.
- 7.6.2** When the powers are put in place, consideration needs to be given to the policing of them in order to take robust action against those that are not complying.

## **7.7 Public Health Implications**

- 7.7.1** Proposals positive support public health outcomes and work is to address a public health issue.

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

N/A

## **8 Risk Management**

- 8.1** Any potential risks have been considered and mitigated against in this context.
- 8.2** The key risk identified is detailed in 5.7 above and will be carefully considered and mitigated against when progressing cases.

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

**APPENDIX 1** Summary of available powers and legislation provided by Force Solicitors

**APPENDIX 2** Letter to retailers with reference to Legal Highs

### **9.2 BACKGROUND PAPERS:**

Anti-Social Behaviour, Crime and Policing Act 2014: Reform of anti-social behaviour powers. Statutory guidance for frontline professionals.

## **10 Contact Information**

Contact details for this report are as follows:

**Name:** Steph Cordon  
**Designation:** Head of Communities  
**Tel. No.:** 868401  
**Email:** [steph.cordon@cheshireeast.gov.uk](mailto:steph.cordon@cheshireeast.gov.uk)

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**APPENDIX 1 – LEGAL HIGH CURRENT LEGISLATION OPTIONS ( MEETING NOTES PROVIDED BY FORCE SOLICITORS)**

**LEGAL HIGHS**

	Option	Description	Comments
1	<b>General Produce Safety Regs 2005</b>	Applies to the sale of “dangerous products” which is defined as a “product other than a safe product”. Safe product is defined. Discussed in Counsels advice in detail. Doesn’t prevent sale altogether	Warrington TS found that having issued warnings the retailers appeared to have ceased selling. Equally evidence was that the labelling had changed and so clarity around that would be required.  This is an option however and one which Andrew Thomas recommended linked with other possibilities.
2	<b>Chemical Hazard Information and Packaging for Supply Regs 2009</b>  <b>Food Safety Act 1990</b>	<b>CHIP</b> - Does not apply if intended for human consumption – note anomaly as prosecution fails under CPUT because clearly say on packet not for human consumption and thus consumer left to decide but for CHIP plainly do intend it for consumption so thus not under CHIP! Anomaly explained by judge that legislation not there to protect consumers from their own reckless attitude to personal safety.  <b>Food Safety Act 1990</b> – means that the substances probably fall within definition of food and thus subject to relevant requirements eg as to food labelling and hygiene regs.  These options don’t prevent sale altogether	CHIP – repealed essentially from 01 June 2015. Replaced (note transitional period) with Guidance on Labelling and Packaging from EU – legislation for the chemical industry. Appears that in Warrington the phrase “not fit for human consumption” has been removed from labels and Warrington TS noted that in general packaging appears to comply with new guidance.  Food Safety Act – options here re appropriate labelling but the tricky issues associated with being seen to sanction such products.
3	<b>Injunctions : Enterprise Act 2002 or LGA 1972 and 2000</b>	See relevant guidance -	Court process not swift. “5 year plan” – well intentioned piece of legislation and relevant LGA powers but the process is so time consuming and detailed it is not practical for this scenario in the circumstances.
4	<b>Closure Order</b>	The test is that the following has occurred or will occur if the	Considered and discussed re specific premises

		<p>power is not used:-</p> <ul style="list-style-type: none"> <li>Disorderly, offensive or criminal behaviour; or</li> <li>Serious nuisance to the public; or</li> <li>Disorder near the premises</li> </ul>	<p>but not a general option and not relevant at this time. A reactive solution to specific problem premises in the right circumstances.</p>
5	<b>CPN</b>	<p>To stop a person aged 16 or over, business or organisation committing anti social behaviour which spoils the community's quality of life. Behaviour to have a detrimental effect on quality of life of those in the locality, be of a persistent or continuing nature AND be unreasonable.</p>	<p>An option used in Blackpool and now also in Lincolnshire alongside the PSPO. Again likely to be specific problem premises and though could be used re users more likely re suppliers.</p>
6	<b>PSPO</b>	<p>Section 59 ASB, Crime and Policing Act 2014 – test broadly that activities carried on (or likely to be carried on) in a public place within the authorities area have had a detrimental effect on the quality of life of those in the locality AND the effect or likely effect is (or likely to be) of a persistent or continuing nature, such as to make the activities unreasonable and justifies the restrictions imposed by the notice</p>	<p>Actively being considered in some areas and is an option which deals with wider issues but can address legal highs. Depends very much on the locality and the issues within that area. To be progressed in relevant areas.</p>
7	<b>Seizure : Fraud Act and Administering a Noxious Substance OAPA 1861</b>	<ul style="list-style-type: none"> <li><b>Fraud Act 2006</b> – representation which is untrue or misleading, knows it is or that it might be untrue or misleading, thereby acts dishonestly and intends to make a gain for himself or loss to another. Effectively based on the products being marked “not for human consumption”. Issue here though is creative use of offence to ban something parliament could directly legislate against but hasn't. Public interest issue though one would have to argue not seeking to ban just ensure compliance with regulatory requirements including re safety.</li> <li><b>Section 23 / 24 OAPA</b> administering poison with intent to endanger life / inflict GBH OR maliciously (s24). Need to prove date and location, unlawfully and maliciously, administer / cause to be administered / cause to be taken, poison / noxious thing and endangering life / inflicting GBH</li> </ul>	<p>Fraud offence an option cited in Andrew Thomas advice and subject to the packaging issue appears to be an option. Need test purchases and subject to that could progress in conjunction with other offers.</p> <p>OAPA – reactive in specific circumstances only and not a preventative measure. Very unique circumstances and not of general application.</p>

		These options don't prevent sale altogether.	
8	<b>Health and Social Care Act – public health communicable diseases</b>		View from Warrington having debated this issue with colleagues is that does not fit within this legislation. Not considered contamination. CWAC had possibly used previously re illegal tattooist but not considered to be suitable here.
9	<b>Intoxicating Substances (Supply) Act 1985</b>	This was designed to address substance abuse in young people. Prohibits sales to customers under the age of 18 years where the seller "knows or has reasonable cause to believe that the substance is, or its fumes are, likely to be inhaled by the person under the age of 18 for the purpose of causing intoxication".	An option to address supply to under 18s in appropriate circumstances.

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## APPENDIX 2 – LETTER TO RETAILERS



Dear

### **The Sale, Possession and Supply of Novel Psychoactive Substances**

Novel Psychoactive Substances (NPS) are causing increasing concern amongst healthcare professionals, youth workers, parents, local authorities and the police. Products sold as 'legal' alternatives to drugs which are designed to mimic established drugs are not always legal. 19% of NPS tested by the Home Office in 2013/14 were found to contain illegal substances controlled under the Misuse of Drugs Act 1971. These would therefore be illegal to possess, supply, offer to supply and illegal for the consumer to possess. Results from testing NPS have shown that the chemical composition of the substances in each packet can vary greatly across batches and therefore it cannot be assumed that the same substance is in each packet even if they are labelled the same.

NPS may be labelled as 'plant food' or 'research chemicals' but practically they are being sold for their psychoactive effects on humans. It is clear that these products are being used for human consumption. NPS sold to consumers must satisfy safety legislation like all other products must do.

### **What you should do now**

It is important that you consider the content of this letter carefully. If you are selling NPS you are under a legal responsibility to ensure that they do not pose a risk to consumers and comply with the legislation set out in this letter. You should know what the products you sell contain and what they are going to be used for. It is your responsibility to ensure that these chemicals are not harmful or controlled substances and that you are not enabling the illegal drugs trade in the UK.

**If you have any doubts about these products you should remove them from sale. This reduces the risk of legal action under the criminal law by an enforcement agency or a claim under the civil law for personal injury from a consumer who has been injured or becomes unwell from using the product. You should check with your public liability insurer to establish if you would be covered if there was a claim against you for personal injury following a customer's use of an NPS supplied from your premises.**

This is also to advise you of an issue relating to a "New Novel Psychoactive Substance," which has now become a national concern.

At least four people in Cheshire have collapsed and have been hospitalised due to the ingestion of a substance known as '**Vertex Space Cadet**'.

Provisional results from the analysis of the VERTEX recovered by Cheshire Constabulary indicate the presence of a substance called, AB-CHMINACA. The substance has been found to be similar to that which is assessed to have caused a number of fatalities in Europe and the US.

We would ask on behalf of the public of Cheshire that you do not offer to sell or supply this product.

We have to inform you that if you do sell or supply this product and this resulted in the injury or death of a consumer then Cheshire Constabulary would investigate whether any criminal offences had been committed.

Potential offences could include:

- Section 24 of the Offences against the Person Act 1861- unlawfully and maliciously administering to or causing to be administered to or taken by any other person any poison or other destructive or noxious thing, with intent to injure, aggrieve or annoy such person.
- Manslaughter by subjective recklessness or gross negligence.

### **Intoxicating Substances (Supply) Act 1985**

*The Intoxicating Substances (Supply) Act 1985 makes it an offence to supply, or offer to supply, a substance to a person who you know, or have reasonable cause to believe, is under the age of 18 and if you know, or have reasonable cause to believe, the substance is, or its fumes are, likely to be inhaled by that person to cause intoxication.*

NPS which are inhaled, or which are smoked, are covered by this legislation.

Some NPS are described as 'herbal incense' or 'research chemicals', but there is no doubt that their real use is as an intoxicant. Please be advised that we will take formal action when such products are supplied to a person the seller had reasonable cause to believe is under the age of 18, as we will argue that the seller had reasonable cause to believe that the product was to be used as an intoxicant.

*An offence also exists where; you supply, or offer to supply, to a person who you know, or have reasonable cause to believe, is acting on behalf of someone under the age of 18 and you know, or have reasonable cause to believe, that the substance is, or its fumes are, likely to be inhaled by a someone under the age of 18 to cause intoxication.*

If you are convicted of an offence under the Intoxicating Substances (Supply) Act 1985 the penalty is up to six months' imprisonment and/or a fine of up to £5,000.

### **General Product Safety Regulations 2005 (GPSRs)**

The GPSRs aim to ensure that products offered for sale are safe, with the responsibility for making the product safe falling on the manufacturer. Those that sell products are known as distributors under this legislation. The regulations state that distributors '*shall not expose, possess or supply a product which he knows or should have presumed; on the basis of the information in his possession is a dangerous product*'.

A safe product is one that presents no or minimal risk '*under normal or reasonably foreseeable conditions of use*' and a dangerous product means '*a product other than a safe product*'.

Given the potentially dangerous nature of NPS and how they are used, these regulations require certain information to be marked on the NPS. This information is:

- Description of the product, as a producer has to provide consumers with relevant information to enable them to assess the risks inherent in a product where such risks are not immediately obvious without adequate warnings
- Manufacturer's details, including a geographic address
- A batch code or product reference

In addition, other trading standards authorities have utilised the 'requirements to mark' and 'requirements to warn' aspect of these regulations in respect of some NPS in situations where the authority has had reason to believe that the NPS concerned was a dangerous product. For these products there is an additional legal requirement for extra information about the product and warnings to appear on the packaging.

As the distributor it is your responsibility to ensure that products you expose, possess or supply are compliant with these marking requirements. Furthermore as the distributor you are required to keep documentation that allows for the tracing of a product through the supply chain, this should be in an easily accessible format for enforcement agencies. In simple terms – you must be able to provide genuine invoices from legitimate suppliers for your products.

You cannot rely on the packet being marked 'not for human consumption' as a defence under this legislation if you knew or suspected that the purchaser was going to consume the product.

If you are convicted of supplying or possession for supply of a product which breaches this legislation, in other words if dangerous it is an offence punishable by a £20,000 fine and/or 12 months' imprisonment.

### **European Regulation No 1272/2008 on Classification, Labelling and Packaging of substances and mixtures (CLP).**

These regulations are designed to protect people and the environment from the harmful effects of chemicals. Under the regulations suppliers are required to identify the hazards of the chemicals they supply, package the chemicals safely and give information about the chemical's hazards to their customers. The requirement to identify the hazards of chemicals means products have to be labelled correctly and carry warning symbols.

The regulations require products to be labelled with appropriate warning symbols and a telephone number of the EU importer or EU manufacturer. This number is to be used by medical staff in the event of an emergency, to enable them to identify the exact constituents of a product that may have caused illness. For this reason the number given must allow 24 hour access, an answering machine does not satisfy this requirement. You must ensure that any NPS you supply or have in possession for supply can satisfy the requirements of this legislation.

If you are convicted of supplying or are found to be in possession for supply of a product which breaches this legislation then it is an offence punishable by up to 3 months' imprisonment and/or a £5000 fine.

### **Impact of other Legislation**

The Anti-social Behaviour, Crime and Policing Act 2014 provide a new set of tools and powers to the council and the police to tackle anti-social behaviour. Where the sale of NPS is associated with anti-social behaviour that is having a nuisance and detrimental effect on a community then consideration will be given to using community protection notices (CPNs),

public spaces protection orders (PSPOs), and the powers to close premises selling NPS. This legislation has already been used by other Council's to ensure the safety of residents and reduce the impact of anti-social behaviour on communities.

Revised guidance issued under section 182 of the Licensing Act 2003 by the Home Office now allows licensing authorities to impose conditions that prevent the sale of NPS on licensed premises which includes off-licences. If your premises have been issued with a licence under this Act, it is important that you consider the implications the sale of NPS may have on your licence conditions in light of the new guidance from the Home Office.

Legislation specifically banning the sale, possession and supply of NPS has been drafted and is expected to be made law before April 2016, although recent updates suggest this will be brought forward to this year following recent incidents throughout the country.

This letter is not an authoritative interpretation of the law and is intended only for guidance to assist you. Any legislation referred to, while still current, may have been amended from the form in which it was originally enacted. The legislation quoted in this leaflet is not exhaustive; there may be other legal provisions which have relevance to the sale of NPS, for example, pricing legislation and fair trading legislation.

This letter may be used in evidence to demonstrate that you were given advice on the risks of selling NPS and the duties that the legislation mentioned within this letter places on you. Officers will be undertaking market surveillance work, test purchasing and follow up visits to premises selling NPS to ensure compliance with the law.

If you require any further advice or information please contact us on \*\* and provide your full contact details where upon an officer will be back in contact with you.

Yours sincerely

**\*\*Multi Agency Sign Off\*\***

## CHESHIRE EAST COUNCIL

### Cabinet Member for Communities

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**Date of Meeting:** 20<sup>th</sup> July 2015  
**Report of:** Steph Cordon – Head of Communities  
**Subject/Title:** Anti-Social Behaviour Crime and Policing Act 2014  
**Portfolio Holder:** Cllr Les Gilbert, Communities

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#### 1. Report Summary

- 1.1 Cheshire East Council is an Enforcing Council and proud to be one that is tough on residents that are selfish and cause harm to others. The new ASB Tools and Powers provide us with new ways to put our Residents First and to reduce anti-social behaviour in our communities.
- 1.2 The Council leads a multi-agency ASB Unit, which delivers a preventative service, contributing to significant reductions in reported ASB across the borough. In the last 3 years, the number of incidents of ASB in Cheshire East recorded by Police has reduced by 14%.
- 1.3 The Anti-Social Behaviour Crime and Policing Act 2014 streamlined a set of previous tools which were used to tackle a wide range of behaviours. Fourteen previous tools and powers have been streamlined into seven new tools, of which all are now in effect.
- 1.4 This report briefs on the seven new powers, and gives further detail to those that are relevant for the Council.
- 1.5 The focus of this report is on the Public Spaces Protection Order (PSPO) and the Community Protection Notice (CPN). A protocol (Appendix 1) which will be subject to review has been drafted for both of these powers for approval.

#### 2. Recommendations

1. That the Cabinet Member agrees to:
  - a) approve the procedures set out in Appendix 1 to enable the Council to use these powers effectively and swiftly.
  - b) approve the setting of Fixed Penalty Notice for breaches of these two powers (PSPO and CPN) at a set fee of £100 (maximum fine)
2. That Cabinet be asked to note the decision.

### **3. Other Options Considered**

- 3.1. In addition to the new tools and powers, we have a range of interventions available to us that are unaffected by the new Act. For example: Acceptable Behaviour Discussions, Acceptable Behaviour Contracts, Mediation face to face meetings and letter warnings. Before using the new tools and powers, we always consider the outcome we are seeking to achieve as this will help to determine which is the most appropriate tool to be used.

### **4. Reasons for Recommendations**

- 4.1. A clear local procedure should be in place before seeking to implement any of the new powers. The two powers within this report are the main powers for which we need to implement local procedures.
- 4.2. The Portfolio Holder has authority to sanction such procedures and the setting of new fines for the Fixed Penalty notices

### **5. Background**

- 5.1. As an Enforcing Council, we have always taken a proactive approach to tackling ASB, and our joint work has a significant impact on improving the quality of life for our residents.
- 5.2. In the last three years, the ASB Team's workload has steadily increased, from 93 new cases opened in 2012/13 to 154 opened in 2014/15.
- 5.3. As well as open cases with known perpetrators of ASB, the team delivers preventative work with young people. This is principally through the issuing of "Yellow Cards" and warning letters to parents. In the three years 2012/13 to 2014/15, 3132 Yellow Cards have been submitted and 2816 warning letters sent. In over 98% of cases, the young people in receipt of these interventions did not go on to receive further interventions from the team.
- 5.4. In the last three years, the number of incidents of ASB in Cheshire East recorded by Police was 14239 (2012/13), 13490 (2013/14) and 12288 (2014/15). This equates to a 14% reduction over three years.
- 5.5. The Anti-Social Behaviour, Crime and Policing Act 2014 commenced on 20<sup>th</sup> October 2014. The Act gives us new tools and powers, which can further help us to tackle issues that matter to our communities.
- 5.6. The Act streamlines fourteen existing powers into seven. The table below details these powers and what they have replaced. The following table summarises these:

Previous Tools	New Powers
<b>PEOPLE</b> Anti-Social Behaviour Order (ASBO) ASBO on conviction Drink Banning order Drink Banning Order on conviction Anti-Social Behaviour Injunction (ASBI) Individual Support Order Intervention Order	Civil Injunction Criminal Behaviour Order (CBO)
<b>PLACES</b> Litter Clearing Notice Street Litter Clearing Notice Graffiti Defacement/Removal Notice Designated Public Place Order (DPPO) Gating Order Dog Control Order Premises Closure Order Crack House Closure Order S161 Closure Order	Community Protection Notice (CPN) Public Spaces Protection Order (PSPO) Closure notice and Closure Order
<b>POLICE POWERS</b> S30 Dispersal Powers S27 Direction to leave	Dispersal Power
<b>NEW POWERS</b>	Community Trigger Community Remedy

5.7. Statutory Guidance is available for professionals responsible for implementing the new powers and provides a working interpretation of the Act and the tools and powers.

#### 5.8. Summary of Powers:

**Civil Injunction:** Early intervention to prevent individuals from engaging in anti-social behaviour, nipping problems in the bud before they escalate. Civil order for anyone over 10 years of age. Police, Council's RSL's and NHS can apply for these orders via the County Court.

The Injunction can:

- Prohibit the respondent from doing anything prescribed in the order
- Require the respondent to engage in positive activities.

**Criminal Behaviour Order (CBO):** Applies where a person (the offender) has been convicted of a criminal offence, and only the prosecution can apply for the order (this can include local authorities). This order is to tackle the most persistently anti-social individuals who are also engaged in criminal activity. The Council's ASB team, working with Cheshire Constabulary have already successfully served two of these orders on individuals in Cheshire East. One of which was recognised by a Chief Superintendents Commendation and has been shared as good practice across Cheshire.

The order can:

- Prohibit the respondent from doing anything prescribed in the order
- Require the respondent to engage in positive activities.

**Community Protection Notice (CPN):** An authorised person can issue a CPN to an individual aged 16 or over, business or organisation committing anti-social behaviour which spoils the community's quality of life

The notice can:

- Require the individual/business or organisation to stop doing specific things
- Require the individual/business or organisation to do specific things.

**Public Spaces Protection Order (PSPO):** Allows the Council to stop individuals or groups committing ASB in public spaces.

The PSPO can:

- Prohibit specified things being done in the area
- Require specified things to be done in the area.

**Closure Powers:** This power allows the police or council to act quickly to close premises (prohibit access) that are being used, or likely to be used to commit nuisance and disorder.

There are two stages to this:

- Closure Notice – closes the premises for 24/48 hours
- Closure order – this is used if the council wishes to close the premises for longer (up to 3 months which can also be extended for up to 6 months).

**Dispersal Powers:** This is a police only power which allows the police to designate an area for up to 48 hours without consulting with other agencies which allows them to direct a person to:

- Leave the locality (or part of it)
- Not return for the period specified in the direction (for up to 48 hours max)

**Community Trigger:** Gives victims and communities the right to request a review of their case and bring agencies together to take a joined up, problem solving approach to find a solution.

The review is carried out when:

- The victim, or someone acting on their behalf, asks for a review *and*
- The threshold set by the council is met

Procedures have been written for the council and thresholds were set in September 2014 via the Safer Cheshire East Board and a Cabinet briefing paper. A copy of this procedure which is due for review in October 2015 can be made available on request.

**Community Remedy:** This is a police power which gives victims a say in the out-of-court punishment of perpetrators for low-level crime and anti-social behaviour.



Although this is a police power, police are able to liaise with the council's ASB team with reference to any out of court remedies which require an Acceptable Behaviour Contract or Mediation as an outcome.

- 5.4 The procedures detailed in Appendix 1, cover the two powers (PSPO's and CPN). The full set of suggested procedures will be submitted again in August 2015 for approval. The Council would like to use the Community Protection Notices and Public Spaces Orders before this time as there is current demand for these two powers. These powers focus on people and places if thresholds have been met, enable a swift and simple way of enforcement, should anyone choose not to abide by the prohibitions set or requirements made.
- 5.5 Fines for breach of both of these powers can entail a Fixed Penalty Notice of up to £100 which once paid, would discharge the individual of the offence. It is suggested that as an Enforcing Council that the maximum amount of £100 is set without a lower rate for early payment. The fines need to be robust in these circumstances as neither the PSPO or CPN would have been issued if there had not have been a substantial issue in the community or with the individual. This is in fitting with current fines that the council has in relation to dog fouling, littering, fly-tipping etc. which are all set at their maximum rate with an early payment option.
- 5.6 The age currently set for FPN's is 16 years.

## **6. Conclusion**

- 6.1 As an Enforcing Council, we want to move forward with the use of these powers, responding to members of our communities in relation to what they are asking us to do to assist them in dealing with anti-social behaviour, and in turn making sure that the behaviour is dealt with in a proportionate and reasonable manner.
- 6.2 The procedures set out in Appendix 1 give clear guidelines as to how we can best use these two key powers. The document will be reviewed in February 2016 once the use of the powers have been piloted.

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

- 7.1. All.

## **8. Implications of Recommendation**

### **8.1. Policy Implications**

- 8.1.1. Supports the Council's Enforcement Policy.

### **8.2. Legal Implications**

8.2.1. It is essential that due legal process is followed and that any Notice issued accords with the requirements of the Act. Appropriate legal advice would be sought prior to the publication of any Statutory Notice.

8.2.2. Compliance must also be met via: Articles 10 and 11 ECHR and S149 Equality Act re public sector equality duty.

### **8.3. Financial Implications**

8.3.1. The resources for developing PSPOs and CPN's are included in existing budgets. The Council needs to work with partners to understand and agree the shared resources required to enforce orders.

### **8.4. Equality Implications**

8.4.1 None

### **8.5. Rural Community Implications**

8.5.1. None

### **8.6. Human Resources Implications**

8.6.1. Requirement for officers to receive the relevant training in relation to issuing the Fixed Penalty Notices and also refresh training on PSPO's and CPN's as this is a new area of work for both the council and the Police. This work is already underway.

### **8.7. Public Health Implications**

8.7.1. Supports Public Health Outcomes.

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

None

## **9. Risk Management**

9.1. Any potential risks have been considered and mitigated against in this context.

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

10.1 Further information on interventions available to the council as a preventative measure to using the powers can be made available. Information regarding the Community Trigger Process is available.

## **10.2 BACKGROUND PAPERS**

Anti-Social Behaviour, Crime and Policing Act 2014: Reform of anti-social behaviour powers. Statutory guidance for frontline professionals.

## **10. Contact Information**

Contact details for this report are as follows:-

<b>Name:</b>	Steph Cordon
<b>Designation:</b>	Head of Communities
<b>Tel. No.:</b>	868401
<b>Email:</b>	<a href="mailto:steph.cordon@cheshireeast.gov.uk">steph.cordon@cheshireeast.gov.uk</a>

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# **PROCEDURES FOR USE OF ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014**

<b>COMMUNITY PROTECTION NOTICE (CPN)</b>
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An authorised person can issue a CPN to an individual aged over 16 if they are satisfied that:

- The conduct of the individual or body is having a detrimental effect on the quality of the life of those in the locality
- The conduct is of a persistent nature *and*
- The conduct is unreasonable

The notice imposes the requirement to:

- Stop doing specified things
- Do specified things
- Take reasonable steps to achieve specified results

The only requirements that can be imposed are those that are reasonable to:

- Prevent the detrimental effect from continuing or recurring
- Reduce the detrimental effect or reduce the risk of its continuance or recurrence

The notice can only be issued when:

- A written warning has been given that the notice will be issued unless the conduct ceases to be detrimental
- The officer is satisfied that despite having had enough time to deal with the matter the conduct is still having an effect

#### 4.1 Types of behaviour that a CPN might be used to tackle

The following list is intended to be indicative and not exhaustive:

Feeding birds in town centre Escaping dogs Unruly gardens Anti-Social neighbours	Smokers' little not being cleared Pubs not clearing bottles from the street when they have closed Unlicensed scrapyards	Running a business from home Noise issues Litter Graffiti
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#### 4.2 Before a CPN is issued

It has been identified that the best way of monitoring and maintaining considerations and issuing of CPN's should be done via a central point of contact. CEC's ASB Team have been identified as the most appropriate team within CEC in order to do this at least for an initial pilot period. It is hoped that this will assist with the following:

- Reduced risk of duplication
- Professional advice and guidance on the use of/issuing of a CPN
- Consistency across Cheshire East in relation to notices that are served
- Allow for consistency and best practice on a sub-regional basis across Cheshire where possible via links with Cheshire wide ASB leads.

The following must take place before consideration is given to the issuing of a CPN

- Relevant member of staff/officer must notify CEC ASB Team to discuss the case with the team and allow for the relevant checks to be made to clarify/consist of;
  - (i) If the ASB Team already have a case open in relation to the issues that have been reported
  - (ii) Analysis of interventions that have already taken place/been attempted in relation to resolving the problem
  - (iii) As to whether a CPN or a CPN warning has been issued in relation to the address/business or individual already
  - (iv) A standard process to be undertaken that if all the above have been satisfied a “threshold check” can be made using standard set criteria to enable consistency.
  - (v) To allow for advice, guidance and signposting in cases whereby after the checks above a CPN/CPN warning is not deemed as appropriate.

## **4.2 Who can issue a CPN?**

### **Cheshire East Council**

Cheshire East Council will choose which officers to delegate these powers to in line with their operational structures for areas such as tackling ASB, Environmental Protection, Trading Standards etc. matters. Currently the Community Wardens have these powers delegated to them. Consideration to the following officers (as an example and not an exhaustive list) within the local authority may be given with reference to delivering the appropriate training and authorisations as and when notices are issued depending on the type of behaviour:

- Environmental Protection Officers
- Trading Standards Officers
- Planning Enforcement Officers
- Licensing Officers
- Housing Standards/Housing Officers
- Anti-Social Behaviour Coordinators
- Civil Enforcement (parking) Officers
- Park Rangers

### **Police**

Cheshire Constabulary Police Officers have powers automatically delegated, but will need to receive training as and when required on the issuing of the FPN's as these will be Local Authority notices. Authorisation has also been given to PCSO's in relation to issuing FPN's for the powers and will also require the relevant identified training before issuing of an FPN can be made.

## **Registered Providers**

Registered providers can be delegated by CEC the power to issue CPN's for housing stock that is their responsibility. Registered providers within CEC have not yet delegated these powers, but will be considered once the process has been rolled out within the local authority and the relevant processes are in place.

## **Other partners/agencies**

Consideration may be given in relation to delegating any commissioned companies within the council that are employed to undertake work on behalf of the Council, such as ANSA and leisure services where appropriate.

## **Delegation of powers**

Where CEC is considering delegation of powers to serve CPN's or FPN's on failure to comply with such notices consideration should be given with reference to the following in terms of an agreed memoranda of understanding:

- Requirement to undertake the relevant training which will be supplied by CEC with reference to CPNs and the issuing of FPN's (where necessary)
- Requirement to report any considerations of the issuing of a CPN or FPN to the CEC Anti-social behaviour team to allow for checks on a central system and consistency with CPN's issued/warnings sent.
- Reference made that CEC further reserves the right to vary or cancel any designation at any time and for any reason.

## **Enforcement**

The Act allows the offence of breaching the CPN to be discharged with a Fixed Penalty Notice. This will be the case for minor infringement of a CPN. The Local Authority, when making this decision, must ensure that it is proportionate and in line with CEC Enforcement Policy. In making the decision to issue an FPN, the officer should be mindful that if issued, payment of the FPN would discharge any liability to conviction for the offence. In order to allow the individual to pay the FPN, no other associated proceedings can be taken until at least 14 days after the issue.

When issuing a FPN it must:

- Give reasonably detailed particulars of the circumstances alleged to constitute the offence;
- State the period during which proceedings will not be taken for the offence (minimum 14 days)
- Specify the amount payable
- State the name and address of the person to whom the FPN should be paid and;



- Specify permissible methods of payment

A fixed penalty notice of up to £100 can be given for a breach and it is advised that CEC enforce the £100 fine with no opportunity for an early payment in line with all other FPN's that are currently used by Community Wardens.

The Council can also consider **Remedial action** if an individual fails to comply with a CPN. For instance, in a situation where the complaint relates to a significant build up of rubbish in someone's front garden, remedial action could take the form of clearing the garden on the perpetrators behalf. If the CPN has been issued by Police or another body then they must consult with the council if they consider Remedial action should take place to allow for consultation.

### **Appeals of CPN**

Appeals will be heard in a magistrates court and the CPN should provide details of the process and how an individual can appeal.

The person issued with a CPN will have 21 days to appeal from date of issue. Where an appeal is made any requirements made for the individual to "do" specified things will be suspended until the appeal is heard. However anything on the CPN that requires the individual "not to" do something or to "stop" something will remain in force until the results of the appeal have been finalised.

<b>PUBLIC SPACE PROTECTION ORDER (PSPO)</b>
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This allows the local authority to stop individuals or groups committing ASB in public places.

The local authority will identify the area that is to be covered by the order – known as the ‘restricted area’.

The PSPO can:

- Prohibit specified things being done in the area
- Require specified things to be done in the area

The prohibitions or requirements can be framed so that they:

- Apply to all persons, or only persons in specified categories, or to all persons except those in specified categories
- Apply at all times, or only at specified times, or at all times except those specified
- Apply in all circumstances, or only in specified circumstances, or in all circumstances except those specified

The following conditions must be met before making the order:

- Activities carried out in a public place within the local authority’s area have a detrimental effect on the quality of life for those living in the locality *or*
- Is likely that activities will be carried out in a public place within the area that will have such an effect

The effect, or likely effect of the activities:

- Is, or is likely to be, of a persistent or continuing nature
- Is, or is likely to be, such as to make the activities unreasonable *and*
- Justifies the restrictions imposed by the order

### **The need for a PSPO to be identified**

This will come from a variety of routes – including, but not exclusively:

- Partnership problem solving (Multi Agency Action Group – MAAG)
- Complaints from members of the public
- Public consultation/residents meetings/residents groups
- Elected members/Parish Councils
- Neighbourhood groups
- Private land owners
- Registered Social Providers

The process to be followed is below. Responsibility for overseeing this process will lie within the Communities and Partnerships Department’s Anti-Social Behaviour Team. Depending on the focus of the PSPO certain elements of the process below

may well also be taken on by other departments within the local authority such as Environmental Protection or Trading Standards.

**Examples of behaviour that a PSPO might be used to tackle**

The following list is intended to be indicative and not exhaustive

Legal highs – sale of/taking of	Verge parking
Boy racers	Parking outside schools
Congregating in car parks	Ball games
Cars for sale	Swimming in dangerous areas
Vehicle Nuisance	Ball games
Buskers	Grazing of horses
Dog fouling	Litter
Unruly Dogs/dogs out of control	Fly tipping
Rough sleeping	Cycling in pedestrian areas
Street drinking	Aggressive Charity Collectors (Chuggers)
Urinating or defecation	Begging
Prostitution	Placing yourself to beg
Dogging	Skateboards

**Prior to formal consultation for a PSPO:**

It is important that the PSPO is used proportionately and that it is not seen to be targeting behaviour of the children/young people where there is a lack of tolerance and understanding by local people. Consideration must also be given to the Equality Act when setting out restrictions or requirements.

When making a PSPO Cheshire East Council will bear in mind the impact on other areas and the level to which displacement is likely to occur.

All requests/considerations for a PSPO will be nominated to the Communities and Partnerships Multi-Agency Action Group (MAAG). Initial thoughts and actions will be recorded at the meeting, and the relevant agencies will be nominated to take the request further once it has been agreed via an initial professionals meeting.

**Professionals meeting:**

This will be held by the ASB Team along with the relevant Partnership Manager/Local Engagement Officer, attendees may include the following:

- ASB Team representative – **Compulsory**
- CEC Partnership Manager or Local Engagement Officer – **Compulsory**
- Local Elected Member/Parish Council member – **will at least be informed**
- Land owner (If not CEC land) – **Compulsory**
- Police
- Housing/Registered Social Provider
- Other CEC departments
- Representative from the local community

The following will need to be identified either prior to this meeting or during this meeting:

- How many incidents have been reported and who to?
- What has been attempted in order to resolve this issue already?
- What is the exact area that all present would like a PSPO to cover?
- What sort of prohibitions would need to be considered?
- Are there any other people that need to be consulted as part of this process?
- What are the implications should a PSPO not be granted?
- What are the risks if a PSPO is granted (displacement etc.)?
- Who would be responsible for costs around publicity and signage (if not CEC land)?
- How would this be policed does any training need to take place with delegated local officers whom may not have had opportunity to enforce this type of order yet?
- Do the majority agree that a PSPO application should be requested? *(if the answer is no the issue will be referred back to the MAAG)*

### **Authorisation to begin Consultation**

Following the professionals meeting, should it be agreed to pursue a PSPO a summary of the problems and proposed PSPO will be presented to the nominated Portfolio Holder who will make a decision as to whether to progress to the consultation process being undertaken. If authorisation is not given, then the issue will be nominated back to the MAAG.

### **Consultation**

The Consultation that is undertaken will depend on the location and the particular issues to be addressed. The consultation will be proportionate but not excessive. At least 4 weeks will be allowed for the consultation process and as a minimum standard consultation details will be publicised via Cheshire East Council's Website.

Groups to be consulted may include:

Elected members Parish Councils Local residents Members of public using the area/facility via notice placed in area.	Community Groups Town Councils Pub watch SCOOT/shop watch or equivalent Chamber of Commerce
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The general public will be made aware of the plans through any of the following methods:

- Cheshire East Council website – *Compulsory*
- Press release
- Notice in the affected area

- Residents newsletters
- Leaflets
- Social media

*Cheshire East Council will ensure that the consultation is in line with its own consultation policy.*

Additionally (if not already done so)

- The owner of the land (if not the Council) will be contacted
- Cheshire Police and Police and Crime Commissioner

### **Decision is taken to make a PSPO**

The decision will be taken by elected members by the form of a Cabinet briefing paper. This will allow opportunity for elected members outside of the majority group the opportunity to scrutinise the decision.

If this is refused then the matter will be referred back to the MAAG.

### **Public are advised that the PSPO is coming into effect**

Cheshire East Council will ensure that the following principals are followed with reference to publicising a PSPO although some of the processes may vary from case to case:

- The publicity is proportionate and cost effective
- It takes account of the different languages spoken in the area
- Takes into account the need to manage people's expectations once the order is in place
- That at least one week prior to the PSPO coming into effect a multi-agency approach in relation to educating the relevant members of public and agencies on the new order coming into force and the implications of breach of this order
- During the first week of the order being in force, a campaign of education will continue followed by enforcement action
- That breaches will be monitored, as will any potential displacement which will all be recorded by Cheshire East Councils Partnerships and Communities/ASB Team with a view to the appropriate review processes/amendments taking place on the order.

General publicity may include:

- Press release

- Cheshire East Council website
- Other partner agency websites (i.e. Police, Registered Housing Providers)
- Residents' newsletters
- Leaflets
- Social media
- Parish Councils
- Community Groups
- Signage within the area

In the area affected signage may be used taking into account the different language spoken – using pictures where possible.

### **Enforcing the PSPO**

The power to enforce the PSPO has been given to:

- Cheshire Constabulary Police Officers
- Cheshire Constabulary Police Community Support Officers
- Designated Cheshire East Council Officers

Cheshire East Council may authorise an officer not on the above list (e.g.: Registered Social Provider or Commissioned agency/company) to issue FPN's where a senior officer within the agency to which that person belongs makes a written request to the Chief Executive of Cheshire East Council for that person to be designated.

A decision will then be made by Cheshire East Council as to whether that person should be authorised as a person who may issue FPN's in Cheshire East.

In each case any person who is so authorised will be required, prior to designation, to complete relevant training identified by Cheshire East Council.

Cheshire East Council reserves the right to vary or cancel any authorisation at any time and for any reason

### **Breaching the PSPO**

Those who are found to be breaching the PSPO will be given the opportunity to discharge the offence by way of a Fixed Penalty Notice (FPN).

- The level of FPN will have to be decided (not exceeding £100) suggested amount to remain at the higher rate of £100 with no early payment opportunity
- Agreement will be reached with Cheshire Constabulary about issuing of FPN's on a case by case basis and how this will be done

There will also need to be an awareness that if someone is taken to court and they are on benefits they can agree with the court to pay a weekly sum to clear a fine.

This option is not available with a FPN – unless they are taken to court for non-payment.

### **Transition**

There are a number of current orders which will be replaced by the PSPO:

- Designated Public Place Order
- Dog Control Order
- Gating Order

There is the ability to replace existing orders with a PSPO at the commencement. Alternatively they can continue for 3 years when they will transfer over to a PSPO. There are a number of gating orders and DPPO's within the Cheshire East area which will need to be considered in due course which will expire in their current form in October 2017. A task group will be set up to review this in due course which will decide whether:

- To leave as the current order and allow to move over in 3 years
- To replace immediately with a PSPO
- To discharge any of the existing orders as no longer needed

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## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 21st July 2015  
**Report of:** Executive Director for Economic Growth and Prosperity/Head of Planning Strategy  
**Subject/Title:** Cheshire East Local Plan Strategy  
**Portfolio Holder:** Cllr Rachel Bailey

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#### 1.0 Report Summary

In November 2014, the Inspector appointed to examine the Local Plan Strategy (LPS) provided the Council with his interim views on the soundness and legal compliance of the submitted LPS. On 15<sup>th</sup> December 2014, the Inspector formally suspended the examination of the LPS to allow the Council to undertake the additional work to address the concerns he raised about the soundness of the LPS in his interim views.

This further work had to be carried out within a tight timescale set by the Inspector. The Council therefore established a task force of Councillors and officers to oversee the necessary work. Cabinet are requested to acknowledge the leadership of former Councillor Peter Raynes in heading this group.

This report presents the output of the additional work undertaken during the suspension period which supplements Local Plan evidence base and requests Cabinet approval to submit suggested revisions to the submitted Local Plan Strategy for the Inspector's consideration.

The proposed changes reflect the changing economic context of Cheshire East and the impact on housing requirement. The suggested revisions do not involve any change to the overall Local Plan Strategy and therefore, fundamentally, it is the same Local Plan supported by an updated evidence base.

At the start of the Local Plan period the nation remained in the grip of the deepest recession for decades. This inevitably coloured the critical assumptions about future growth, development and migration. By 2015 the economic climate has changed and this enables us to move forward with greater assurance of our future prosperity.

The additional evidence here reflects this changing context with the economic projection moving from 0.4% to 0.7% growth rate. As the economy continues to recover so we are better able to gauge its future potential. In turn the latest demographic data, combined with more optimistic projections for in-migration

create a fuller picture of the likely pattern of our workforce and population. Some will say still that we have not set our target high enough and that we should be aiming for 0.9% growth or higher. We believe however that we need to base our projections on growth in the private sector and in the context of a more efficient public sector and therefore we need to set a realistic, deliverable position which is 0.7% growth.

This evidence then drives the need for an uplift in housing numbers – 36,000 homes over a 20 year period, importantly incorporating accommodation for the Borough's ageing population. Additional work to update the Green Belt Assessment and additional highway studies then inform an amended spatial distribution of development.

Housing numbers already committed across the Borough total over 32,000 reflecting the efforts of the Authority and the growing strength of the housing market.

The updated evidence basis justifies the suggested revisions to the submitted Local Plan Strategy. These revisions, along with the full suite of evidence will be submitted to the Inspector by the end of July.

## **2.0 Recommendations**

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

- a) Endorse the additional evidence and the suggested revisions to the submitted Plan for publication, additional stakeholder engagement, and submission as set out in Appendices 1-9.

## **3.0 Reasons for Recommendations**

- 3.1 The Examination of the Local Plan Strategy was suspended to allow further work to be carried out on key areas of evidence to address the shortcomings in the soundness of the submitted Local Plan Strategy which the Inspector identified in his Interim Views dated 6 November 2014. That additional work has been undertaken and, as previously agreed, it is now necessary to inform the Inspector of the outcomes of that work and provide him with the related documentation, including the suggested revisions to the submitted Local Plan Strategy to address and rectify the Inspector's criticisms.

## **4.0 Wards Affected**

- 4.1 All wards.

## **5.0 Local Ward Members**

- 5.1 All Councillors

## **6.0 Policy Implications**

- 6.1 The Local Plan is a key component of the Council's policy Framework. Whilst it will form the benchmark for considering planning applications it will also feed into numerous other agendas such as infrastructure, transport, economic development, recreation, public health, education and adult social care.

## **7.0 Implications for Rural Communities**

- 7.1 The Local Plan Strategy provides a planning framework for all areas of the Borough outside the Peak District National Park. Consequently it covers much of the rural area of the Borough in a geographic sense – but also it addresses numerous matters of importance to rural areas within its policies and provisions. Importantly, the Local Plan Strategy will facilitate the drawing up of more detailed policies for rural areas, via either Site allocations or Neighbourhood Plans.

## **8.0 Financial Implications**

- 8.1 The cost of the Local Authority officers' time involved in the Local Plan is covered by the existing revenue budget for Spatial Planning.
- 8.2 Any additional costs in terms of external consultants needed and reports being commissioned are being met from the Local Authority's reserves. The Council has earmarked reserves to support investment that can increase longer term financial independence and stability of the Council. Initiatives related to the revision of the Local Plan are therefore an appropriate use of this reserve.
- 8.3 The Executive Director for Economic Growth & Regeneration will work with the Portfolio Holder for Finance and the Chief Operating Officer to monitor spending in accordance with the Reserves Strategy. The latest cost estimate of activities to be funded from the Investment (Sustainability) reserve, for the work detailed in this report, is £300,000 which includes specialist consultancy support.

## **9.0 Legal Implications**

- 9.1 The Planning and Compulsory Purchase Act 2004 (as amended) requires local planning authorities to prepare Local Plans. The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) set out the procedures to be followed in the preparation of such Plans.
- 9.2 The additional work undertaken and recommendations to which this report refers are made in order to address and rectify the specific concerns raised by

the Inspector regarding the soundness of the Local Plan Strategy, without this giving rise to a plan which is 'significantly different' from that submitted for examination.

## **10.0 Risk Management**

- 10.1 The Council's Cabinet is being requested to note the additional components to the Local Plan evidence base and to consider suggested revisions to the submitted Local Plan Strategy, which arise from that evidence. This process is therefore the culmination of the suspension of the Examination of the submitted Local Plan Strategy that was agreed with the Inspector in December 2014. If the Council does not address these matters now it will have not met the terms upon which the Inspector agreed to suspend the Examination.
- 10.2 In his Interim Views of 6 November 2014, the Inspector gave the Council three options: (1) suspending the Examination and carrying out additional work; (2) withdrawing the Local Plan Strategy; (3) continuing with the Examination (with an implicit indication that the Local Plan Strategy would be found unsound). If the first option is not followed through to completion, then the Council is likely to be left with the remaining choices. It is considered that whilst submitting the additional evidence to the Inspector is not without risk, it nevertheless provides the best means of securing the Council's ultimate goal – namely the timely adoption of a sound Local Plan.

## **11.0 Background and Options**

### ***The Local Plan Strategy Examination***

- 11.1 At its meeting of 28 February 2014, the Council resolved to submit the Local Plan Strategy to the Secretary of State for Independent Examination. The Examination hearings subsequently commenced in September 2014. A total of 13 broad Matters, as identified by the examining Inspector Mr Stephen G. Pratt, were addressed over three weeks of hearing sessions. At the end of this period, the Inspector decided to temporarily adjourn proceedings pending his consideration of the matters discussed.
- 11.2 Following the adjournment of the hearing sessions, on 6 November 2014, the Inspector provided the Council with his Interim Views on the legal compliance and soundness of the submitted Local Plan Strategy.
- 11.3 In his Interim Views, the Inspector indicated that he was satisfied that the Local Plan Strategy had met the relevant legal requirements, including the Duty to Cooperate. However, he was not convinced that he would be able to find the Local Plan Strategy sound, on a number of counts. These concerns fell into four broad areas:

- Alignment of the housing and employment strategies
- Objectively Assessed Needs (OAN) for development
- Green Belt Assessment
- Spatial distribution of development and selection of sites

11.4 In response the Council drew up a programme of additional work and the Inspector agreed to suspend the Examination for six months from December 2014. In April 2015, he subsequently agreed to extend the suspension period for a further month as interim engagement with interested parties would have been compromised during the pre-election period. Accordingly engagement workshops took place in May to supplement those held in January – at which valuable feedback was obtained and important common ground reached. The deadline for submitting the outcomes of the additional work undertaken by the Council during the suspension period is now the end of July 2015. This report considers the additional evidence and its implications.

## **12.0 Summary of the Additional Evidence**

12.1 The Report of Evidence attached as Appendix 1 to this report explains the approach taken to the work undertaken during the Examination suspension, the additional evidence which that additional work has produced and its repercussions for the Local Plan Strategy. The additional evidence itself is included within Appendices 2 to 8 to this report. It is this evidence that officers recommend should now be submitted to the Inspector, the key points of which are summarized below:

### **Alignment of Economic, Employment & Housing Strategies**

12.2 The Council commissioned economic consultants, Ekosgen, to undertake a fresh assessment of the likely performance of the Cheshire East economy over the remainder of the plan period to 2030. This study will then be used to inform other areas of Local Plan policy – notably a revised estimate of the Objectively Assessed need for Housing (OAN). The Ekosgen report (also known as the Alignment of Economic, Employment & Housing Strategy (AEEHS)) is attached at Appendix 2.

12.3 In the AEEHS, Ekosgen recommend the 0.7% growth rate is used for the Local Plan Strategy because it matches the expected growth nationally and given that nearly all the growth in jobs is likely to be in the private sector, which has historically seen only moderate expansion, a 0.7% overall average rate is considered realistic and ambitious. Extending this rate over the plan period to 2030 would equate to 31,400 net new jobs.

### **The Housing Development Study.**

12.4 Consultants, Opinion Research Services (ORS), were commissioned to examine the scale of the future needs for additional housing in the Borough and, in particular, to undertake a fresh calculation of Objectively Assessed

Need for Housing (OAN). This work builds on the key economic findings of the AEEHS and reflects these in a revised recommended housing requirement. ORS have adopted an approach which accords with the advice in the Planning Practice Guidance, published in March 2014. The ORS Report is attached at Appendix 3.

- 12.5 Taking all of the various demographic, economic and market factors together, ORS calculate the Objectively Assessed Need for housing in Cheshire East over the 2010-30 period to be a figure of 36,000, equating to 1,800 dwellings per annum. This figure incorporates accommodation for older people, which may include facilities falling within Planning Use Class C2 as well as conventional dwellings (Use Class C3). It is recommended that the Housing Requirement is also set at 36,000 homes over the plan period – as this figure takes full account of the growth envisaged within the Strategy.

### **The Green Belt Assessment**

- 12.6 To address these concerns, Ove Arup & Partners (Arup) were commissioned to revisit the 2013 Green Belt Assessment work. The 2015 Update of the Assessment (attached as Appendix 4) embraces the Inspector's suggestions and the revised approach has been consulted on through engagement workshops. Overall smaller parcels of land have now been evaluated and urban regeneration considered via reference to the urban potential studies carried out for the main settlements (see below). The historic character of towns has also now been addressed on an individual basis. This revised assessment has contributed to the spatial distribution report and will further contribute to the selection of sites in due course.

### *Safeguarded Land & New Green Belt*

- 12.7 Arup has also advised on the approach to be taken on Safeguarded Land. This is land which is reserved for possible future development after the end of the plan period in 2030. Taking all relevant factors together, a total of 200Ha of Safeguarded Land is recommended. Arup have further re-evaluated the evidence for an extension to the Green Belt in the vicinity of Crewe and Nantwich. Their advice is that exceptional circumstances do not exist to justify a new Green Belt at the present time. However they recommend a revamped and strengthened green gap policy be prepared instead.

### **Spatial Distribution and Site Assessment Work**

- 12.8 The Council commissioned consultants, AECOM, to re-appraise the spatial distribution of development in the submitted Local Plan Strategy. Their report is attached at Appendix 5. The AECOM report suggests an increase in housing numbers across all categories of settlement, but no individual town is required to accommodate more than a 500 home uplift. Taking on board the Inspector's comments, northern towns such as Poynton, Knutsford and Wilmslow see additional growth. Elsewhere, Crewe and Macclesfield, as Principal Towns, both see a greater scale of development – whilst the

proposed approach to Local Service Centres remains broadly in line with the submission plan, but with the overall number for housing increased to reflect the current and future windfall numbers expected over the plan period. Similarly rural areas see a modest uplift – reflecting in part the opportunity at Alderley Park where there could be potential for 200-300 new homes.

Figure 1:

	Submitted Local Plan	Position as at 31st March 2015		Proposed approach		
Settlements	Proposed Dwelling Distribution	Strategic Sites	Site Allocations	Position as at 31st March 2015 <sup>1</sup>	Proposed Dwelling Distribution	Shortfall <sup>2</sup>
Crewe	7,000	4,670	34	7,264	7,700	-436
Macclesfield	3,500	2,250	97	3,746	4,250	-504
Congleton	3,500	2,200	296	3,816	4,150	-334
Alsager	1,600	1,250	141	1,980	2,000	-20
Sandbach	2,200	200	0	2,754	2,750	4
Middlewich	1,600	850	90	1,616	1,950	-334
Nantwich	1,900	1,250	60	2,048	2,050	-2
Handforth (inc NCGV)	2,000	1,650	60	1,981	2,200	-219
Wilmslow	400	275	0	403	900	-497
Knutsford	650	500	108	676	950	-274
Poynton	200	0	180	210	650	-440
Local Service Centres	2,500	0	1,099	3,267	3,500	-233
Rural (including Alderley Park)	2,000	0	882	2,380	2,950	-570
<b>Total</b>	<b>29,050</b>	<b>15,095</b>	<b>3,047</b>	<b>32,141</b>	<b>36,000</b>	<b>-3859</b>

**Notes**

1. 'Position as at 31st March 2015' column is a total of the Commitments, Completions, Strategic Sites and Site Allocations for each settlement.
2. 'Shortfall' column is 'Position as at 31st March 2015' subtracting 'Proposed Dwellings' in the settlement to identify shortfall.

## Highways and Infrastructure

12.9 The four main workstreams (addressed above) are also underpinned by additional supporting evidence on highways and infrastructure. The additional work undertaken has produced three main documents which are attached at Appendix 6, namely:

- A34 Corridor Study – Highway Impacts
- Crewe Highway study
- Alsager Highway study

## 13.0 Suggested Revisions to the submitted Local Plan Strategy

13.1 The key suggested revisions to the submitted Local Plan Strategy relate to the policies within Chapter 8 - Planning for Growth. There are, however, a series of contextual and consequential changes to the early chapters of the submitted Local Plan Strategy that Members are also being asked to approve. These are summarised below and presented in full in the Schedule of Suggested Revisions attached at Appendix 13.

- 13.2 It should be noted that these suggested revisions are additional to the minor modifications approved by the Portfolio Holder previously. It is also important to make clear that, at this stage, the suggested revisions are limited to those considered necessary and appropriate to the address the Inspector's specific concerns identified in his Interim Views.

*Chapter 1 – Introduction*

- 13.3 There will need to be small changes to the Key Diagram the main one being the removal of the area of search that was proposed for the new Green Belt. The minor text changes concern the no longer asked for High Peak housing contribution, the intended higher provision of housing and a revised Green Gap policy rather than new Green Belt in the vicinity of Crewe and Nantwich.

*Chapter 3 – Duty to Cooperate*

- 13.4 Minor text changes to reflect the revised Green Gap instead of a new Green Belt and the changed High Peak position.

*Chapter 4 – The Case for Growth*

- 13.5 The only significant change here concerns the new Housing Development Study, which supersedes the Strategic Housing Market Assessment Update referring to the numbers of 75 year olds in communal establishments.

*Chapter 5 – Vision*

- 13.6 Minor text changes to confirm that the aim is to *fully* meet development needs in locations that reduce the need to travel and stating the intention is to *conserve* and enhance designated and non-designated heritage assets.

*Chapter 6 – Strategic Priorities*

- 13.7 Minor text changes to how Strategic Priorities are intended to be delivered in respect of securing improvements to the built and natural environment, plus ensuring development has regard to local character and context.

*Chapter 8 – Planning for Growth*

- 13.7 The revised evidence prompts a series of relatively confined revisions to a number of policies. These include:
- PG1 – changes to the overall quantum of development, the Use Class C2/general older persons housing element and supporting text
  - PG3 – deletion of references to new Green Belt – which is replaced by a new Green gap policy.
  - PG4 5 – amendments to the quantum of land



- PG6 – revisions to the total number of homes and employment land provided.

13.8 The suggested revisions to the submitted Local Plan Strategy have all been tested by a Sustainability Appraisal and subject to Habitats Regulation Assessment (see Appendices 14 and 15).

## **14.0 Other Issues**

### **Duty to Cooperate**

- 14.1 The Inspector was satisfied that in the preparation of the submitted Local Plan Strategy, the Council had met the Duty to Cooperate. However, it is good planning practice and essential to continue the process of ensuring proper account is taken of any arising cross boundary strategic issues. This is especially so in circumstances where changes are proposed to the Local Plan Strategy that are likely to have impacts upon areas beyond the boundaries of Cheshire East Borough.
- 14.2 A full summary of the collaborative working that has taken place during the suspension period is set out in Appendix 9. Briefly, this collaboration encompassed various actions including the involvement of neighbouring local authorities in the Green Belt Assessment Update, two rounds of face-to-face meetings covering each of the main suspension evidence gathering work streams and a joint liaison meeting to which all neighbouring planning authorities were invited.
- 14.3 A particular change in circumstance relevant to the Duty to Cooperate concern High Peak Borough. The submitted Local Plan Strategy contains a 500 dwelling contribution to assist meeting housing needs arising in High Peak Borough. However, the High Peak Local Plan is also currently being examined and the Inspector appointed to examine that Local Plan required High Peak Borough Council to undertake additional work on housing needs in that Local Plan area. That additional work has resulted in a lower overall objective assessment of housing needs in the relevant housing market area. Accordingly, High Peak Borough Council has notified Cheshire East Council that there now will be no need for the submitted Local Plan Strategy to include a contribution to meeting housing needs arising in High Peak Borough.

### **Site Specific Implications**

- 14.4 The updated evidence base and suggested revisions will have implications for the site-specific aspects of Cheshire East Council's Local Plan – not least through the suggested revisions to the Spatial Distribution of Development in the submitted Local Plan Strategy. However, as the Inspector suspended the Examination of the Local Plan Strategy prior to any consideration of sites – and thus far there has been no assessment of their merits - it is not proposed to address strategic sites at this stage. The primary purpose of the

Examination suspension was to address and rectify the Inspector's specific concerns identified in his Interim Views, which did not address site-specific considerations. Should the Inspector be satisfied that the Council's additional work and suggested revisions to the submitted Local Plan Strategy adequately address and rectify those concerns, site-specific matters will be considered at the reconvened Examination hearings.

- 14.5 At this stage, the assessment of sites is confined to the analysis within the Urban Potential and Edge of Settlement studies (Appendices 7 and 8). This evidence illustrates that brownfield opportunities have been thoroughly examined – and that there are likely to be an ample amount of potential sites available to underpin and deliver the suggested revisions to the Spatial Distribution of development in the submitted Local Plan Strategy.

### **The Implications of the Suggested Revisions**

- 14.6 Changes to the submitted Local Plan Strategy should not result in a plan that involves substantial changes, or significant alterations to the underlying strategy. There is no formal guidance as to what may constitute a significantly different plan, which in any event, will depend upon the specific facts and circumstances that are relevant to any particular case.
- 14.7 Moreover, it is important to remember the fundamental role that an up-to-date adopted Local Plan has in the delivery of sustainable development in a planned manner in accordance with the Planning Acts and the importance Government policy places upon putting in place Local Plans prepared and adopted in accordance with the National Planning Policy Framework as a matter without undue delay.
- 14.8 Furthermore, the powers of a person appointed to examine a submitted Local Plan were amended by the Localism Act 2011 and a duty on the appointed person, where requested to do so by the local planning authority, to recommend modifications to make the Plan sound and legally compliant. The effect of those amendments is that, since January 2012, persons appointed to examine local plans are now empowered to deliver the national policy objective of ensuring up-to-date local plans are adopted without delay.
- 14.9 In terms of the nature and scope of the suggestion revisions, it is important to note that the Local Plan Strategy is of course a *strategic* document. It is this strategy that lies at the heart of the document – the essential spatial vision that the Council has for the area. Fundamentally this is reinforced and not altered by the updated evidence. The Local Plan Strategy always sought to boost growth of jobs and homes, based on the special characteristics of the area. Principles such as economic development in key sectors, increasing housing supply above former levels and selective amendment of the green belt remain unaltered. The metrics within the Plan may be changed by the suggested revisions – but the fundamental strategy is unaltered.
- 14.10 Even in terms of the numerical adjustments – the change in housing requirement, after factoring in older persons accommodation shows an

increase of 24%. The recently published report on the Examination of the Cherwell District Council has accepted uplifts in the order of 36%. Similarly whilst jobs growth unquestionably rises markedly from 13,900 to 31,400, the increase in employment land translates into 27 additional hectares – a rise of just 8%.

- 14.11 Therefore in terms of both scale – and above all the nature and scope of change, the updated evidence points towards suggested revisions which do not constitute a fundamentally different plan.

### **Next Steps**

- 14.12 Should the Cabinet decide to accept the recommendation, the additional evidence and the suggested revisions to the submitted Local Plan Strategy will be sent to the Inspector by 31 July 2015. In addition it is proposed to further engage with stakeholders upon the outcomes of the additional work, including our suggested revisions to the submitted Local Plan Strategy.
- 14.13 It is suggested that two further engagement events be held, one with other interested parties, which will look at the key elements of the revised evidence base and any suggested revisions to the submitted Plan. There will also be a third Technical Workshop with interested parties of the examination which will look at the Spatial Distribution of Development. The outcome of these meetings will be reported back to cabinet prior to any resumption of the examination hearings.
- 14.14 The Inspector has indicated that he intends to convene additional Examination hearings to address the matters addressed in the Council's additional evidence and suggested revisions to the submitted Local Plan Strategy. It is hoped that those additional hearings will be scheduled in the early autumn. Thereafter, the Inspector will decide whether those matters address and rectify the the specific concerns identified in his Interim Views and, if so, it is likely that he will reschedule the remaining Examination hearings.

## **15.0 Access to Information**

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

Name:	Adrian Fisher
Designation:	Head of Planning Strategy
Tel No:	01270 686641
Email:	<u><a href="mailto:Adrian.fisher@cheshireeast.gov.uk">Adrian.fisher@cheshireeast.gov.uk</a></u>

Due to the amount of appendices relating to this cabinet paper, only Appendix 1 will be published with the paper itself. It's annexes and the remaining appendices 2-11 can be found on Cheshire East's website at the following address:

<http://cheshireeast-consult.limehouse.co.uk/portal/planning/cs/hs/cabinet>

## **APPENDICES**

Appendix 1 - Report of the additional work undertaken during the suspension period of the local plan strategy

### **Core Evidence**

- Appendix 2 - Alignment of Economic, Employment & Housing Strategies – Ekosgen
- Appendix 3 - Housing development Study –ORS
- Appendix 4 - Green Belt Assessment – Arup & Cheshire East Council
- Appendix 5 - Spatial Distribution Report – AECOM
- Appendix 6 Highway Studies –
  - (a) Impact of Spatial Distribution of Local Plan Development on Cross Boundary Highway Networks
  - (b) Crewe VISSIM study
  - (c) Alsager Highway Study

### **Supporting Evidence**

- Appendix 7 - Assessment of the Urban Potential of the Principal Towns, Key Service Centres and Local Service Centres and Possible Development Sites Adjacent to those Settlements
- Appendix 8 - Cheshire East Local Plan Strategy Site Selection Methodology

### **Suggested Revisions**

- Appendix 9 - Schedule of Suggested Revisions to the Local Plan Strategy

### **Statutory Assessment**

- Appendix 10 - Sustainability Appraisal
- Appendix 11 - Habitats Regulation Assessment

# Cheshire East Local Plan Strategy

## Appendix 1: Local Plan Strategy Examination Report of Additional Evidence

July 2015



**CHESHIRE EAST LOCAL PLAN STRATEGY EXAMINATION**

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**EXAMINATION SUSPENSION – REPORT OF ADDITIONAL EVIDENCE**

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**Technical Annex List:**

- **Annex A – Schedule of Additions to the Local Plan Evidence Base**
- **Annex B – Checklist of Evidence including cross reference to relevant paragraphs in the Inspector's Interim Views**
- **Annex C – Schedule of Suggested Revisions to the Local Plan Strategy**
- **Annex D – Housing Requirement Technical Annex**
- **Annex E – Safeguarded Land Technical Annex**
- **Annex F – New Green Belt and Green Gap Technical Annex**

## CHESHIRE EAST LOCAL PLAN STRATEGY EXAMINATION

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### EXAMINATION SUSPENSION – REPORT OF ADDITIONAL EVIDENCE

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#### **1. INTRODUCTION**

- 1.1 In November 2014, the Inspector appointed to examine the Local Plan Strategy (LPS) provided the Council with his Interim Views on the soundness and legal compliance of the submitted LPS. On 15 December 2014, the Inspector formally suspended the examination of the LPS to allow the Council to undertake the additional work to address the concerns he raised about the soundness of the LPS in his Interim Views.
- 1.2 This report presents a synopsis of the output of the additional work undertaken during the suspension period which supplements the Local Plan evidence base and requests Cabinet approval to submit suggested revisions to the submitted LPS for the Inspector's consideration.
- 1.3 The suggested revisions reflect the changing economic context of Cheshire East and the impact on housing requirement. The suggested revisions do not involve any change to the overall LPS and therefore, fundamentally, it is the same Local Plan supported by an updated evidence base.
- 1.4 At the start of Local Plan period the nation remained in the grip of the deepest recession for decades. This inevitably coloured the critical assumptions about future growth, development and migration. By 2015

the economic climate has changed and this enables us to move forward with greater assurance of our future prosperity.

- 1.5 The additional evidence here reflects this changing context with the economic projection moving from 0.4% to 0.7% growth rate. As the economy continues to recover so we are better able to gauge its future potential. In turn the latest demographic data, combined with more optimistic projections for in-migration create a fuller picture of the likely pattern of our workforce and population. Some will say still that we have not set our target high enough and that we should be aiming for 0.9% growth or higher. We believe however that we need to base our projections on growth in the private sector and that we need to set a realistic, deliverable position which is 0.7% growth.
- 1.6 This evidence then drives the need for an uplift in housing numbers – 36,000 homes over a 20 year period, importantly incorporating accommodation for the Borough's ageing population. Additional work to update the Green Belt Assessment and additional highway studies then inform an amended Spatial Distribution of Development.
- 1.7 Housing numbers already committed across the Borough total over 32,000 reflecting the efforts of the Authority and the growing strength of the housing market.
- 1.8 The updated evidence base justifies the suggested revisions to the submitted LPS. These revisions, along with the full suite of evidence will be submitted to the Inspector by the end of July.

## **2. BACKGROUND**

- 2.1 In September 2014, the LPS examination hearings commenced over three weeks in September 2014. The Inspector identified a total of 15 broad Matters, which were due to be considered over six weeks of



hearing sessions. After three weeks of hearing sessions, the Inspector decided to temporarily adjourn proceedings pending his consideration of the matters discussed.

2.2 Following the adjournment of the hearing sessions the Inspector issued, on 6 November 2014, his Interim Views on the legal compliance and soundness of the submitted LPS. As the title suggests this was not intended to be the Inspector's final conclusions on the soundness and legal compliance of the LPS but outlined his preliminary views based on the documentation submitted (by all parties) and his initial consideration of the matters discussed at the Examination hearing sessions held in September 2014.

2.3 In short, the Inspector indicated in his Interim Views that he was satisfied that the LPS had met the legal requirements, including the Duty to Co-operate. However, he was not convinced that he would be able to find the LPS sound, on a number of grounds. These concerns fell into four broad areas:

- Alignment of the housing and employment strategies;
- Objectively Assessed Needs (OAN) for development;
- Green Belt Assessment; and
- Spatial Distribution of Development and selection of sites.

2.4 The Inspector's views on the areas of concern can be summarised as follows:

- The economic strategy is unduly pessimistic, including the assumptions about economic growth and jobs growth, and does not seem to fully reflect the proposals and initiatives of other agencies and the extent of the site allocations proposed in the submitted plan;

- There is a serious mismatch between the economic strategy and the housing strategy of the submitted plan, particularly in the relationship between the proposed level of jobs and the amount of new housing;
- There are shortcomings in the Council's approach to the OAN for housing, both in terms of establishing an appropriate baseline figure and failing to specifically take into account and quantify all relevant economic and housing factors, including market signals and the need for affordable housing;
- The proposed level of future housing provision seems inadequate to ensure the success of the overall economic, employment and housing strategy;
- The proposed settlement hierarchy seems to be justified, effective and soundly based, but further work is needed to justify the spatial distribution of development, including addressing the development needs of the settlements in the north of the Borough;
- The process and evidence relating to the proposed amendments to the Green Belt boundary in the north of the district seems flawed, particularly the release of sites from the Green Belt and the provision of safeguarded land, and there seems to be insufficient justification for establishing a Green Belt in the south of the Borough.

2.5 The Inspector indicated that additional provision (above that proposed in the submitted Plan) should be made for new development, particularly housing, given the authority's growth ambitions and the growth potential of the Plan area especially taking account of demographic and economic factors. He suggested that more development should be provided for around the northern towns in the Borough (potentially taking more land out of the Green Belt) and was not minded to conclude that a new area of Green Belt could be justified

in the Crewe/Nantwich area. However, he was satisfied that the proposed policy approach to settlement hierarchy (which in broad terms seeks to distribute proportionally more development to the larger towns) is appropriately framed, although he thought it was unclear how sites had been selected for development in the Plan and sought more explanation of the approach used.

- 2.6 In responding to the Inspector's comments, the Council commissioned additional work from a range of expert consultancies to strengthen the evidence base in the areas of concern highlighted by the Inspector. The additional work was commissioned to a planned timetable to allow early work on the employment projections and OAN to subsequently inform other studies, such as the spatial distribution of development and highways impacts etc.
- 2.7 The work programme was co-ordinated through a detailed work plan which followed the outline programme of work agreed with the Inspector. The overall work programme has been overseen by a Local Plan Task Force of three elected Members, chaired by the Portfolio Holder responsible for the Local Plan. The additional work commissioned by the Council is set out below (by reference to the additional work commissioned and the consultants retained by the Council to undertake that work):

Work Area	Consultants
Alignment of Economic, Employment and Housing Strategy	Ekosgen
Housing Development Study	Opinion Research Services
Green Belt Assessment Update	Ove Arup & Partners (Arup)
Spatial Distribution Update Report	AECOM

Sustainability Appraisal Addendum	Enfusion
Habitat Regulations Assessments Addendum	JBA Consultants
Strategic Highways Modelling	Atkins

- 2.8 From the outset of the suspension period, the Inspector stressed the importance of engagement with interested parties on the work being done by and on behalf of the Council to address the concerns raised in his Interim Views. This work has focused on the four main areas of concern voiced by the Inspector namely the alignment of housing and economic strategies, OAN for housing development, Green Belt Assessment and the Spatial Distribution of Development.
- 2.9 Stakeholder Engagement Workshops have been held with hearing session participants to consider: (1) the Council's approach to the additional work being undertaken; and (2) the outcome of that additional work. In addition and on request of participants at the Technical Workshop, a supplementary workshop was held which focused upon on employment distribution.
- 2.10 Furthermore, the Council has continued with its Duty to Co-operate discussions during the gathering and completion of additional evidence to ensure proper account is taken of any relevant cross-boundary strategic issues relevant to the Council's additional work, or consequent upon the outcome of that work.
- 2.11 Complementary work has also been done on revisiting the sustainability appraisal, habitats assessment, transport modelling and infrastructure planning. Monthly updates on the work have been sent to the Inspector who appears to have been satisfied with the progress

made. As part of this monthly exchange of correspondence, the Inspector has identified changes in national policy and guidance that have been published during the suspension period, that the Council should consider as part of its additional work and, where appropriate, should be addressed by making such changes to the submitted LPS as may be necessary.

- 2.12 The additional work undertaken by the Council during the suspension of the LPS Examination has produced two main outcomes, namely: an additional and updated body of evidence; and the Council's suggested revisions to the submitted LPS.

### **3. SUMMARY OF ADDITIONAL WORK**

- 3.1 The following sections outline in broad terms the approach taken to the work undertaken during the Examination suspension, the additional evidence which has been produced and the implications for the submitted LPS. It will consider the main work stream elements in turn:

- Alignment of Economic, Employment and Housing Strategy
- The Housing Development Study
- The Green Belt Assessment Update
- Spatial Distribution Update
- Other Additional Work including Site Specific Implications

## **ALIGNMENT OF ECONOMIC, EMPLOYMENT AND HOUSING STRATEGY**

### **KEY POINTS SUMMARY**

- Three sets of economic projections for Cheshire East over the Local Plan period 2010-2030 (two from the Cheshire and Warrington Econometric Model (CWEM) and one from Oxford Economics) have been compared.
- The preferred projection for Cheshire East is the ONS based CWEM which covers 2010-2025 results in the creation of 22,200 net additional jobs by 2025. When this growth rate is extended, the number of net additional jobs increases to 31,400 by 2030 (0.7% jobs growth rate).
- The revised economic projection numbers are consistent with the ambition and employment growth targets set out in the Economic Development Strategy for Cheshire East and the LEP Strategic Economic Plan for Cheshire and Warrington.
- Taking on the ONS based CWEM projections and assumptions on the additional employment that will be created on site in B1, B2 and B8 accommodation, it is estimated that the gross land requirement increases to 378 hectares between 2010 and 2030. This is higher than the expected level of development identified by the LPS Submission Version (300-351 hectares).
- While it is likely that both the north and south of Cheshire East will benefit from this growth, the north will continue to be attractive to some businesses keen to be based in locations with easy access to Manchester city centre. As such there is a strong case, at a strategic level, to allocate a substantial proportion of any additional land to the north of the Borough.

The Council contends that the revisions made to Policy PG1 from 300 hectares to 380 hectares of land for B1, B2 and B8 uses (suggested revisions

log SR17) are:

- **Positively prepared**, in that Policy PG1 evidences the development needs for economic development in the Borough
- **Justified** by proportionate evidence within the Alignment of Economic, Employment and Housing Strategy Report (2015), which is robust, reliable and up-to-date;
- **Consistent with national policy** by setting out, through the development need for economic development delivering sustainable development in accordance with the NPPF and PPG.

3.2 The submitted LPS includes a strategy of growth that seeks to make the most of the areas economic potential. It recognises that the Borough has performed strongly in the past and enjoys a number of expanding economic sectors. There are also excellent local companies and a high quality environment that fosters high value employment. However this potential was tempered within the submitted LPS by background of recession and the knowledge that the current workforce was rapidly ageing – and that continued economic expansion was dependent on enhanced levels of in-migration. As a consequence the employment projections of the submitted LPS were set at lower level than in the past – albeit with elevated projection of Gross Value Added.

3.3 In his Interim Views the Inspector highlighted concerns that the LPS did not properly reflect the economic ambition or economic potential of a prosperous Borough such as Cheshire East. Accordingly he considered that the Plan's intention to provide for an increase of 0.4% pa in jobs, equating to estimated GVA growth of around 2.4% per annum to be "unduly pessimistic". As a consequence the Inspector concluded that the economic approach of the submitted plan "may not actually represent a sustainable and deliverable strategy for growth".

- 3.4 Economic consultants Ekosgen were commissioned to review the alignment of economic, employment and housing strategy taking account of the Inspector's concerns. The work comprised four main strands<sup>1</sup> of analysis that provide a rounded assessment of: (i) the level of potential growth, taking account of employment projections and economic development plans; and (ii) Cheshire East Borough ability to capture this based on the area's historic performance and the availability of employment land and the required infrastructure. The analysis highlighted the importance of much higher than average growth in public sector employment as a major contributor to employment growth in Cheshire East in previous growth phases; a factor that is not likely to continue in the future.
- 3.5 Three sets of economic projections for Cheshire East over the Local Plan period 2010-2030 - two from the Cheshire and Warrington Econometric Model (CWEM) and one from Oxford Economics - have been compared. The two CWEM projections - one based on national ONS data and one based on local data - produce the same average annual employment growth rate at both the sector and overall economy level for Cheshire East.
- 3.6 The preferred projection for Cheshire East is the ONS based CWEM which covers 2010-2025 results in the creation of 22,200 net additional jobs by 2025. When this growth rate is extended, the number of net additional jobs increases to 31,400 by 2030. The growth projected for the next 20 years in Cheshire East in the ONS based CWEM (i.e., 0.7% including self employment) falls within the range of employment

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<sup>1</sup> Comprising of employment performance and analysis of historic data, economic potential and employment land requirements, alignment of LPS with strategic plans and economic ambitions and the spatial implications of future employment growth



growth rates recorded between 1998 and 2008 (i.e., 0.8% including self employment) and 2009 and 2013 (i.e., 0.6% including self employment).

- 3.7 A target of 38,600 net additional jobs and average annual employment growth rate of 0.9% was provided by Oxford Economics as a second economic forecast. After careful consideration by Ekosgen this forecast was regarded as overly optimistic, mainly on the basis of the need to secure an exceptionally high level of employment growth in financial, professional and business services (much higher than the forecast national growth rate). This level of growth was considered unlikely given that Manchester has ambitious plans to increase this type of employment based on a strong commercial office market in the city centre, the Oxford Road Corridor and Salford Quays, and significant transport investment in the Metrolink Second City Crossing and the Northern Hub rail improvements, increasing services to Manchester Piccadilly and Manchester Victoria stations.
- 3.8 Adopting the ONS-based CWEM projections and assumptions on the additional employment that will be created on site in accommodation within Use Classes B1, B2 and B8, it is estimated that there will be a net employment land requirement of 195 hectares between 2010 and 2030. When land losses are factored in and a 20% flexibility factor is applied, the gross land requirement increases to 378 hectares between 2010 and 2030. This equates to an annual requirement of 18.9 hectares which is higher than the expected level of development of 300 to 351 hectares identified in the submitted LPS.
- 3.9 The revised economic projection numbers are consistent with the ambition and employment growth targets set out in the Economic Development Strategy for Cheshire East and the LEP Strategic Economic Plan for Cheshire and Warrington. The constellation city

concept, which is based upon capitalising on connectivity advantages in the south of Cheshire East and capturing growth in the cluster of towns surrounding Crewe that strongly interact as a single integrated market area, is consistent with the proposed land allocations in the LPS Submission Version.

- 3.10 Overall, there is a sound rationale for the broad allocations of employment land to the south of Cheshire East given the importance and new opportunities around all of the ambitions for Crewe. The north of Cheshire East Borough will continue to be attractive for many employers, but the overall trend in the key drivers of employment growth are based on businesses which need to attract and have access to a young, educated workforce, favouring the major cities, such as Manchester, Leeds and Birmingham, possibly at the expense of their immediate neighbours.
- 3.11 While the proposals for 351 hectares of employment land may be sufficient to support the level of employment growth envisaged in the submitted LPS, the level of growth expected in the updated ONS based CWEM economic projections suggests 27 additional hectares of land will be required. A significant part of the increased employment from the updated model is for office based jobs.
- 3.12 While it is likely that both the north and south of Cheshire East will benefit from this growth, the north will continue to be attractive to some businesses keen to be based in locations with easy access to Manchester city centre. As such there is a strong case, at a strategic level, to allocate a substantial proportion of any additional land to the north of the Borough.
- 3.13 Ekosgen presented the methodology at the first technical workshop and received feedback from participants. Following a request made at

the workshop an additional interim economic workshop was held on the 24<sup>th</sup> April. The purpose of this meeting was to discuss views on the employment growth sectors relevant to Cheshire East and future employment land supply and the outcome of these discussions are reflected in the outcomes of the report. The second formal technical workshop considered the proposed outcomes of this workstream and informed the final content of the Ekosgen report.

## **HOUSING DEVELOPMENT STUDY**

### **KEY POINTS SUMMARY**

- The Housing Development Study concluded that the headline OAN for Housing in Cheshire East is 36,000 dwellings over the 20-year period 2010-30, equivalent to an average of 1,800 dwellings per annum. The housing requirement as set out in the suggested revisions for Policy PG1 (reference SR 17) is 36,000 dwellings over the 20-year period 2010-30
- ORS conclude that Cheshire East Council represents a single housing market area with recognition of two local sub-market areas
- The 'starting point' estimate for OAN has been the Department of Communities and Local Government (DCLG) 2012-based household projections. ORS have reviewed and assessed the household projections and used a scenario based on 10-year migration trend data.
- The OAN and Housing Requirement include an allowance for older person's accommodation which accounts for 2,185 units over the Plan Period. This figure incorporates accommodation for older people which may include facilities within Planning Use Class C2 as well as conventional dwellings (Use Class C3).
- The Housing Development Study has considered the Market Signals for Cheshire East and compared these to other areas which have

similar demographic and economic characteristics. The Study identified that, on the whole, market signals do not indicate any need for an upward adjustment although there has been an increase in concealed families over the period 2001 – 11 which the objective assessment of housing need has addressed

- The Housing Development Study identifies a total affordable housing need of a minimum of 7,100 dwellings (an average of 355 per annum), which is included in the derived OAN for housing of at least 36,000 dwellings.
- The Housing Development Study has considered employment trends and how the projected growth of the economically active population fits with the future changes in job numbers. The Study identified a potential range for the OAN from 1,466 dwellings per annum where all of the adjustment for additional workers falls on commuting, to 1,894 dwellings per annum where all of the adjustment falls on migration. On balance and following more detailed analysis regarding the balance and realism of migration and commuting patterns, the figure of 1,800 dwellings per annum is considered to be the viable OAN for Cheshire East.

The Council contends that the revisions made to Policy PG1 from 27,000 to 36,000 dwellings (suggested revisions log SR17) are:

- **Positively prepared**, in that PG1 sets out a Housing Requirement which meets the overall OAN for Housing in Cheshire East
- **Justified** by proportionate evidence within the Housing Development Study (2015) and Alignment of Economic, Employment and Housing Strategy Report (2015), which is robust, reliable and up-to-date;
- **Consistent with national policy** by setting out a housing requirement which is consistent with national policy by fully meeting

the Objective Assessment of Housing Need identified for Cheshire East

3.14 In his Interim Views, the Inspector identified shortcomings with the Council's original calculation of OAN and of the overall housing requirement. These concerns related to:

- The failure to establish an appropriate **baseline figure** for objectively assessing housing need ([PS A017b], paragraph 4);
- The assumptions made by the Council about household formation rates, migration and economic activity rates:
- On **household formation**, the Inspector noted that "...CEC has assumed that household formation rates will stay constant after 2021...However, the PPG advises that household formation rates may have been suppressed historically by past under-supply and worsening affordability of housing...a partial return of household formation rates to longer term trends...could be considered...CEC has considered some alternative models which assume some growth in household formation after 2021; these may represent a more appropriate and robust basis on which to estimate future housing need" ([PS A017b], paragraphs 42-43).
- On **migration**, the Inspector commented that "...CEC uses short-term data for the period 2006/07 – 2009/10...By using figures from the last decade, the LPS is continuing the levels of migration associated with a period of economic recession and limited availability of new housing, rather than those associated with a more buoyant economy and more new housing" ([PS A017b], paragraph 44).

- On **economic activity rates**, he noted that “CEC has also made some unduly optimistic assumptions about increased economic activity of older people...Both the unduly pessimistic assumptions about job growth and the optimistic assumptions about future economic activity rates of older people have the effect of artificially depressing the need for new housing for employees. This is a high risk strategy which could result in the failure of the economic strategy of the plan at the expense of increased and less sustainable in-commuting” ([PS A017b], paragraph 50).
- Factoring in relevant evidence on **market signals and affordable housing**. The Inspector took the view that “There are shortcomings in the Council’s objective assessment of housing needs, both in terms of establishing an appropriate baseline figure and failing to specifically take into account and quantify all relevant economic and housing factors, including market signals and the need for affordable housing.” ([PSA017b], paragraph 4).
- **Economic and housing strategy**. The Inspector highlighted the need for economic strategy to be suitably ambitious, suitably aligned with the wider strategies of the Council and other agencies, and for housing provision to be sufficient to achieve this economic ambition. He noted that “The economic strategy is unduly pessimistic, including the assumptions about economic growth and jobs growth, and does not seem to fully reflect the proposals and initiatives of other agencies and the extent of site allocations proposed in the submitted plan. There is a serious mismatch between the economic strategy and the housing strategy of the submitted plan, particularly in the constrained relationship between the proposed level of jobs and the amount of new housing...The proposed level of future housing provision seems inadequate to ensure the success of the overall economic, employment and housing strategy.” ([PS A017b], paragraph 4)Overall, the Inspector concluded that further work needed to be undertaken to assess the

housing need for the area in a way which explicitly addressed all the relevant factors outlined in the NPPF and PPG, using assumptions that are robust and realistic, and which better reflect the inter-relationship with the plan's economic strategy.

- 3.15 The Council commissioned expert consultants, Opinion Research Services (ORS), to undertake a Housing Development Study (HDS) identifying the OAN for housing over the Plan period. The HDS was undertaken by ORS in full compliance with relevant policy and practice and guidance within the NPPF and PPG. In addition, the HDS takes account of recently published Local Plan Inspector examination reports and relevant legal authorities, together with emerging good practice, including the Technical Advice Note on OAN and Housing Targets published by the Planning Advisory Service (PAS).
- 3.16 The HDS concluded that the OAN for Housing in Cheshire East is 36,000 dwellings over the 20-year period 2010-30, equivalent to an average of 1,800 dwellings per annum (dpa).
- 3.17 The OAN figure includes an allowance for older person's accommodation and also takes account of all of the evidence in relation to demographic trends, market signals and economic development needs and also factors in considerations such as student accommodation, Gypsy and Traveller site provision, vacancies and second homes in the overall calculation.
- 3.18 ORS conclude in the HDS that Cheshire East Borough represents a single housing market area with recognition of two local sub-market areas – one in the north and the other in the south of the Borough.
- 3.19 ORS have used the 'starting point' estimate for OAN as the DCLG 2012-based household projections. They have reviewed and assessed

the household projections and used a scenario based on 10-year migration trends as they consider this to provide the most reliable and appropriate long-term demographic projection for establishing housing need.

- 3.20 The HDS considered appropriate market signals relevant to Cheshire East and compared these to other areas with similar demographic and economic characteristics. The market signals analysis compared Cheshire East to the areas of: Cheshire West & Chester; the East Riding of Yorkshire; Wiltshire; and North Somerset. Comparisons were also drawn against England as a whole.
- 3.21 Market signals considered by ORS included house prices, rents, affordability, rate of development and overcrowding. The HDS identified an increase in concealed families over the period 2001–11 which justifies an uplift in the OAN for housing. The OAN also includes an allowance for older person's accommodation which accounts for 2,185 units over the Plan period. This figure incorporates accommodation for older people which may include facilities within Use Class C2 as well as conventional dwellings (Use Class C3).
- 3.22 The HDS identifies a minimum total need for affordable housing of 7,100 dwellings (an average of 355 per annum) over the Plan period, which is included in the OAN for housing 36,000 dwellings. The HDS recognises the conclusions of the draft Core Strategy and CIL Viability Study, prepared in 2013, which identified that Greenfield residential development is generally viable with the Council's 30% affordable housing target, whereas brownfield residential development maybe viable if lower levels of affordable housing are permitted at planning application stage. On this basis, there is no reason to doubt the viability of delivering the affordable housing need identified



- 3.23 The key factors in the affordable housing calculation are the assessment of current unmet need for affordable housing and the projected need for future affordable housing in line with the requirements of the NPPF and PPG. The HDS notes the importance of properly considering the needs of newly forming against migrating households and also that different household groups have different propensities of forming in response of housing need. It is also the case that while some household fall in to need each year, other households will climb out of need at the same time and this needs to be fully factored in to any calculation of affordable housing need. The impact of addressing all of these factors is to reduce the affordable housing need calculated for Cheshire East from the figure previously reflected in the 2013 Arc<sup>4</sup> SHMA Update [BE001]. It is also important to note that the 2013 SHMA Update was produced prior to the publication of the PPG web-based resource on 6 March 2014.
- 3.24 Taking account of the revised employment forecasts and the balance between workers and jobs, the population projection based on 10-year migration trends suggests that there is likely to be a shortfall of around 11,800 workers over the 20-year period between 2010 and 2030. An assessment therefore needs to be made as to the likely implications on both in-migration and on patterns of commuting.
- 3.25 An increase in jobs within the Borough has potential to attract migrants into the area from other parts of the UK, but also influence the working preferences of existing residents. As the quality and quantity of employment increases, so the need to seek work outside of the area may also diminish. Accordingly an adjustment in the proportion of out commuting can be anticipated as more residents find work locally. This should be expected as generally speaking it is easier to move jobs than it is to move house.

- 3.26 There are however limits to this trend, and so it is suggested that the adjustment to commuting - that net in-commuting would reach 9,000 by 2030 (less than 5% of the total projected jobs) – a consequence of fewer residents commuting out of the Borough to find work. The remaining shortfall in workforce must therefore be met by in-migration. This is assumed to be at a rate of 2,600 per year – the highest level recorded in any single year since 1991. It is considered this pushes the boundaries of what reasonably can be expected by way of an increase in migration. Should the commuting patterns not adjust in the way that is anticipated, then even higher levels of in-migration would be required to meet the shortfall in the workforce (some 2,797 per year based on 10-year migration trends). This level requires consistently high increases year on year, which is not thought to be credible. In turn it would also adjust the housing total accordingly (to 1,894 dpa).
- 3.27 There is thus a need to increase the OAN further to reflect the balance between future jobs and workers in particular. However, it is important to recognise that as well as yielding extra population and workers, any increase in housing will also respond to market signals and help provide affordable housing – so the increases identified are not cumulative, and providing the homes required to balance jobs and workers will help ease market pressure and enable more affordable housing to be delivered through the planning system.
- 3.28 Considering all of the evidence, the OAN for housing in Cheshire East is 36,000 dwellings over the 20-year period from 2010 to 2030; equivalent to an average of 1,800 dpa. This includes the OAN for affordable housing at a minimum of 7,100 dwellings over the same period; equivalent to an average of 355 dpa.
- 3.29 This is 23% higher than the identified housing need based on demographic projections using 10-year migration trends (incorporating

Class C2 usage and the response to market signals for concealed families); and an overall uplift of more than 65% from the DCLG starting point estimate. It also represents a 1.1% increase in the dwelling stock each year (equal to the average for England as a whole), a rate that is over 35% higher than that achieved on average over the period from 2001 to 2011 in Cheshire East.

3.30 This OAN for housing provides a clear response to market signals and contributes significantly to the likely shortfall of workers that has been identified, whilst recognising that there will also be changes to commuting patterns in the future that will need to be considered.

3.31 ORS presented the HDS methodology at the first Stakeholder Engagement Workshop and received feedback from participants. The second Stakeholder Engagement Workshop considered the outcomes of this workstream and the feedback from participants informed the final content of the HDS.

### **Housing Requirement**

3.32 On the basis of the additional evidence within the HDS, specifically, the conclusion of ORS on the OAN for housing in Cheshire East over the Plan period, the Council considers the overall housing requirement over the Plan period should be 36,000 dwellings, which is identified in the Council's suggested revision to Policy PG1. A housing requirement of 36,000 dwellings will fully meet the OAN for housing in Cheshire East Borough, which accords with Strategic Priority 2 of the submitted LPS.

3.33 The Council recognises that delivering development to meet the housing requirement during the Plan period is ambitious but is considered to be achievable through delivery of development on the LPS Strategic Sites and Locations, the Site Allocations and Development Policies Local Plan document (SADPD), Neighbourhood

Plans and continued grants of planning permission granted for sustainable development.

3.34 In terms of meeting the updated housing requirement, since the base date of the submitted plan (31 December 2013), the Council has granted planning permission for sustainable forms of development in appropriate locations. When these are added to the sites / allocations already included in the submitted LPS, a total provision of 32,062 dwellings has already been identified as of 31 March 2015.

3.35 Annexe D includes further detailed considerations informing the identification of the overall housing requirement identified in the Council's suggested revisions to Policy PG1.

## **GREEN BELT ASSESSMENT**

### **KEY POINTS SUMMARY**

#### **Green Belt Assessment Update**

- The Green Belt Assessment Update 2015 (GBA Update) considered the five purposes which the Green Belt serves in two main stages: Stage 1 involved a General Area Assessment of the whole Green Belt in Cheshire East and is used to identify areas for further consideration in the second stage of assessment; and Stage 2 considered smaller parcels of land adjacent to the main settlements, as well as smaller settlements in general areas that were judged not to make a strong contribution to the Green Belt purposes at Stage 1. The results of the assessment will be used to inform decisions regarding land to release for potential development.
- The GBA Update defined a set of moderate and strong Green Belt defensible boundaries and defined parcels of land for assessment

by searching outwards from the Green Belt inset boundary to the nearest strong or moderate defensible boundary. For parcels located near administrative boundaries, this has meant that some assessment parcels have included areas of Green Belt in neighbouring authorities and has necessitated and resulted in consultation with adjacent Local Authorities.

- Overall, out of the 401 parcels identified for assessment, there are 84 parcels which have been assessed as making a 'contribution' to the purposes served by the Green Belt in Cheshire East. No parcels are assessed as making 'no contribution' to Green Belt purposes.
- The assessment shows parcels which make a lesser contribution to the purposes served by the Green Belt are clustered around Macclesfield and Wilmslow in the north of the Borough, and Scholar Green further south. However, it should be noted that the Green Belt Assessment only considers the five defined purposes of Green Belt and many of these parcels are otherwise unsuitable for development. For example, because they are within river valleys, are parcels of open space closely linked to the urban area, or are already covered by significant levels of development.
- The majority of parcels around Alderley Edge, Alsager, Bollington, Disley, Handforth, Mobberley, Poynton and Prestbury make either a 'significant' or 'major' contribution to the Green Belt in Cheshire East when assessed against the five purposes.
- It is also recommended that Green Belt inset boundaries be reviewed and updated in terms of their relationship with the existing urban form. This issue could be addressed through the SADPD.

### **Safeguarded Land**

- For the purpose of the safeguarded land calculation, average

densities of 30, 35 and 40 dph have been assumed. This modest increase above the usual 30 dpa strikes a balance between the desire to increase densities (for the reasons set out above) and the requirement to ensure that Green Belt boundaries will not need to be altered again at the end of the Plan period.

- Taking all of these factors together a midpoint between the variables suggests a total of 200 hectares of safeguarded land need to be provided in the LPS. The Council does not propose to be any more definitive about the likely variables – to do so might render a calculation with a spurious level of fine-grained accuracy. Instead, it is suggested that a broader strategic view of the issue be taken. However, for the purposes of comparison, 200 hectares of safeguarded land equates to 9 years of safeguarding at an average density of 34 dph. The calculation and justification is set out in the Attached Technical Annexe.

#### **New Green Belt / Green Gap**

- The New Green Belt policy proposed in the submitted LPS will be replaced by an alternative “Strategic Green Gaps” policy which will cover the gaps currently included in the existing Green Gaps policy (saved Policy NE.4 in the Crewe and Nantwich Local Plan). These are identified as being the critical gaps to provide protection against coalescence, to protect the character and separate identity of settlements, and to retain the existing settlement pattern by maintaining the openness of land. The strategic gaps identified in this policy are considered necessary to prevent coalescence, primarily arising from the growth of Crewe.
- In addition to the “Strategic Green Gaps” policy, further consideration should be given to an additional “Local Green Gaps” policy in the SADPD.

- 3.36 The Green Belt Assessment Update 2015 (GBA Update) has been produced to address the Inspector's concerns identified in his Interim Views and to take account of national policy, guidance and best practice in carrying out Green Belt reviews. The Update consists of two main stages: Stage 1 is a General Area Assessment of the whole Green Belt in Cheshire East and is used to identify areas for further consideration in the second stage of assessment; and Stage 2 considered considers smaller parcels of land adjacent to the main settlements, as well as smaller settlements in general areas that were judged not to make a strong contribution to Green Belt purposes in Stage 1.
- 3.37 The GBA Update only considered the purposes served by the Green Belt in Cheshire East and the contribution that existing Green Belt land makes to the five purposes served by Green Belts identified in national policy (NPPF, ¶89). Land was judged to make 'No contribution', a 'Contribution', a 'Significant contribution' or a 'Major contribution' to Green Belt purposes following assessment against the five purposes. The Update does not consider any other planning considerations, such as sustainable development, flooding, accessibility, or infrastructure etc. As such, it does not make any recommendations as to the areas of land which should, or should not, be released from the Green Belt.
- 3.38 The results of the GBA Update will be used to inform decisions regarding the potential need to release existing Green Belt to accommodate new development during the Plan period. Those decisions will also need to consider other material planning consideration and evidence but, in Green Belt terms, the parcels identified as making 'a contribution' have the greatest potential to be considered for release due to their lower contribution to Green Belt purposes. Release of parcels assessed as making a significant or major contribution can also be considered but the weight of evidence

would need to be greater to demonstrate the required exceptional circumstances to justify its removal from the Green Belt.

- 3.39 The GBA Update defined a set of moderate and strong Green Belt defensible boundaries and defined parcels of land for assessment by searching outwards from the Green Belt inset boundary to the nearest strong or moderate defensible boundary. For parcels located near administrative boundaries, this has meant that some assessment parcels have included areas of Green Belt in neighbouring authorities. The definition of these parcels and the results of parcel assessments that include such land have been reviewed and agreed in consultation with the neighbouring authorities. A meeting was held with Stockport MBC in January 2015 to discuss concerns regarding the Green Belt Assessment 2013 and agree an approach for the GBA Update. This included reviewing parcels adjacent to Stockport's administrative boundary, with Stockport MBC.
- 3.40 In general terms the parcels identified as making a 'contribution' have the greatest potential to be considered for release due to their lower contribution to Green Belt function. Overall, out of the 401 parcels identified for assessment, there are 84 parcels which have been assessed as providing a 'contribution' to the Green Belt in Cheshire East. No parcels are assessed as making 'no contribution'.
- 3.41 The assessment shows parcels which make a lesser contribution to the Green Belt, due to being assessed as making a 'contribution' are clustered around Macclesfield and Wilmslow in the north of the district, and Scholar Green further south. However, it should be noted that the Green Belt Assessment only considers the five defined purposes of Green Belt and many of these parcels are otherwise unsuitable for development. For example, because they are within rivers valleys, are parcels of open space closely linked to the urban area, or are already



covered by significant levels of development. The majority of parcels around Alderley Edge, Alsager, Bollington, Disley, Handforth, Mobberley, Poynton and Prestbury make either a 'significant' or 'major' contribution to the Green Belt in Cheshire East when assessed against the five purposes.

3.42 Arup's detailed analysis of the Green Belt in Cheshire East raised a further issue regarding the relationship between the Green Belt boundary and settlements within the Borough. The Green Belt inset boundary does not reflect the urban form in a small number of cases, with development largely encroaching into the Green Belt or settlement cores being 'washed over' by the Green Belt.

3.43 Arup recommends that Green Belt inset boundaries are reviewed and updated in terms of their relationship with the existing urban form. This issue could be addressed through the preparation of the SADPD

### **Safeguarded Land**

3.44 Safeguarded land is required so that the Council can be confident that Green Belt boundaries will not need to be altered again at the end of the Plan period in 2030. In calculating the requirement for Safeguarded Land, consideration has been given to the likely availability of other land beyond 2030. An advice note on methodology and approach has been prepared by Arup which recommends projecting forward current development requirements for a further period beyond 2030. This highlights that there are a number of influences on future needs.

3.45 First and foremost is the projection forward of current OAN. Although predicting needs beyond 2030 inevitably involves uncertainties, the rolling forward of current needs for homes and jobs provides a reasonable basis for future land calculations. Consideration has been given to other approaches such as attempting a bespoke calculation of

need for an additional 15 year Plan period (2030-45). However such an assessment would not have sufficient reliability to be truly trustworthy.

3.46 Secondly, the advice also suggests that future brownfield development be assessed. The urban potential study considers sites that have potential for development during the current Plan period. A large number of sites were considered to have potential for development, but were screened-out as they are currently in use and could not therefore be said to be available during the Plan period. These screened-out 'in use' sites could possibly provide more dwellings than those with potential in this Plan period, and may well come forward for development after 2030.

3.47 In the former Macclesfield Borough, 86.7% of dwelling completions since 2002 have been on non-allocated sites. This high figure is partly due to the lack of allocated housing sites and must be considered in the context of a fairly low level of house building. However, it does demonstrate that, despite the tightly-drawn Green Belt boundary, there is a reliable source of recycled and other land coming forward for development.

3.48 Careful consideration has been given to the time period over which to project development requirements post-2030 in the calculation of the amount of safeguarded land. A number of local authorities have indicated that a 15 year Plan period, followed by 5-10 years' worth of Safeguarded Land should ensure that the Green Belt boundary retains a degree of permanence. In reducing the period of safeguarded land, it would be necessary to demonstrate the likely availability of land from other sources.

3.49 As demonstrated above, there will be a continued source of land beyond 2030 and there may also be other options to meet

development needs in other areas. Consequently, and bearing in mind the desire to protect the countryside and minimise the impact on the Green Belt, it is considered appropriate to contemplate providing Safeguarded Land of slightly less than 10 years duration.

- 3.50 Conversely, given the difficulties in assessing land supply so far into the future, it is considered that 5 years' worth of Safeguarded Land would be insufficient to give confidence that Green Belt boundaries will not need to be altered again at the end of the Plan period. Accordingly scenarios of 10, 9 and 8 years have been tested in the calculation – the latter two of which assume a slightly higher level of urban recycling.
- 3.51 Finally an assessment of density has been made. In its approach to the Strategic Housing Land Availability Assessment and LPS sites, the Council has used a cautious approach of assuming an average density of 30 dwellings per hectare, unless site-specific information indicates otherwise.
- 3.52 There is no national guidance on the application of densities and the 30 dwellings per hectare figure usually employed represents the very lowest end of the range of 30 – 50 dwellings per hectare previously advocated in planning policy under the old Planning Policy Statement 3.
- 3.53 The National Planning Policy Framework allows local planning authorities to set out their own approach to housing density to reflect local circumstances. It will be appropriate to consider the introduction of a housing density policy through the SADPD.
- 3.54 There is a growing recognition of the benefits of higher-density developments, particularly given the national challenge in significantly

boosting the supply of new housing, whilst protecting the countryside and making the best use of land.

3.55 Higher density housing can:

- Make better use of scarce land resources;
- Make more efficient use of existing infrastructure;
- Reduce the need for travel by providing local amenities; and
- Reduce the reliance on car transport by providing a focus for walking, cycling and public transport networks.

3.56 In the future, there will also be an increasing balance to be struck between provision of conventional, and other forms of housing which are often provided at higher densities. An ageing population and reducing average household size also means a likely future requirement for smaller units, built at higher densities.

3.57 When considered against the desire to protect the countryside, and to minimise the impact on the Green Belt, it is considered to be appropriate to assume a slightly higher density in converting potential future development requirements into a safeguarded land requirement.

3.58 For the purpose of the safeguarded land calculation, average densities of 30, 35 and 40 dwellings per hectare have been assumed. This modest increase above the usual 30 dwellings per hectare strikes a balance between the desire to increase densities (for the reasons set out above) and the requirement to ensure that Green Belt boundaries will not need to be altered again at the end of the Plan period.

3.59 Taking all of these factors together a mid point between the variables suggests a total of 200 hectares of safeguarded land need to be

provided in the Plan. It is not proposed that the Council be any more definitive about the likely variables – for to do so might render a calculation with a spurious level of fine gained accuracy. Instead it is suggested that a broader strategic view of the issue be taken. However, for the purposes of comparison, 200 ha of safeguarded land equates to 9 years of safeguarding at an average density of 34 homes per hectare. The calculation and justification is set out in the Attached Technical Annex.

### **New Green Belt and Green Gap**

- 3.60 The Arup advice note “New Green Belt Policy” sets out the concerns raised by the Inspector in relation to the proposed new Green Belt policy. The Inspector found there was insufficient justification within the submitted LPS to establish a new Green Belt around Crewe.
- 3.61 Based on the outcomes of recent High Court and Appeal decisions, the Arup advisory note has concluded that the existing Green Gaps policy cannot currently be considered ‘insufficient’. In addition, the current evidence does not satisfy the Inspector that there are exceptional circumstances for a new Green Belt. The advice note recommends that the LPS considers a new Green Gaps policy rather than proceeding with the new Green Belt designation.
- 3.62 The evidence in the ‘New Green Belt and Strategic Open Gap Study (2013)’ is sufficient to justify a new Green Gaps policy. This study also makes an assessment of various gaps within the current Green Gap areas and beyond. The Arup note recommends that this evidence be reviewed and updated to define critical and less critical gaps in order to refine the policy response to ensure a consistent approach to protection within Green Gaps.

3.63 A review of the 2013 study shows that there is sufficient evidence to justify a strategic open gap policy within the following locations (all currently in the existing Green Gap:

- (A) Willaston / Wistaston / Nantwich / Crewe;
- (B) Willaston / Rope / Shavington / Crewe;
- (C) Crewe / Shavington / Basford village / Weston; and
- (D) Crewe / Haslington.

3.64 It also recommends consideration of a strategic open gap between Hough and Wybunbury (G), Sandbach and Middlewich (J), between Leighton and Bradfield Green (F) and between Shavington, Wybunbury and Hough (G). However, a review of the study shows that some additional assessment of these gaps would be required to justify their inclusion in a strategic open gap policy.

3.65 It is considered that a Strategic Green Gap policy should have the core objective of maintaining the physical gaps between Crewe, Willaston, Wistaston, Nantwich, Haslington and Shavington to prevent the settlements from merging with each other.

3.66 It may be appropriate to consider a further local gaps policy through the Site Allocations and Development Policies document to deal with less critical gaps. This local gaps policy would be more restrictive than the open countryside policy but less restrictive than the strategic gaps policy in the LPS.

3.67 As there is insufficient evidence at this stage to define a detailed boundary, it will be necessary to save the extent of the existing Green Gap. It is proposed to save the existing Green Gap policy (Policy NE.4,

CNBC Local Plan 2005) and its detailed boundary alongside the new policy until detail boundaries are defined on the Adopted Policies Map.

## **SPATIAL DISTRIBUTION WORKSTREAM**

### **KEY POINTS SUMMARY**

- The Spatial Distribution report has not sought to explore options regarding the re-categorisation of different settlements at different levels of the hierarchy from those that are set out in Policy PG2 (settlement hierarchy) given the Inspector's Interim Views
- Based upon the analysis of key factors and new evidence base (for housing, employment, Green Belt, highways, SA/HRA and an updated analysis of sites capacity of the Principal Towns, Key Service Centres and Local Service Centres), the study found that the approach employed in PG6 to be broadly justified based in the context of the previous housing figure contained in Appendix A of the LPS (29,050 dwellings) and set against the constraints and opportunities subject to analysis. The main exception to this (at the higher tiers of the Settlement Hierarchy) was that Poynton, Knutsford and Wilmslow where the evidence suggests more housing growth should have been allocated.
- In the context of OAN for housing and employment needs being higher, the AECOM report identified 5 options for initial Sustainability Appraisal testing, which resulted in a preferred option (option 6: recommended approach), The recommended option directs the bulk of the additional 27 hectares of additional employment floorspace required into the north; and the additional 6950 dwellings required to meet OAN for housing is directed mainly to settlements with greatest capacity to grow sustainably over the Plan period, with opportunities in the north maximised based upon evidence on constraints/capacity.

The Council contends that the suggested revisions made to LPS Policy PG6 (suggested revisions log SR73) are:



- **Positively prepared**, in that it sets out a Spatial Distribution which meets the overall OAN for Housing and employment in Cheshire East
- **Justified** by proportionate evidence within the HDS (2015), GBA Update (2015) and Alignment of Economic, Employment and Housing Strategy Report (2015), which is robust, reliable and up-to-date;
- **Consistent with national policy** by setting out, an evidenced base appraisal for the Spatial Distribution of development to meet sustainable development in accordance with the NPPF and PPG.

3.68 AECOM have been commissioned to assist the Council in considering the methodology and factors used to determine the spatial distribution of development, in the light of the Inspector's Interim Views. This commission sits alongside and has been informed by the outcomes of the other work streams.

3.69 Policy PG6 of the LPS sets out the Spatial Distribution of development in relation to the Principal Towns, Key Service Centres, Local Service Centres, Other Settlements and Rural Areas. Given the Inspector's initial conclusion that the settlement hierarchy is justified, effective and soundly based, this review work has not sought to explore options regarding the re-categorisation of different settlements at different levels of the hierarchy from those that are set out in Policy PG2.

3.70 Based upon the analysis of key factors and new evidence base (for housing, employment, Green Belt, highways, SA/HRA and an updated analysis of sites capacity of the Principal Towns, Key Service Centres and Local Service Centres), the study found that the approach

employed in PG6 to be broadly justified based in the context of the previous housing figure contained in Appendix A of the LPS (29,050 dwellings) and set against the constraints and opportunities subject to analysis. The main exception to this (at the higher tiers of the Settlement Hierarchy) was that Poynton, Knutsford and Wilmslow where the evidence suggests more housing growth should have been allocated.

3.71 The study was prepared during the period where evidence was emerging. In the context of OAN for housing and employment needs being higher, the AECOM report shows that there would be justification in exploring options that increase housing and employment floorspace over and above the base level of Policy PG6.

3.72 The consultants identified five options considered as reasonable alternatives for Sustainability Appraisal, as follows:

- Policy PG 6 with proportionate growth – applies a growth factor of 23% (the uplift in housing numbers identified in the ORS work) to the original housing numbers proposed in Policy PG6. Employment provision is uplifted by 27 hectares;
- Policy PG 6 with proportionate growth from 2010 – using Census 2011 data, distributing the additional housing growth based on the proportion of dwellings in each settlement. The additional 27 hectares of employment land are distributed to the Science and Growth corridor;
- Economic Strategy Led – distributing additional housing / employment growth using key economic drivers such as High Growth City, the Strategic Economic Plan (SEP) Constellation City Concept and Northern Science Corridor Foci;
- Constraints / Impact Led – approach seeks to limit the impacts of development on settlements which are sensitive to change

due to key constraints such as Green Belt and Highways impacts;

- Hybrid – a balanced approach would seek to meet the needs of the Borough, where they arise. However, there is a need to factor in constraints, opportunities and economic aspirations. This option is a blend of option 2 (proportionate growth), option 3 (economic strategy-led) and option 4 (constraints-led option).

3.73 Following the consideration of the outputs from initial Sustainability Appraisal / Habitats Regulations Assessment testing and the consideration of other evidence; AECOM proposed a preferred option 6 (Recommended Approach). The preferred option directs the bulk of the additional 27 hectares of additional employment floorspace required into the north; and the additional 6950 dwellings required to meet OAN for housing is directed mainly to settlements with greatest capacity to grow sustainably over the Plan period, with opportunities in the north maximised based upon evidence on constraints/capacity.

3.74 In summary the recommended option to the Council:

- seeks to address the development needs (for housing and employment) and opportunities at all the towns and settlements, particularly those in the north of the Borough.
- as a means of promoting sustainable patterns of development it directs increased housing growth to the Green Belt settlements of Poynton, Knutsford and Wilmslow alongside the bulk of the additional 27 hectares of employment land required to meet employment needs.

3.75 This option reflects further work conducted by officers to examine smaller sites within the built-up area or on the edges of settlements and adequately reflects existing commitments and proposals.

3.76 AECOM presented their methodology for deriving the Spatial Distribution at the second stakeholder workshops. At the engagement workshop, participants were asked for their views on receiving some form of engagement on spatial distribution options. There was naturally a desire from participants for further engagement on this matter specifically to be held in a similar workshop environment. The Council was mindful that the final distribution of development inevitably involves elements of judgement – and that there are many permutations that could be conceived, which is not necessarily conducive to the reaching of a rapid consensus. The Council in its response to the Inspector's comments on 3<sup>rd</sup> July 2015 [PS E026] agreed to hold a further technical workshop with examination participants which will consider the Council's proposals for revisions to the Spatial Distribution of Development. The results of the engagement events will be reported to you before the resumption of the examination hearings, together with any consequential alternations to the Council's suggested revisions.

### **HIGHWAYS WORKSTREAM**

#### **KEY POINTS SUMMARY**

- The additional supporting highways evidence on Crewe and Alsager has been used to inform the Spatial Distribution in these areas.
- The A34 Study has concluded that, irrespective of the location; the impact on key highway junctions was broadly the same. Now that the demand for additional development in the North of the Borough has been determined, additional work is underway to quantify the impact of this growth over the Local Plan period.

3.77 The four main workstreams are also underpinned by additional supporting evidence on highways and infrastructure. There are three main documents (Appendix 6):

- A34 Corridor Study – highway Impacts
- Crewe Highway study
- Alsager Highway study

3.78 The Crewe and Alsager documents provide detailed analysis of the highway network in each town. They have been employed to inform the spatial distribution in these areas.

3.79 The work in the north of the Borough was designed to test sensitivity of the highway network on the Greater Manchester boundary to different scales and locations of development. To make this assessment a simple assumption had to be made of the possible scale of future development – recognising that the finalised figure might ultimately be higher or lower.

3.80 This work was undertaken with an assumed level of development in the North of the Borough (10,400). This development was then distributed across a range of different sites. The work concluded that, irrespective of the location; the impact on key highway junctions was broadly the same. Now that the demand for additional development in the North of the Borough has been determined, additional work is underway to quantify the impact of this growth over the Local Plan period.

#### 4 **OTHER ADDITIONAL WORK**

##### **KEY POINTS SUMMARY**

##### **Sustainability Appraisal**

- An Addendum Report on the Planning for Growth Chapter / Policies has been prepared to clearly set out the method and findings of any further SA work carried out during the suspension of the LPS Examination.
- Strategic Options for Growth and Spatial Distribution have been subject to fresh SA and the draft suggested revisions to Policies have been screened for their significance with regard to SA.
- The suggested inclusion of Policy PG4a (Strategic Green Gaps) has also been subject to SA

##### **Habitats Regulations Assessment**

- A report has been prepared to consider the interim outcomes of the draft suggested revisions to the Planning for Growth Chapter / Policies in the light of the revised evidence to be submitted to the Inspector at the end of July. The report is not a full HRA but is rather an appraisal/screening exercise to identify the likely impacts of the suggested revisions upon European designated sites and whether any of the suggested revisions would be inherently undeliverable due to potential significant adverse impacts.
- The screening report indicates that the suggested revisions to the Planning for Growth chapter/policies are unlikely to result in any significant effects on European sites not already identified and assessed during the HRA process of the LPS to date.
- Any additional sites, or revisions to existing proposed sites, required

to meet the increased growth, particularly around Knutsford, will need to be screened with regards to potential impacts on European sites.

### **Duty to Co-operate**

- Throughout the period that the LPS examination has been suspended there has been extensive engagement with neighbouring local authorities. The aim of this work has been to keep authorities informed of the evidence work, to seek their comments on it and in respect of the Green Belt Assessment Update to receive data inputs to inform the work. Ultimately the intention has been, wherever possible, to take in to account any changed cross-boundary strategic impacts
- It is intended to reproduce copies of all key correspondence with neighbouring authorities in an updated Duty to Co-operate engagement report.

### **Urban Potential / Edge of Settlement Assessment**

- This work has been carried out in two stages: the first stage being the 'urban potential' assessment and the second stage being the assessment of land that lies immediately adjacent to the settlement boundaries/Green Belt boundaries of these settlements, to assess potential opportunities to release further sites for development, if required.
- There is an urban potential for 1,965 dwellings across the Borough, of which 563 dwellings were on greenfield sites and 1,402 were on brownfield sites. Sites assessed as not having the potential to deliver dwellings on them in the Plan period total 5,132 dwellings. Although these sites are not currently considered to have potential for development in the Plan period, it is possible that, due to changes in circumstances, some of these sites may come forward for development before 2030.

- The edge of settlement assessment showed that land is being actively promoted that could potentially accommodate 38,945 dwellings that is suitable for further consideration as land to be potentially identified as additional Strategic Sites or allocated during the Site Allocations process, where additional land is required. Of these sites, the majority (38,310) are located on greenfield sites, with the minority (635) on brownfield sites. Almost a third is located in Crewe and Macclesfield (14,971 in total).

### **Approach to Sites**

- The Council is well placed to translate the uplift in housing and employment land into deliverable developments. The work undertaken so far demonstrates that additional land can be identified to meet the updated need for homes and jobs. Furthermore there are a number of mechanisms by which the strategic requirements can be promptly and effectively implemented on the ground through the LPS, SADPD and Neighbourhood Planning

### **Sustainability Appraisal**

- 4.1 The Council has undertaken Sustainability Appraisal (SA) including Strategic Environmental Assessment (SEA) since 2009 to inform the preparation of the LPS.
- 4.2 Following the Inspector's decision to suspend the LPS Examination, the Council commissioned expert consultants, Enfusion Limited, to provide specialist, independent services and undertake the necessary SA work in respect of the additional evidence and suggested revisions to the submitted LPS.
- 4.3 An Addendum SA Report has been prepared that clearly sets out the method and findings of the further SA work undertaken during the



suspension of the LPS Examination. The Report includes the interim outcomes of the draft suggested revisions to the Planning for Growth Chapter / Policies in the light of the revised evidence to be submitted to the Inspector at the end of July.

- 4.4 The Addendum SA Report provides the history of strategic options and alternatives considered and appraised to inform the preparation of the LPS in order to provide clarification. Strategic Options for Growth and Spatial Distribution have been subject to fresh SA and the draft suggested revisions to Policies have been screened for their significance with regard to SA. Two revisions – PG1 and PG4a – were considered significant and were subject to refreshed SA. Other suggested revisions were considered to be minor amendments and do not significantly change the findings of the previous SA work.

#### **Habitats Regulation Assessment**

- 4.5 JBA consultants have supported the Council in undertaking Habitats Regulations Assessment (HRA) at various stages in the preparation of the LPS. Their work identifies, describes and assesses the likely significant effects of implementing the strategy and policies on European designated sites (Special Areas of Conservation (SACs), Special Protection Areas (SPAs) and Ramsar sites, and also any candidate SACs and potential SPAs) within and around Cheshire East Borough.
- 4.6 A report has been prepared to consider the interim outcomes of the draft suggested revisions to the Planning for Growth Chapter / Policies in the light of the revised evidence to be submitted to the Inspector at the end of July. The report is not a full HRA but, rather, is an appraisal/screening exercise to identify the likely impacts of the suggested revisions upon European designated sites and whether any of the suggested revisions would be inherently undeliverable due to potential significant adverse impacts.

- 4.7 The screening report indicates that the suggested revisions to the Planning for Growth chapter/policies are unlikely to result in any significant effects on European sites not already identified and assessed during the HRA process of the LPS to date.
- 4.8 Increased housing and employment provision (as detailed in revised Policy PG1) is unlikely to result in any additional impacts on European sites; however the magnitude and significance of identified impacts could potentially differ depending on how this increase is distributed.
- 4.9 Suggested spatial distribution options (strategic options) that proposed increased growth for those settlements located in close proximity to European sites (e.g. Crewe, Alsager, Nantwich and Knutsford) were assessed as having the potential for the greatest impact. Taking this into account, along with other appraisals and evidence, a further strategic option (Option 6: Recommended approach) was put forward and accepted by the Council as the basis to inform the suggested revisions to the LPS.
- 4.10 Revised Policy PG6 sets out the indicative spatial distribution of development (based on strategic option 6). All settlements would see an increased provision of housing with particular growth in the northern settlements of Macclesfield, Poynton, Handforth, Wilmslow and Knutsford. Increased growth around Knutsford could increase the likelihood of significant adverse effects occurring on Midland Meres and Mosses Phase 1 Ramsar and Rostherne Mere Ramsar.
- 4.11 The LPS contains policies/statements to ensure that strategic sites identified as having the potential to impact on European sites will not be developed without further assessment including HRA, and will only

be developed where it can be demonstrated that there is no adverse impact on a European site.

- 4.12 Any additional sites, or revisions to existing proposed sites, required to meet the increased growth, particularly around Knutsford, will need to be screened with regards to potential impacts on European sites. For those sites that are identified as having the potential to impact on European sites the statements as described above will need to be included within the suggested revisions.

### **Duty to Co-operate**

#### ***Introduction***

- 4.13 Throughout the period that the LPS examination has been suspended there has been extensive engagement with neighbouring local authorities. The aim of this work has been to keep authorities informed of the evidence work, to seek their comments on it and in respect of the Green Belt Assessment Update to receive data inputs to inform the work. Ultimately the intention has been, wherever possible, to take in to account any changed cross-boundary strategic impacts arising from the new evidence.

#### ***Green Belt Assessment Update***

- 4.14 In terms of the Green Belt evidence work neighbouring authorities were informed early in the suspension period of the intended methodology to be used. Some constructive comments were made and the approach to the work was refined as a result. Neighbouring authorities were asked for housing land availability data in respect of places just outside of the LPS plan area. This information was sought to help with the assessment of land parcels near the plan area boundary in terms of how they contributed to the urban regeneration purpose of the Green Belt.

- 4.15 Neighbouring authorities have also been consulted on the draft findings and again some changes have been made in the finalised published documents. The extent of the engagement work and its influence on the outcomes is set out in full in the Green Belt Assessment Update report.

***Engagement on the overall evidence work streams***

- 4.16 Two rounds of workshops have been held on the main evidence work streams with relevant examination hearing participants and housing market partnership members. Of the neighbouring authorities only Stockport Council are hearing participants on the subject matters of these workshops and did take part in them.
- 4.17 The first set of workshops were held to discuss the proposed approach methodologies of the work streams and to consider the draft outcomes of the work. At around the same time (March –April 2015), an initial round of meetings were held with all immediate neighbouring planning authorities, including Stockport. These proved to be useful awareness raising opportunities not just for neighbouring authorities to be kept up to date with the LPS evidence gathering but also for Cheshire East Officers to be informed of the plan making progress in the other authorities.
- 4.18 A second round of meetings was held in May – June 2015, timed to coincide with the publication of the draft evidence reports that were the subject matters of the hearing participant workshops. The local authority contacts were pointed to the website location of the draft evidence reports prior to the meetings being held. Thorough discussions took place at the meetings particularly about the underlying justification for and the scale of development growth emerging from the evidence base.

***Specific engagement with neighbouring authorities***

- 4.19 In addition to the broadly based neighbouring authority meetings Cheshire East officers have been engaged in specific discussions with Stockport Council on transportation matters, particularly highways modelling work in relation to development site distribution options for the Cheshire East LPS and cross boundary road schemes.
- 4.20 The timing of the examination of the High Peak Local Plan has overlapped with that of the Cheshire East Plan. The High Peak Inspector requested further evidence on development requirements to take account of the release of the 2012-based sub national household projections in March this year. In view of this and the higher growth envisaged in Cheshire East the Council has corresponded with High Peak Borough Council on the future reliance of the latter authority on the 500 dwelling housing contribution in the LPS.
- 4.21 The outcome of the further evidence work done on behalf of High Peak Borough Council reveals a proposed lower housing requirement. On this basis there would be no need for the 500 dwelling contribution. This has been confirmed in a letter from High Peak Borough Council but it is a proposal subject to consultation and subsequent consideration by the examining Inspector. If it is confirmed, the clauses in the Memorandum of Understanding between the two authorities referring to the contribution will need to be removed.

***Potential impact of growth in Cheshire East on neighbouring local authority areas***

- 4.22 At around the time of the second meetings with local councils, correspondence was received from authorities within the Liverpool City Region – Halton Borough and St Helens Metropolitan Borough Councils. These authorities' areas do not adjoin the LPS plan area but they are part of the Mid-Mersey Housing Market Area along with

Warrington Borough Council whose area does adjoin Cheshire East Council's.

- 4.23 A Council Officer subsequently attended a Mid-Mersey Strategic Housing Market Assessment event and sought to explain the migration and commuting assumptions behind the Cheshire East evidence work.
- 4.24 It was nevertheless decided to hold a joint liaison meeting to which all neighbouring authorities, including St Helens Metropolitan Borough Council and Halton Borough Council, were invited. Prior to the meeting (held on 26 June) a comprehensive paper was produced setting out the modelled migration effects on each neighbouring authority area and a series of possible commuting scenarios.
- 4.25 Most authorities could be represented at the joint liaison meeting although two were unfortunately unable to attend due to the closure of the M6 motorway on the afternoon of the meeting. The meeting comprised of presentations by consultants Ekosgen and ORS on their economic, employment and housing evidence work and a presentation on the migration assumptions and commuting scenarios paper.
- 4.26 Opportunities to ask questions were given after each presentation and numerous points were raised. There was then a full and frank discussion on what the effects development growth, additional to that assumed in the submitted LPS, might be on adjoining areas and neighbouring authorities' plans.
- 4.27 Following the meeting a letter was sent to all neighbouring authorities including Halton Borough Council and St Helens Metropolitan Borough Council. This asked for written views on the Cheshire East evidence work, formal confirmation that neighbouring authorities could not accommodate any of Cheshire East's development requirements and

the Councils were also invited to set out any cross boundary strategic concerns. Responses were requested by 10 July 2015 so that these could be incorporated into this report.

- 4.28 The response received from the Greater Manchester Combined Authority highlights the need for full alignment of the Cheshire East Local Plan Strategy and the emerging Greater Manchester Spatial Framework. In particular the issue of cross boundary infrastructure is of special concern – and the need for ongoing discussion is emphasised, especially once the proposed distribution of development is confirmed. The Combined Authority also state that they cannot accommodate any development from Cheshire East at the present time.
- 4.29 A similar theme emerges from Staffordshire County Council, who also highlight the potential pressure that additional growth may place on cross boundary infrastructure. Once again the exact location of future development will further affect the individual impacts involved. Staffordshire raise the likely rise in employment in the borough and changes in commuting patterns (albeit that proportionately less out commuting is predicted). Once again further discussion is invited.
- 4.30 These comments highlight the importance of appropriate infrastructure to accompany new development. However they also pose a potential challenge – in that both northern and southern neighbours are hinting that a distribution of development away from their borders is to be preferred. This illustrates that planning for additional homes and employment is not without its repercussions.
- 4.31 It is acknowledged that only a limited time was being offered for a reply to the Council's letter and so further responses are anticipated. Also the neighbouring authorities were being asked for their views without a complete knowledge of the finalised evidence and what the suggested revisions to the LPS would comprise. This is reflected within some of the responses – which underline the need to understand the full

picture. In the light of this the Council is committed to continuing engagement with neighbouring authorities and to support any requests made by them to the Inspector to be participants at the resumed examination hearing.

### **Conclusion – Duty to Co-operate**

- 4.32 Comprehensive notes were taken of all the meetings held. It is intended to reproduce these in full along with copies of key correspondence with neighbouring authorities in an updated Duty to Co-operate engagement report to be provided prior to the re-opening of any examination hearings.

### **Urban Potential / Edge of Settlement Assessment**

- 4.33 In his Interim Views the Inspector expressed concerns about a number of other matters, these included:

- At paragraph 61: "...further clarification may be needed on this matter, particularly about the scale of brownfield development likely to be delivered from site allocations within the existing built-up areas of towns like Crewe, Macclesfield and Middlewich."
- At paragraph 76 (specifically in relation to Poynton, Knutsford and Wilmslow): "Many potential sites were assessed during the preparation of the LPS but specific options which envisage the development of smaller sites within the built-up area or on the fringes of these settlements do not seem to have been fully considered."
- At paragraph 78: "...such work may need to examine the possibility of releasing smaller scale sites in and around the fringes of existing towns and settlements, including those in the Green Belt, to inform further work at Site Allocations stage."



- 4.34 In relation to Green Belt, the Inspector identifies a number of concerns, with regard to the Green Belt Assessment [BE012] which resulted in the production of the Green Belt Assessment Update 2015. As part of that work, it is essential to have evidence regarding the brownfield potential for development within settlements that are located within the Green Belt.
- 4.35 To address the points raised by the Inspector, an assessment has therefore been carried out of the 'Urban Potential' of the Principal Towns; Key Service Centres and Local Service Centres. This feeds into the Green Belt Assessment Update 2015 ("the GBA Update") and also into the assessment of opportunities for development within settlements ("the Urban Potential Assessment") which, in turn, has informed the Spatial Distribution of development work and Site Selection work, for both the LPS and the SADPD.
- 4.36 An assessment has also been carried out of land that lies immediately adjacent to the settlement boundaries/Green Belt boundaries of these settlements ("the Edge of Settlement Assessment"), that has previously been considered in Town Strategies; as Non-Preferred sites, or as 'sites submitted as representations in response to the publication of the LPS Submission Version ('Omission' sites). In addition, two large, 'free standing' sites have been included in this stage, namely: 'Cheshire Gateway', which is promoted for employment development; and Gorsty Hill, which is promoted for residential development. These sites have been submitted as Omission sites in representations to the LPS and are therefore being actively promoted for development within the Local Plan process. The sites are included to ensure that all reasonable alternatives are considered.
- 4.37 The assessment has identified potential opportunities to release land for future development, if required in the LPS and to inform future work

at Site Allocations stage. In turn this work has informed into the Site Selection process which will also be informed by the GBA Update.

4.38 The work to assess land that lies immediately adjacent to the settlement boundaries/Green Belt Boundaries of these settlements is a separate piece of work to the GBA Update. The assessments do not therefore include any references to the contribution that sites make to the Green Belt; this will be dealt with at the 'Site Selection'/Site Allocations stage.

4.39 This work has been carried out in two stages: the first stage being the Urban Potential Assessment; and the second stage being the Edge of Settlement Assessment, which investigated and assessed the potential opportunities to release additional sites for development, should it be required.

#### ***Urban Potential Assessment***

4.40 There is an urban potential for 1,965 dwellings across the Borough, of which 563 dwellings were on greenfield sites and 1,402 were on brownfield sites. Sites assessed as not having the potential to deliver dwellings on them in the Plan period total 5,132 dwellings. Although these sites are not currently considered to have potential for development in the Plan period, it is possible that, due to changes in circumstances, some of these sites may come forward for development before 2030.

4.41 Almost half of the sites considered to have the potential for development in the Plan period are located in Crewe and Macclesfield (989), with most of those being on brownfield sites (919).

4.42 The Key Service Centres have sites with the potential for the development of 623 dwellings in the Plan period, with most of them being located in Congleton (252) and Sandbach (156).

- 4.43 The work shows that there are no opportunities to identify additional Strategic Sites/Strategic Locations within the urban areas of the Key Service Centres; it does however show that there are some opportunities for windfall sites to be delivered over the Plan period within the towns and in some cases, such as Congleton, there could be the opportunity to allocate sites within the urban area, at the Site Allocations stage.
- 4.44 The study showed that within the Local Service Centres there remain opportunities for development to take place within their urban areas, with a total of 353 potential new homes being delivered on sites within the Plan period. Of these sites, 153 are greenfield and 200 are brownfield.

#### ***Edge of Settlement Assessment***

- 4.45 This assessment showed that land is being actively promoted that could potentially accommodate 38,945 dwellings that is suitable for further consideration as land to be potentially identified as additional Strategic Sites or allocated during the Site Allocations process, where additional land is required. Of these sites, the majority (38,310) are located on greenfield sites, with the minority (635) on brownfield sites. Almost a third is located in Crewe and Macclesfield (14,971 in total).
- 4.46 In addition to this, land was also assessed that could accommodate an additional 9,830 dwellings; of these the majority (9,797) would also be on greenfield sites and the minority (33) on brownfield sites. This land is not however considered to be suitable for further consideration, due mainly to the fact that it is not being actively promoted in the Local Plan process or that there is a 'show stopper' constraint present on the site.
- 4.47 Land has also been assessed that is being promoted for employment development; this is a total site area of 73.47 hectares, with this being split between Macclesfield (12.50 hectares); the Key Service Centres

of Alsager (10 hectares); Knutsford (16 hectares) and Nantwich (0.37 hectares); in addition, the freestanding proposal of Cheshire Gateway (34.60 hectares) has also been assessed.

### **Approach to Sites**

4.48 The process of 'Plan making' and the allocation of sites should be considered as a whole made up of the constituent parts of the Local Plan. The Cheshire East Local Plan will consist of three key documents:

- The LPS which sets out the vision, spatial strategy and strategic priorities for Cheshire East up to 2030. It also contains strategic sites / strategic locations for further development
- The SADPD which will allocate the remaining sites proposed for future development and provide detailed policies to be used for new development across the Borough. This will build on the framework for growth set out in the LPS.
- The Waste document, which will set out policies for dealing with waste and identify specific policies for waste management facilities.

4.49 Alongside the Local Plan process sits the opportunity provided by Neighbourhood Planning which will support the implementation of the overall LPS in a way that best addresses local community priorities.

### ***Local Plan Strategy – Approach to Sites***

4.50 The site selection process involves a ten-stage process. The stages take account of Edge of Settlement and Green Belt work, and the spatial distribution work including SA/HRA Appraisal.

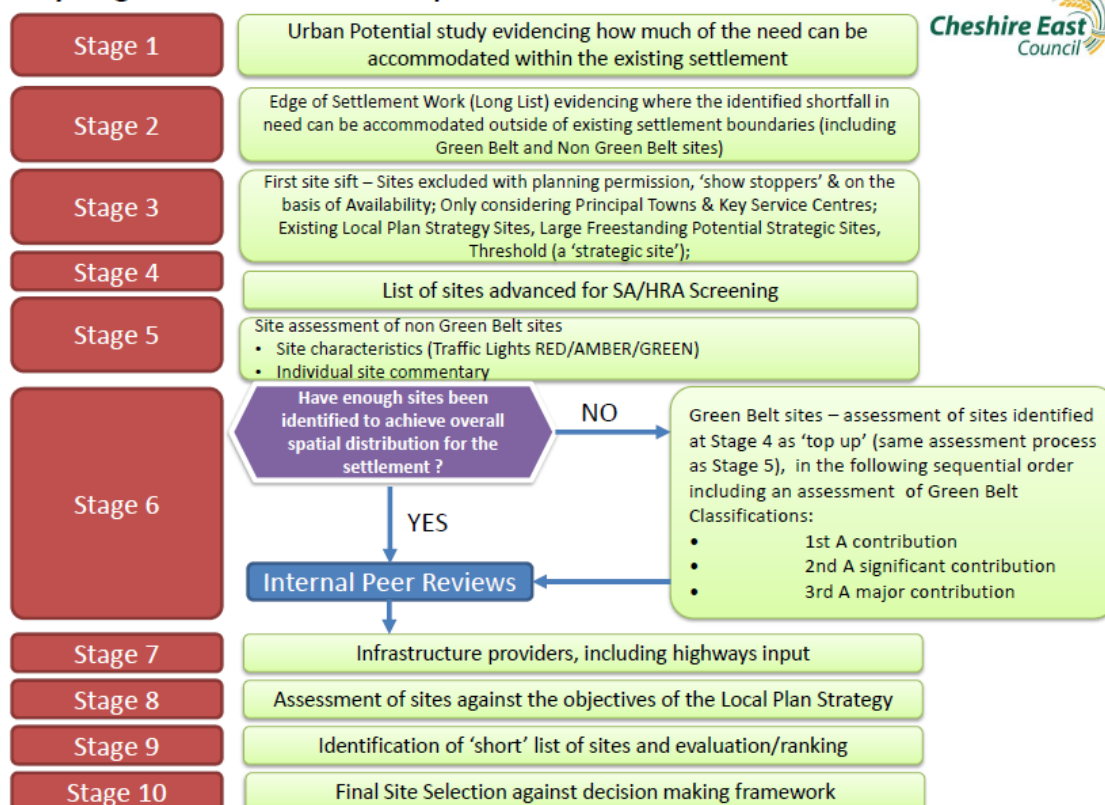
4.51 The Inspector in the LPS examination process has not yet considered in any detail the appropriateness of the sites and strategic locations that were proposed for development in the LPS. In his clarification letter of the 28th November 2014; he acknowledged that considerable

work has been undertaken on sites, but the reasons for selecting particular sites, compared with other potential sites are not always readily apparent, including the weight to be given to the various factors and associated judgement.

4.52 In response to the above and the identified higher development requirements in housing and employment land; the Council has undertaken supplementary work on site assessment, including those currently included in the submitted plan and any additional or alternative sites should they be required.

4.53 Figure 1 (below) sets out a flow diagram of the approach to site selection. Appendices 7-8 of the Cabinet Report set out the outcomes to Stages 1 to 4 of the flow diagram. A report will be prepared setting out the outcomes of Stages 5 to 10 of the Site Selection process for the consideration of the Inspector in due course.

### Key stages in the site selection process



**Figure 1: Key Stages in Site Selection Process**

### ***Site Allocations DPD – approach to sites***

4.54 The SADPD will build upon the framework for sustainable development set out in the LPS and will be formed and consulted upon with residents and businesses. The document will also be informed by the significant amount of consultation undertaken on the Local Plan to date and will flow from the evidence collected. It will also consider sites submitted to the LPS to date, in line with the Site Selection flow diagram set out in Figure 1 (above).

4.55 The SADPD will:

- Identify sufficient sites to maintain a five year supply of deliverable housing sites and meet the 'residual' amounts for housing and employment set out in the LPS.
- Allocate sites for uses such as employment, retail / leisure, Minerals and other uses
- Provide detailed policies to be used in the determination of future planning applications and site allocations covering multiple issues including housing, employment, retail and other uses including Gypsy and Travellers and Minerals etc. These detailed policies will replace the Crewe and Nantwich, Congleton and Macclesfield Local Plans and the Cheshire Replacement Minerals Local Plan (1999).
- Set the limits to development around towns and villages
- Provide a detailed Policies Map which will identify specific areas for uses and designate areas of land that are important and should be protected. This will replace the Proposals Maps associated with the Crewe and Nantwich, Congleton and Macclesfield Local Plans and the Cheshire Replacement Minerals Local Plan (1999).
- Provide further definition of areas including Town Centre Boundaries, Primary and Secondary retail frontages etc.

4.56 Work is underway on the SADPD and the Council has commissioned consultants to undertake a suite of preliminary work, in parallel with the additional work undertaken during the LPS Examination suspension. The first consultation on the emerging SADPD, the proposed 'Issues and Options' consultation, is programmed to take place later in 2015.

***Neighbourhood Planning – Approach to Sites***

4.57 Cheshire East is firmly supporting the uptake of neighbourhood planning across the authority with 24 active neighbourhood plan groups now in place. This number is expected to increase to some 50 this year, and support to date has resulted in the production of four draft plans reaching Regulation 14 stage of the process.

4.58 Each of these plans directly addresses the delivery of housing and provides criteria based policies to determine the location, scale and detail of future development proposals. A further 12 plans are anticipated to reach draft stage by the end of the year, all seeking to deal with the delivery of residential development taking account of the framework proposed by the emerging LPS. As this agenda matures in Cheshire East the neighbourhood planning programme is seen as playing a key role in the delivery of sites.

***Summary – Approach to Sites***

4.59 Combining all of these elements it is considered that the Council is well placed to translate the uplift in housing and employment land into deliverable developments. The work undertaken so far demonstrates that additional land can be identified to meet the updated need for homes and jobs. Furthermore there are a number of mechanisms by which the strategic requirements can be promptly and effectively implemented on the ground.

**5 ADDRESSING THE INSPECTOR'S CONCERNS**

5.1 The additional work carried out to supplement the Local Plan evidence base has addressed the Inspector's concerns identified in his Interim Views. Further details are provided in the form of a summary checklist that is appended to this Report (Annex 1 B).



## **6 SUGGESTED REVISIONS TO THE SUBMITTED LOCAL PLAN STRATEGY**

- 6.1 This section identifies the necessary suggested revisions considered by the Council to address and rectify the specific concerns identified in the Inspector's Interim Views and is included in Annexe 1 C.
- 6.2 The key suggested revisions to the submitted LPS relate to the policies within Chapter 8 - Planning for Growth. There is however a series of contextual and consequential changes to the early Chapters of the submitted LPS. These are summarised below and presented in full in the attached schedule at Annex 1 C..

<b>Chapter and Summary of Revision</b>	<b>Additional Commentary</b>
<p>Chapter 1 – Introduction</p> <p>There will need to be small changes to the Key Diagram the main one being the removal of the area of search that was proposed for the new Green Belt. The minor text changes concern the withdrawal request by High Peak for a housing contribution, the intended higher provision of housing and a revised Green Gap policy rather than new Green Belt in the vicinity of Crewe and Nantwich.</p>	<p>These are contextual and consequential changes to the early chapters of the LPS as a consequence of Policy revisions later in the Plan</p>
<p>Chapter 3 – Duty to Co-operate</p> <p>Minor text changes to reflect the revised Green Gap instead of a new Green Belt and the changed High Peak position.</p>	

<p>Chapter 4 – The Case for Growth</p> <p>The only significant change here concerns the new HDS replacing the Strategic Housing Market Assessment Update referring to the numbers in communal establishments.</p>	
<p>Chapter 5 – Vision</p> <p>Minor textual changes to confirm that the aim is to <i>fully</i> meet development needs in locations that reduce the need to travel and stating the intention is to <i>conserve</i> and enhance designated and non-designated heritage assets.</p>	<p>These reflect ‘homework’ item [PS D003.005] concerning Revisions to Local Plan Vision, and Ref 001 of Schedule of Potential Additional Modifications related to Matters 1-13 [PSB021]</p>
<p>Chapter 6 – Strategic Priorities</p> <p>Minor text changes to how Strategic Priorities are intended to be delivered in respect of securing improvements to the built and natural environment, plus ensuring development has regard to local character and context.</p>	<p>These reflect refs 002 / 003 of Schedule of Potential Additional Modifications related to Matters 1-13 [PSB021]</p>
<p>Chapter 8 – Planning For Growth</p> <p>Policy PG1 (Overall Development Strategy) – suggested changes to housing and employment quantum of development. Removal of phasing</p>	<p>These suggested revisions reflect the evidence set out in the Alignment of Economic, Employment and Housing Strategy Report, Duty To Co-operate summary note, Housing Development Study and Housing Requirement</p>

and reference to provision for High Peak.	Annexe.
Chapter 8 – Planning For Growth Policy PG2 (Settlement Hierarchy) Minor suggested revisions to policy wording and associated visions.	These proposed minor modifications reflect ‘homework’ item [PS D003.012] (Settlement Hierarchy)
Chapter 8 – Planning For Growth Policy PG3 (Green Belt) Deletion of references to a new area of Green Belt adjacent to Crewe.	These suggested revisions reflect the evidence set out in the New Green Belt and Green Gap Policy Technical Annex (Annex 1.F).
Chapter 8 – Planning For Growth Policy PG4 (Safeguarded Land)	These suggested revisions reflect the evidence set out in the Arup Safeguarded Land Advice Note (May, 2015)
Chapter 8 – Planning For Growth Policy PG4a (new Green Gaps policy)	These suggested revisions reflect the evidence set out in the New Green Belt Policy Note (April, 2015)
Chapter 8 – Planning For Growth Policy PG5 (Open Countryside) Minor revisions to policy wording	These suggested revisions reflect the revisions proposed in the Council’s Matter 6 Response Statement [M6.1.001a].
Chapter 8 – Planning For Growth Policy PG6 (Spatial Distribution) Revisions to Spatial Distribution policy	These suggested revisions reflect the evidence set out in the Spatial Distribution Update report

- 6.3 The suggested revisions represent the Council's view that the submitted LPS can deliver the development requirements needed to meet the higher levels of need identified in the additional evidence base.
- 6.4 The suggested revisions are aligned with the LPS Vision and Strategic Priorities. Paragraph 3 of the Vision refers to meeting the full needs for housing and employment development in locations that reduce the need to travel. The approach and thrust of the LPS remains focused on directing new development to the larger settlements in the Borough in line with the settlement hierarchy. In addition, the Council's approach to Spatial Distribution has been considered by AECOM to be broadly justified and has been the basis by which the uplift in housing and employment requirements has been distributed.
- 6.5 In respect of the alignment of the suggested revisions with the Strategic Priorities set out in the submitted LPS:

Strategic Priority	Comments
1 – Promoting economic prosperity by creating conditions for business growth	The suggested revisions increase the provision for a viable and flexible supply of quality employment land; deliver an ambitious 0.7% jobs growth rate resulting in 31,400 jobs over the Plan period. This is considered to align with and assist the overall delivery of Strategic Priority 1 of the submitted LPS.
2 – Creating sustainable communities	Strategic Priority 2 states that the LPS will create sustainable communities by providing for the full, OAN for housing for the Borough to support economic growth and to meet housing needs. It goes onto state that the focus for development will

	<p>be in sustainable locations (such as Principal Towns, Key Service Centres), ensuring an appropriate mix of house types, sizes and tenures including affordable housing to meet the Borough's needs and enabling vulnerable and older people to live independently, longer.</p> <p>The Housing Requirement set out in the suggested revisions to Policy PG1 will accommodate the OAN of the Borough and align with Strategic Priority 2. The inclusion of housing for older people within the OAN calculation and housing requirement is aligned to Strategic Priority 2 and Policy SC4 (point 2) in providing for older person's accommodation enabling vulnerable and older people to live independently, longer.</p>
3 – Promoting and enhancing environmental quality	<p>The introduction of the new green gap policy will seek to maintain the character and separate identify of two of the Borough's towns and is therefore considered to align with strategic priority 3. The thrust of the Spatial Distribution in directing development to the larger centres should also provide for sustainable patterns of development and protect and enhance environmental quality in the Borough.</p>
4 – Reducing the need to travel	<p>The thrust of the Spatial Distribution in directing development to the larger centres should also provide for sustainable patterns of development and protect and enhance environmental quality in the Borough.</p>

## **7 EFFECT OF SUGGESTED REVISIONS ON SUBMITTED LPS**

### **KEY POINTS SUMMARY**

- There is no guidance on what constitutes a fundamentally or significantly ‘different’ plan; the Council contends that it is the underlying strategy that is of importance rather than the accompanying metrics within it.
- The fundamental strategy of the submitted LPS remains unaltered; indeed the additional evidence strengthens it.
- Key principles such as economic growth around key sectors, housing provision over and above past plans, selective revision of green belt and the separation of Crewe and Nantwich all remain unchanged
- Suggested revisions to the LPS better align to sub-regional economic policy, the NPPF and PPG advice.

7.1 The Council has taken time to fully consider the implications of the Inspector's Interim Views, alongside additional the evidence gathered during the suspension period. The Council has delivered on its proposed timetable and prepared suggested revisions to the LPS. The Council considers that these revisions, alongside the updated evidence base, address the issues raised in the Inspector's Interim Views issued in November 2014. The nature and content of these suggested revisions do not result in a fundamentally different spatial approach, or strategy, or result in substantial modifications which result in a significantly different Plan.

7.2 The question of what constitutes a ‘different’ plan has no definitive parameters – but it is considered that relevant matters would involve

the scale of revisions, their timescale and their number – but also – and most importantly, whether they affected the underlying approach of the plan.

- 7.3 At its heart a strategic plan is the essential spatial vision for an area. It captures the essence of what the local authority and its community seek to achieve when placed in a geographical context. Within that strategy the metrics may well change – but the fundamental vision need not.
- 7.4 The LPS always sought to promote a growth strategy based on the unique characteristics of the area. This is unchanged by the economic evidence which merely elevates the growth assumptions based on current expanding sectors. The Strategy always took account of an ageing demographic – and for that very reason was more cautious over growth. This issue remains at the forefront of discussion within the new evidence. The Strategy always sought to increase housing over and above past Development Plan's. This principle is unchanged by the new evidence – it is the scale of the increase that is amended. The Strategy always acknowledged the need to alter Green Belt boundaries in the north of the Borough. This is unchanged by the new evidence – even if this detailed approach may change. The Strategy always sought to mark the separation of Crewe and Nantwich. This is unchanged by the evidence on the new Green Belt. The planning mechanism may be different, but its replacement by a green gap policy retains the underlying principle. The Strategy always focussed growth on key themes – high growth city and the science corridor. These too remain unaltered by the evidence. Finally the settlement hierarchy – a key factor in a polycentric borough has already been endorsed by the Inspector – and so this also is unchanged.

- 7.5 Accordingly the fundamentals of the plan are not considered to be significantly 'different' the LPS is a strategic document – and it is the essential strategy that remains the same.
- 7.6 In terms of the scale of the numerical change, these vary in significance. The change in Housing Requirement from 27,500 to 36,000 is not directly comparable since the latter incorporates provision for older accommodation / Use Class C2 units. The uplift from 27,500 to 34,000 dwellings (net of Use Class C2 units) represents an increase of 24%. By way of comparison, a recent Inspector's Examination Report on the Cherwell District Local Plan accepted that an increase of 36% did not result in a significantly different plan.
- 7.7 Clearly, the increase in the number of jobs proposed is much more significant climbing from 13,900 to 31,400. However, the advice from Ekosgen suggests that this need only prompt an increase in employment land of 27 hectares.
- 7.8 Therefore, whilst the updated evidence unquestionably points to revisions in the submitted plan – the scale, scope and extent of these are within a reasonable tolerance – especially given that the underlying strategy remains fundamentally unaltered.
- 7.9 Moreover, it is important to remember the fundamental role that an up-to-date adopted Local Plan has in the delivery of sustainable development in a plan-led manner in accordance with the Planning Acts and the importance Government policy places upon putting in place Local Plans prepared and adopted in accordance with the National Planning Policy Framework as a matter of priority without undue delay.
- 7.10 Furthermore, the powers of a person appointed to examine a submitted Local Plan were amended by the Localism Act 2011, which introduced



a duty on the appointed person, where requested to do so by the local planning authority, to recommend modifications to make the Plan sound and legally compliant. The effect of those amendments is that, since January 2012, persons appointed to examine local plans are now empowered to deliver the national policy objective of ensuring up-to-date local plans are adopted without delay.

### **The rationale for the Suggested Revisions**

- 7.11 The LPS submitted for examination was affected by the timing of submission, with the speed and strength of economic recovery uncertain for a number of years. In spite of this uncertainty, the strategic economic ambition of Cheshire East Council has been set out in its plans for Crewe and the Cheshire Science Corridor. It is also reflected in the more recently developed Strategic Economic Plan for Cheshire and Warrington, with which the LPS is considered to align.
- 7.12 The earlier economic forecast set these plans within a low employment growth context, while more recent forecasts provide a return to longer term employment growth patterns (which unlike previous growth, will not be boosted by significant growth in public sector employment). While the new forecast provides a more robust basis for employment growth, the type of growth is effectively reflected in the original submission and the employment land allocation.
- 7.13 The work completed to address your comments, expressed in the Interim Views has allowed full consideration to be taken of more recent economic forecasts which:
- take account of how the UK economy has fully emerged from the global financial crisis and economic downturn. While these forecasts indicate a higher rate of employment growth, the general trends in the economy are in line with the direction of travel and economic priorities set out in the original submission.

As such, the revised economic and housing numbers can be regarded as an evolution of the original plan, rather than fundamentally different.

- envisages Cheshire East matching growth in the national economy, as it has in the past, although without the boost of high levels of growth in public sector employment. The change in the forecasts reflect more confidence in terms of economic growth nationally, rather than a significant change to the composition or scale of growth in Cheshire East, with the growth projections closer to an average rate based on a projection of 15 years of uninterrupted growth. In particular, the employment forecast suggests that the main drivers of employment change will be in professional, financial and business services, with contributions from a wide range of sectors such as construction, ICT, logistics/distribution and retail.

7.14 The revised employment forecast translates into a need for a further 27 hectares of employment land, an 8% increase from the upper end of the range of 300 to 350 hectares suggested in the original submission.

7.15 The LPS is expected to comply with the NPPF including by defining the full, OAN for both market and affordable housing at the outset before deciding whether or not it can be delivered in practice, taking into account relevant national and important local constraints, such as Green Belt.

7.16 The Council has responded positively to concerns, expressed in the Interim Views, on the Council's approach to the identification of the OAN for housing and alignment with the economic strategy set out in the LPS. The Council has responded by reconsidering their figures, based on updated evidence, and producing suggested revisions, in accordance with guidance in the NPPF and PPG. These revisions take a balanced and measured approach and are considered to align with

the thrust of the Council's Vision and Strategic Priorities set out in the LPS in meeting its OAN in full and directing development to larger settlements, which provide for a good range of services and facilities.

- 7.17 The HDS identified an OAN for Housing in Cheshire East equivalent to an average of 1,800 dwellings per year, compared to the Submitted LPS (36,000 dwellings up to 2030). In line with the approach of the PPG, this figure includes an allowance for older person's accommodation (primarily C2) which accounts for 2,180 units over the Plan Period. The housing figures within the (pre-PPG) submitted plan excluded such C2 accommodation.
- 7.18 The Council also wishes to emphasise that since the base date of the submitted plan (31 December 2013) planning permissions have continued to be granted in sustainable locations. When these are added to the sites / allocations already set out in the Submitted Plan a total figure of 32,062 dwellings have already been identified as of 31 March 2015. This is before any consideration of the fresh evidence is made.
- 7.19 The Council also expects to make other new housing and employment land allocations in the SADPD which the Council intends to progress expediently following the LPS. There will also be contribution from 'Windfalls' (NPPF, ¶48) as well as sites brought forward through neighbourhood plans. Therefore the suggested modifications can be accommodated and represent an evolution of the original submission, rather than a fundamentally or significantly different plan.
- 7.20 The Plan's Vision, Objectives and Overall Strategy of the LPS supporting sustainable, jobs-led growth and sustainable vibrant communities in a balanced way to secure a healthy and prosperous

future for the entire Borough will be supported by the suggested revisions to the LPS.

- 7.21 In addition, the suggested revisions have responded to external factors. A key feature of the submission version Plan was a overall development strategy which included an additional 500 dwelling contribution to help meet housing needs in High Peak Borough. Through on going Duty to Co-operate discussions and by reflecting the current progress on the High Peak Borough LPS Examination it is considered appropriate to respond to changes in the overall High Peak housing requirement following the publication of the DCLG 2012-based household projections.

## **8 CONCLUSION**

- 8.1 This report presents a summary of the work undertaken during the suspension of the LPS Examination and provides details of the additional evidence gathered, engagement undertaken, the Council's suggested revisions to the submitted LPS and any other matters considered relevant for the Inspector's consideration.
- 8.2 The Council will assist the Inspector with any queries or requests for additional information.

## **ANNEXES**

- 1. A.     Schedule of Additions to the Local Plan Evidence Base
  
- 1. B.     Summary of Inspector's Questions and Requirements and  
          References to Responses by Cheshire East Council
  
- 1. C.     Schedule of Suggested Revisions to the Submitted Local Plan  
          Strategy
  
- 1. D.     Housing Technical Annexe
  
- 1. E.     Safeguarded Land Technical Annexe
  
- 1. F.     New Green Belt / Green Gap Policy Technical Annex

## **ANNEX A SCHEDULE OF ADDITIONS TO THE LOCAL PLAN EVIDENCE BASE**

- Cabinet Report on the Local Plan Strategy

### Appendices

- Appendix 1: Report of the additional work undertaken during the suspension period of the Local Plan Strategy
- Annex 1.A: Schedule of Additions to the Local Plan Evidence Base
- Annex 1.B: Checklist of Evidence Including Cross-references to Relevant Paragraphs in the Inspector's Interim Views
- Annex 1.C: Schedule of Suggested Revisions to the Submitted Local Plan Strategy
- Annex 1.D: Housing Requirement Technical Annex
- Annex 1.E: Safeguarded Land Technical Annex
- Annex 1.F: New Green Belt and Green Gap Policy Technical Annex

### Core Evidence

- Appendix 2: Alignment of Economic, Employment and Housing Strategies - Ekosgen
- Appendix 3: Cheshire East Housing Development Study - ORS
- Appendix 4: Green Belt Assessment Update - Arup & Cheshire East Council
- Annex 4.A: Green Belt Assessment Update Further Annex Parcels - Arup & Cheshire East Council
- Appendix 5: Spatial Distribution Update Report - AECOM
- Appendix 6: Highways Studies - Atkins, CEC and Jacobs
- Appendix 6a: Impact of Spatial Distribution of Local Plan Development on Cross Boundary Highway Networks
- Appendix 6b: Crewe VISSIM Study
- Appendix 6c: Alsager Highway Study
- Supporting Evidence:
  - Appendix 7: Assessment of the Urban Potential of the Principal Towns, Key Service Centres and Local Service Centres and Possible Development Sites Adjacent to those Settlements
  - Appendix 8: Cheshire East Local Plan Strategy Site Selection Methodology

### Suggested Revisions

- Appendix 9: Schedule of Suggested Revisions to the Local Plan Strategy

### Statutory Assessment

- Appendix 10: Sustainability Appraisal

- Appendix 11: Habitats Regulations Assessment

**ANNEX B CHECKLIST OF EVIDENCE INCLUDING CROSS REFERENCES TO  
RELEVANT PARAGRAPHS IN THE INSPECTOR'S INTERIM VIEWS**

**Summary of Inspector's Questions and Requirements and  
References to Responses by Cheshire East Council**

**July 2015**



This document provides cross references between the specific questions set out by the LPS Inspector, as set out in the Interim Findings and letter of clarification dated 28<sup>th</sup> November 2014, and the responses provided by Cheshire East Council. Section / Paragraph references are provided to the requirements and questions set out in these two documents. The sources of information to respond to each point are provided through reference to the report titles and relevant section references within these documents. In some cases the response is provided in a section of a report but in addition attention is drawn to a particularly relevant subsection in brackets. Nonetheless, it is recommended that the whole section is read to find a more comprehensive response to the question. This document provides cross reference to the key sources of information. It is not intended to be comprehensive. It is intended that this document aids easy quick cross reference to key information sources that respond to the Inspector’s questions and requirements.

Interim findings Para. Ref.	28/11/14 Letter Para. Ref.	Inspector’s Requirement	Report	Section Reference	Comment
Economic Strategy					
29	2i	1.1 Explain rate of job growth related to previous rates.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S2-3	
31	2i	1.2 Explain likely jobs on proposed employment sites.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S3	
29		1.3 Demonstrate that job growth reflects long-term aspirations of the LPS.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S4	
32		1.4 Explain differences between LPS and LEP aspirations.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S4	
32		1.5 Explain differences between LPS and LEP evidence. Particular detail is needed where funding is provided and job growth is specified.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S4 (S4.22-4.24)	
34		1.6 Ensure economic opportunities outside CE are accounted for in job and housing figures for within CE.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S3-4	
34		1.7 Explain likely job growth and land requirements for logistics.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S2, S4 (S4.41-4.49)	
30		1.8 Provide evidence for estimates of older person employment rates.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015) Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S3  S3.30-3.34	Section 3 of the Alignment of Economic, Employment and Housing Strategy details the economic projections used.  Section 3 of the Housing Development Study details the assumptions used for older people.
31	2i	1.9 Explain relationship between jobs anticipated on allocated sites and job forecast.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)		The issues surrounding supply are linked to the consideration and allocation of sites. Therefore, the Council intends addressing this requirement by September 2015.
31		1.10Provide details of non B use job growth.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)		The Council has recently commissioned consultants to undertake an update to the Cheshire Retail Study alongside Cheshire West and Chester. This will consider retail and leisure uses in the Borough and will inform the Site Allocations and Development Management Policies DPD.
35	2i	1.11Show that the level of employment and jobs growth (B and non B use) will not be unduly constrained by proposed housing provision.	Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S3 S(3.9)	
Housing and Demography					
40, 41, 45	2ii	2.1 Demonstrate how the OAN base level responds to all factors set out in NPPG, namely demographic, housing and economic factors. State assumptions and be clear how all factors have been taken into account. – identify all NPPG/F elements and check all addressed.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S3	
44	2iii	2.2 Set out rationale for time period for migration rates. Longer time periods are recommended with caution over time during recession.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S3 (S3.19-3.21)	
49		2.3 Demonstrate consistency between proposed levels of jobs and housing.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015) Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S5 (S5.73 – 5.92)  S3 (S3.9)	
51,53		2.4 Demonstrate level of future housing is adequate to meet economic objectives.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015) Appendix 2: Alignment of Economic, Employment and Housing Strategy (Ekosgen, June 2015)	S5 (S5.73 – 5.92)  S3 (S3.9)	
68		2.5 Assess higher housing numbers in addendum SA.	Appendix 10: Local Plan Strategy; Suggested Revisions Sustainability (Integrated) Appraisal Addendum Report (July 2015)	S4 and Appendix I (Fresh SA of Growth Options)	

Interim findings Para. Ref.	28/11/14 Letter Para. Ref.	Inspector's Requirement	Report	Section Reference	Comment
39,40		2.6 Redraft housing requirement in line with latest good practice.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S2, S3	
41		2.7 Ensure basis for base figure is clearly explained and uses most up to date evidence.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S3 (S3.6)	
41,46		2.8 Reference assumptions in OAN from Housing Development Study.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S5	Paragraph 41 of the Inspector's Interim Views asked for clarification on the base line figure for the OAN.. Paragraph 46 asked how information on Market Signals has been taken account in any uplift for the OAN. Section 5 of the Housing Development Study clearly sets out the 'starting point' estimate for OAN (para 5.21) and addresses Market Signals (para's 5.30-5.57)
42,43		2.9 Explain rationale for household formation rates based on current figures.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S3	
40		2.10Provide clarification between OAN and housing requirement. This includes demographic and economic based OAN.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S3, S5	
47,48		2.11Ensure policy plans to meet affordable housing need.	Appendix 3: Cheshire East Housing Development Study 2015 (ORS, June 2015)	S4 (S4.96-4.107)	
56		2.12Justify assumptions on lead in times and build out rates on strategic sites.			The issues surrounding housing supply are linked to the consideration and allocation of sites. Therefore, the Council intends addressing this requirement by September 2015.
57		2.13Explain that SHLAA sites will include those proposed by land owners / developers and cannot all therefore be considered to be appropriate for development.			The issues surrounding housing supply are linked to the consideration and allocation of sites. Therefore, the Council intends addressing this requirement by September 2015.
58		2.14Establish clear reasoning behind 'Liverpool' approach			The issues surrounding housing supply are linked to the consideration and allocation of sites. Therefore, the Council intends addressing this requirement by September 2015.
60		2.15Explain approach to windfalls and make clear the difference between windfall and small sites.			The issues surrounding housing supply are linked to the consideration and allocation of sites. Therefore, the Council intends addressing this requirement by September 2015. No windfall allowance is included.
60		2.16Demonstrate no double counting of windfall sites.			The issues surrounding housing supply are linked to the consideration and allocation of sites. Therefore, the Council intends addressing this requirement by September 2015. No windfall allowance is included.
61		2.17Demonstrate all appropriate opportunities for brownfield sites have been explored and the likely scale.	Appendix 7: Assessment of the Urban Potential of the Principal Towns, Key Service Centres and Local Service Centres(July 2015)	S5	
62		2.18Justify stepped housing requirement.	Suggested Revisions Log SR 17		The suggested revisions to the Local Plan Strategy remove references to a stepped housing requirement – the housing requirement of 36,000 is intended to be delivered at an average of 1,800 net additional dwellings per year.
65		2.19Ensure sufficient 'headroom' is retained if the housing requirement is increased.			The issues surrounding housing supply are linked to the consideration and allocation of sites. Therefore, the Council intends addressing this requirement by September 2015.
66		2.20Justify the 500 dwelling figure from High Peak.	Suggested Revisions Log SR 17		The suggested revisions to the Local Plan Strategy remove references to a contribution of 500 dwellings towards the housing requirement for High Peak.
68		2.21Demonstrate consideration of alternative housing numbers put forward by third parties where these have supporting evidence.	Appendix 10: Local Plan Strategy; Suggested Revisions Sustainability (Integrated) Appraisal Addendum Report (July 2015)	S4 and Appendix I (Fresh SA of Growth Options)	The Council has commissioned ORS to review its overall Objective Assessment of Housing Need. It has used this evidence to consider all reasonable alternatives through the SA process.
<b>Green Belt and Safeguarded Land</b>					
83		3.1 Clarify timeline in developing the case and preparing evidence of the need for Green Belt release.	Appendix 4: Green Belt Assessment Update 2015 (CEC with Arup, July 2015)	S3.5	

Interim findings Para. Ref.	28/11/14 Letter Para. Ref.	Inspector's Requirement	Report	Section Reference	Comment
83		3.2 Ensure proposed Green Belt release sites are evidenced as not having a strong contribution to the Green Belt (all sites, including safeguarded land).	Appendix 4: Green Belt Assessment Update 2015 (CEC with Arup, July 2015)	S4, S9.2.1	The issues surrounding the consideration and allocation of sites are intended to be addressed by September 2015.
85		3.3 Ensure and demonstrate that all 5 Green Belt purposes are given equal weight in site assessment.	Appendix 4: Green Belt Assessment Update 2015 (CEC with Arup, July 2015)	S4, S9.2.2	
85		3.4 Ensure consistency in assessment and selection of sites for release.	Appendix 4: Green Belt Assessment Update 2015 (CEC with Arup, July 2015) Site selection methodology flow diagram	S4,S 9.2.2	The issues surrounding the consideration and allocation of sites are intended to be addressed by September 2015.
85		3.5 Ensure small and larger sites are included in the assessment (Green Belt and safeguarded land).	Appendix 4: Green Belt Assessment Update 2015 (CEC with Arup, July 2015)	S4.3, S9.2.3	
88	2iv	3.6 Ensure Green Belt function is given greater weight compared with other factors (all sites, including safeguarded land).	Appendix 1	S4.30-4.56	The issues surrounding the consideration and allocation of sites are intended to be addressed by September 2015
86		3.7 Include impact on wider Green Belt beyond CE in assessments.	Appendix 4: Green Belt Assessment Update 2015 (CEC with Arup, July 2015)	S4, S9.2.4	
23		3.8 Engage with SMBC in Green Belt assessment.	Appendix 4: Green Belt Assessment Update 2015 (CEC with Arup, July 2015)	S4.6, S9.2.5, Appendix D	
91	2vi	3.9 Identify exceptional circumstances needed to establish proposed new Green Belt.	Appendix 1, Annex F: New Green Belt Policy Note (April 2015)	See comment	New Green Belt is no longer proposed
91	2vi	3.10Provide evidence to support the likely extent of new Green Belt.	Appendix 1, Annex F: New Green Belt Policy Note (April 2015)	See comment	New Green Belt is no longer proposed
91		3.11Set out implications of proposed development in area of new Green Belt search area.	Appendix 1, Annex F: New Green Belt Policy Note (April 2015)	See comment	New Green Belt is no longer proposed
92	2vi	3.12Demonstrate other policy is insufficient and new Green Belt is therefore required.	Appendix 1, Annex F: New Green Belt Policy Note (April 2015)	See comment	New Green Belt is no longer proposed
	2vi	3.13If sufficient information is available, include proposed detailed boundaries of new Green Belt.	Appendix 1, Annex F: New Green Belt Policy Note (April 2015)	See comment	New Green Belt is no longer proposed
	2v	3.14Ensure clear justification for scale of safeguarded land release.	Appendix 1, Annex E: Safeguarded Land Technical Annex	All	
Site Selection and Spatial Distribution					
	2vii	4.1 Set out weight given to criteria in assessing sites.	Appendix 1	S4.30-4.56	The issues surrounding the consideration and allocation of sites are intended to be addressed by September 2015
	2vii	4.2 Ensure consistent approach to site selection.	Appendix 1	S4.30-4.56	The issues surrounding the consideration and allocation of sites are intended to be addressed by September 2015
75		4.3 Justify spatial distribution by settlement, especially the rationale for sites in the north.	Appendix 5: Spatial Distribution Update Report (Aecom, July 2015)	S16/17/18	
76	2vii	4.4 In settlements in the north, particularly make clear that all non Green belt sites have been considered and then apply Green Belt assessment consistently (this is as set out above but particular reference is needed in the north).	Appendix 7: Assessment of the Urban Potential of the Principal Towns, Key Service Centres and Local Service Centres(July 2015)	S5	The issues surrounding the consideration and allocation of sites are intended to be addressed by September 2015
76		4.5 Where settlements cannot meet their own needs, demonstrate how the needs of these settlements will be met. Set out the rationale to distribution and explain the relationship	Appendix 5: Spatial Distribution Update Report (Aecom, July 2015)	S14	
77		4.6 Explain whether a spatial distribution option was considered based on existing population distribution and needs of each settlement.	Appendix 5: Spatial Distribution Update Report (Aecom, July 2015)	S4	
78		4.7 Demonstrate full consideration of smaller sites within or on the fringe of existing settlements.	Appendix 7: Assessment of the Urban Potential of the Principal Towns, Key Service Centres and Local Service Centres(July 2015)	S5	

## Appendix 1: Annex C Suggested Revisions Log

## Local Plan Strategy:

REF	Policy / Chapter / Paragraph	Page	Suggested Revision
SR 1	Figure 1.1 CEC Local Plan Strategy Key Diagram	2	Key Diagram will be updated to reflect updated evidence and the outcomes of the examination hearing sessions.
SR 2	Introduction - Paragraph 1.11	3	Suggested revision to paragraph as follows: “The answer from neighbouring local authorities is that they are not in a position to assist, <del>however other than High Peak Borough Council</del> , and they have not asked Cheshire East Council to accommodate any of their development requirements either”.
SR 3	Introduction – paragraph 1.16	4	Suggested revision to paragraph as follows : A <u>revised Green Gap policy</u> <del>new area of Green Belt</del> is proposed in the vicinity of Crewe and Nantwich to ensure settlements here do not coalesce whilst still leaving appropriate scope for further development in the Plan period and beyond. The exact boundaries of this <u>revised new Green Belt area Gap</u> will be determined through the Local Plan Site Allocations and Development Policies Document.
SR 4	Introduction – paragraph 1.27	5	Suggested revision to paragraph as follows The overall growth proposition is to deliver <u>at least over 36,000</u> <del>27,000</del> new homes <del>by 2030</del> and around <u>31,000</u> <del>20,000</del> jobs <del>in the longer term</del> by 2030. These figures represent a pro-growth policy position, that is forecast to see the Borough's population grow by around <del>40,000</del> <u>58,100</u> people. Policies in this Plan will also make sure that the right mix of new homes is provided to meet the needs of a growing workforce and support both current and future employers. This is set within the demographic context that Cheshire East will have a <del>26</del> <u>65</u> % increase in over 65s and a <del>35</del> <u>134</u> % increase in over 85s by <del>2024</del> <u>over the Plan period</u> .
SR 5	Introduction – paragraph 1.30	5	Last sentence will be updated when the number of sites are known following the outcome of the consideration of sites in the examination process:  “There are 31 strategic sites, 9 strategic locations and 6 safeguarded sites proposed in this Plan”.

SR 6	Introduction – paragraph 1.39	6	<p>Sentence will be updated when the number of sites are known following the outcome of the consideration of sites in the examination process:</p> <p>“In total, the Plan proposes detailed boundary amendments to the Green Belt that exclude an area of less than 1% of the total existing area of Green Belt in the Borough”.</p>
SR 8	Introduction – paragraph 1.43	6	<p>Suggested revision to paragraph as follows :</p> <p>This Plan will provide for <u>at least</u> <del>over 36,000</del> 27,000 new homes by 2030. This does not mean house building to meet a false target, but a considered approach to meeting the needs of future demographic changes and to make sure that current and future employers have a skilled, local workforce who can support their growth.</p>
SR 9	Duty to Co-operate – paragraph 3.5	37	<p>Suggested revision to bullet points as follows:</p> <p>Progressive iterations of this Plan have directly addressed specific cross boundary issues raised by neighbouring authorities and consultees. Full details of the changes / shared understandings are referred to in the Duty to Co-operate Statement and are summarised below:</p> <ul style="list-style-type: none"> <li>Reduced development proposed south east of Crewe with less land to be removed from the Green Belt and a <u>revised Green Gap</u> <del>proposed new Green Belt</del> in the Crewe/Nantwich area.</li> </ul> <p>A housing requirement figure that does not adversely impact on neighbouring areas <del>and assists with housing needs in High Peak.</del></p>
SR 10	The Case for Growth – paragraph 4.4	40	<p>Suggested revision to paragraph as follows :</p> <p>The Government has invited Local Enterprise Partnerships (LEP) to produce Strategic Economic Plans (SEPs) for their areas as the basis of funding negotiations to drive economic growth. The <del>emerging</del> Cheshire and Warrington SEP includes a number of transformational projects in Cheshire East including High Growth City, which focuses on linking Crewe and Macclesfield by way of Congleton to create a 'corridor of opportunity'. The sustainable growth aspirations set out in the Local Plan Strategy are a key element in meeting the ambition of a LEP and fulfilling Cheshire East's sub-regional role.</p>
SR 11	The Case for Growth – paragraph 4.9	41	<p>Suggested revision to paragraph as follows :</p> <p>Furthermore, there are clear demographic challenges in the Borough, with a declining proportion of working age population. The <del>Strategic Housing Market Assessment Update (2013)</del> Housing Development Study (2015) identifies that managing demographic change will become an increasingly important issue with the population in Cheshire East of pensionable age and above continuing to grow,</p>

			from <u>70,300</u> <del>83,524</del> in 2010 to <u>115,900</u> <del>124,544</del> by 2030.
SR 12	Vision for Cheshire East in 2030	47	Suggested revision to 3 <sup>rd</sup> paragraph as follows: “Well designed new employment and housing development will have been developed to <u>fully</u> meet local needs in locations that reduce the need to travel”.
SR 13	Vision for Cheshire East in 2030	47	Suggested revision to 7 <sup>th</sup> paragraph as follows: “Our many areas of landscape value, sites of nature conservation importance, characteristic waterways and heritage assets will have been <del>protected from development,</del> <u>conserved</u> and enhanced <del>where possible, through environmental and heritage designations placed on specific assets including valued Green Belt</del> <u>through appropriate development that recognises the importance of both designated and non-designated assets within their setting and safeguarding them for future generations.</u> ”
SR 14	Strategic Priority 1	51	Suggested revision to Strategic Priority 1 Point 8 as follows: “Supporting high quality design <u>and securing improvements to the built and natural environment.</u> ”
SR 15	Strategic Priority 2	51	Suggested revision to Strategic Priority 2 Point 5 as follows: “Ensuring that all new development is well designed, <u>has regard to local character and context and is sustainable and energy efficient</u> ”
SR 16	Planning for Growth – paragraph 8.2	60	Suggested revision to paragraph as follows : The NPPF also states that Local Plans should meet objectively assessed needs unless there would be significant adverse impacts or where the NPPF indicates development should be restricted. Key evidence of need in relation to the economy includes the Employment Land Review and local business surveys, whilst <u>population forecasts and other</u> key evidence to assess housing need <u>and capacity</u> has come from the <u>Strategic Housing Market Assessment (SHMA) 2010 and 2013 update, Housing Development Study 2015 and the Strategic Housing Land Availability Assessment (SHLAA) 2012 and population forecasts.</u>
SR 17	Policy PG1 – Overall Development Strategy	60	Suggested revision to Policy as follows :  1. Provision will be made for a minimum of <u>380</u> <del>300</del> hectares of land for business, general industrial and storage and distribution uses over the period 2010 to 2030, to support growth of the local economy. 2. Sufficient land will be provided to accommodate the full, objectively assessed needs for the Borough of at least <u>36,000</u> <del>27,000</del> homes between 2010 and 2030. This will be delivered <u>as follows – at an average of 1,800 net additional dwellings per year.</u>

			<p><u>Footnote added to state - The figure of 36,000 homes includes an allowance of 2,185 units of older person's accommodation; this encompasses both Use Classes C2 and C3.</u></p> <p><del>o 2010/11(35) to 2014/15 – an average of 1,200 homes each year (6,000 in total);</del>  <del>o 2015/16 to 2019/20 – an average of 1,300 homes each year (6,500 in total);</del>  <del>o 2020/21 to 2024/25 – an average of 1,400 homes each year (7,000 in total);</del>  <del>3.2. 2025/26 to 2029/30 – an average of 1,500 homes each year (7,500 in total) at an average of 1,800 net additional dwellings per year.</del></p> <p><del>3. In addition to meeting the full, objectively assessed needs of Cheshire East, provision will be made for up to 500 homes to assist with meeting the housing needs of High Peak Borough during the period 2020 to 2030. These will be delivered as follows:</del>  <del>o 2020/21 to 2029/30 – an average of 50 homes each year (500 in total)</del></p>
SR 18	Planning for Growth – paragraph 8.4	61	<p>Suggested revision to paragraph as follows:          “The Employment Land Review <u>and the Alignment of Economic, Employment and Housing Strategy report (2015) are</u> is the primary sources of evidence related to the requirements for employment land. <u>They</u> <del>It</del> uses a variety of methods to forecast the requirements for new employment land <del>between 2009 and up to</del> 2030. <del>It</del> <u>The Employment Land Review</u> considers the annual average rates of take-up of employment land over the past 25 years, as well as forecasting future demand for employment land using econometric data and population forecasts. It also looks at the annual average amount of employment land lost to other uses over the past 15 years”.</p>
	Planning for Growth – paragraph 8.5	61	<p>Suggested revision to paragraph as follows:</p> <p>Using all the available information, and in accordance with the 2004 ODPM Guidance Note on Employment Land Reviews, the study gives a range for the amount of employment land that will be required between 2009 and 2030. This range is between 278 hectares and 324 hectares, which includes a flexibility factor of 30% to reflect Cheshire East's aspirations for employment-led growth. <del>This flexibility factor will allow the employment land supply to be flexible enough to deal with future economic changes, increases in employment land losses or increases in demand.</del></p> <p><u>The Alignment of Economic, Employment &amp; Housing Strategy (AEEHS) report (2015) used updated econometric projections, which pointed to a significantly greater employment growth rate over the Plan period than the Employment Land Review's econometric projections did. The AEEHS used a methodology that is largely in line with the assumptions and approaches used in the Employment Land</u></p>

			<u>Review, but concluded that a 20% flexibility factor was more appropriate, given the use of more optimistic employment forecasts. The AEEHS results suggest that an additional 27 hectares will be required and so the revised Plan proposes sites that deliver employment land totalling 378 hectares.</u>
SR 19	Planning for Growth – paragraph 8.6	61	<p>Delete paragraph as follows:</p> <p><del>“The overall provision set out in the Employment Land Review equates to an annual provision of between 13.2 hectares and 15.4 hectares. Extrapolating this across the 20 year plan period gives an overall requirement of between 265 hectares and 308 hectares between 2010 and 2030. The minimum provision of 300 hectares of employment land as set out on Policy PG1 is toward the upper end of this range which is an appropriate figure for a strategy based on jobs-led growth”.</del></p>
SR 20	Table 8.1	61	<p>Amend Figures in table 8.1:</p> <p>“Completions 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2013: 1.6  Employment Land Supply 1<sup>st</sup> April 2013: <del>445.5</del> <u>112.8</u>  Total Completions and Supply: <del>447.4</del> <u>114.4</u>  Remaining (minimum): <del>482.9</del> <u>185.6</u></p>
SR 21	Planning for Growth – paragraph 8.8	61	<p>Suggested revision to paragraph as follows:</p> <p><del>As a minimum, the</del> <u>The Housing Requirement set out in Policy PG1 responds to the Housing Development Study (2015) and Plan aims to meet the full objectively assessed need for an additional 27,000 36,000 dwellings that is predicted to arise in Cheshire East over the 2010 – 2030 period. The Housing Development Study has used the Department for Communities and Local Government (CLG) 2012-based household projections as a ‘starting point’ and applied a 10-year migration trend. The Study also projected economic activity rates up to 2030 and assumed that there are no further falls in unemployment. It considered the evidence on market signals along with the need for affordable housing and for older people (including C2 bed spaces). It then sought to identify the appropriate balance – between working residents and the number of people working in the Borough – that is necessary to achieve jobs growth of around 31,000 (an</u> <del>This need is based on forecasting work using the latest Government projections and also factors in the Council’s aspirations for employment led growth, which seeks to deliver additional housing to enable a rate of jobs growth that average of 0.4 0.7 % jobs growth a year). Such a balance requires both migration flows and commuting flows to be sustainable over the Plan period. Given that the aging population of the Borough is reducing the proportion of residents of working age, and the generally low local levels of unemployment, such an increase in jobs would create more in commuting unless, as is intended, housing is provided at a level to match the employment</del></p>



			<p>growth. This level of employment growth—and the expansion in economic output that it is likely to bring—are considered realistically attainable, given the inherent potential of the Borough to attract economic investment. These rates of employment and economic output growth are also consistent with Cheshire East's previous (and strong) long-term economic performance. Such an approach also accords with the central tenant of the NPPF—the presumption in favour of enabling sustainable development.</p>
SR 22	Planning for Growth – paragraph 8.9	61	<p>Suggested revision to paragraph as follows:</p> <p>The <u>CLG 2012-based household projections (period 2012-2037)</u> were used as the 'starting point' for Council has used projections and forecasting as a basis for determining the objectively assessed need for housing. This links in with the draft paragraphs 15 and 16 of the National Planning Practice Guidance which makes it clear for the first time that:</p> <p><i>"Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need". (PPG 2015, Paragraph 15)</i></p> <p><i><u>"The 2012-2037 Household Projections were published on the 27 February 2015, and are the most up to date estimate of future household growth"</u> (PPG 2015, Paragraph 16)</i></p>
SR 23	Planning for Growth – paragraph 8.10	62	<p>Suggested revision to paragraph as follows</p> <p><u>The Guidance advocates that the latest household projections should be used to calculate overall housing need. Having taken the CLG 2012-based projections as its 'starting point', the Housing Development Study tested alternative migration trends, concluding that a 10-year migration trend best represented long-term change. The Study also projected economic activity rates up to 2030, based on Census data for Cheshire East and Office for Budget Responsibility projections. It assumes that unemployment stays at its March 2015 level and makes allowances for vacancies, second homes and "double-jobbing" (people holding multiple jobs). The Study also considered the latest evidence on market signals (as required by Planning Practice Guidance). In doing so, it used Office for National Statistics area classification data and CLG Index of Multiple Deprivation data to identify areas with similar demographic and economic characteristics to Cheshire East. The market signals analysis compared Cheshire East to these areas - Cheshire West &amp; Chester, the East Riding of Yorkshire, Wiltshire and North Somerset – and to England. The Study identified that, on the whole, market signals do not indicate any need for an upward adjustment to housing need: house price trends and affordability trends in Cheshire East are close to those for England and are typically in line with those for the comparator areas; average rents and increases in rents are broadly in line with England and the comparator areas;</u></p>

			<p><u>the proportion of households that are overcrowded is lower than in England (and most comparator areas) and rose more slowly during 2001-11 than in most of these other areas; and whilst the rate of development has been relatively low in recent years, it was higher than the England average for 2001-11. Nevertheless, there has been an increase in concealed families over the period 2001 – 11 which the objective assessment of housing need has addressed – and homelessness - by increasing projected household growth by 344 (an average of 17 per annum) over the Plan period (2010-2030). The Study identifies a total affordable housing need of a minimum of 7,100 dwellings (an average of 355 per annum), which is included in objective assessment of housing need of at least 36,000 dwellings.</u></p> <p>The interim 2011-based subnational household projections are the most recent, but only look as far ahead as 2021. The published projections suggest the total number of households in Cheshire East is expected to increase annually by an average of around 1,050 over the ten year period i.e. from around 159,600 to 170,000. The Council has undertaken demographic forecasting work based on these interim projections, continuing them forward to 2030 using the same assumptions as the official projections and using the 2021 household formation rates from these official projections. This results in an average annual increase in dwellings of 1,180 over the whole Plan period. Further details of this scenario and others that have been modelled, including the justification for projecting forward the household formation rates, can be found in the Council's Population Projections and Forecasts background paper (February 2014).</p>
SR 24	Planning for Growth – paragraph 8.11	62	<p>Suggested revision to paragraph as follows</p> <p><u>The Alignment of Economic, Employment and Housing Strategy Report concluded that net jobs growth of around 31,000 jobs would be ambitious yet realistic for the 20-year period (2010-2030); this represents a jobs growth rate of around 0.7% per annum. This is e scenario that models an annual average jobs growth rate of 0.4% equates to a net average increase of 1,365 dwellings per annum or around 27,300 overall, a labour supply increase of around 17,300 people and an increase of around 14,800 jobs to 2030. This level of employment growth is likely to result in economic output (Gross Value Added, or GVA) expanding by an average of around 2.4% a year (because of the contribution that productivity growth makes to GVA growth). These employment and GVA growth rates are considered realistically attainable, given the inherent potential of the Borough to attract economic investment, and they are also consistent with Cheshire East's previous (and strong) long-term economic performance; the Council's Local Plan Strategy and the economic growth vision of the Cheshire &amp; Warrington Local Enterprise Partnership. For example, Office for National Statistics data suggest that, during the eleven years up to the start of the Plan period (i.e. 1999-2010), Cheshire East's GVA grew by an average of 2.0% a year in real (inflation-adjusted) terms (39)In this context, an economic output expansion of about 2.4% a year is ambitious, but achievable.</u></p>

SR 25	Planning for Growth – paragraph 8.12	62	<u>The Housing Development Study notes that, in meeting any shortfall in workers over the Plan period, there has to be an appropriate balance between migration flows and commuting flows, to ensure that both are sustainable over the long term. Based on the assumption that net in-migration will average 2,600 per annum over the 20 year Plan period (which is equivalent to the highest level recorded in any single year since 1991 and considerably greater than the 2001-11 average of around 1,700 per annum), net in-commuting would need to increase by an average of 400 commuters per annum over the same period. On this basis, net commuting would rise from 1,400 (at the time of the 2011 Census) to around 9,000 by 2030; to put this in context, the number of jobs located in Cheshire East is projected to rise by around 31,000, from 197,000 to 228,000 over the Plan period, so even in 2030 net commuting would account for less than 5% of the total projected jobs. Considering all of the evidence, the Housing Development Study has concluded that the objectively assessed need for housing in Cheshire East is 36,000 dwellings over the Plan period (2010 – 2030). It is also important to recognise that, as well as yielding extra population and workers, any increase in housing will also help to address market signals and increase the likely provision of affordable housing. The above suggests that the medium growth strategy of providing around an additional 1,350 dwellings per annum, identified in the Council's Issues and Options Paper, would best match the expected future household growth in Cheshire East and the Council's economic growth aspirations.</u>
SR 26	Planning for Growth – paragraph 8.13	62	The outputs from <u>Housing Development Study</u> modelling work represent only one of the elements that have been considered by the Council in determining the level of housing growth shown in the Local Plan and considered appropriate for Cheshire East until 2030 <u>its housing requirement</u> . The Council has also considered the findings of the <u>Alignment of Economic, Employment and Housing Strategy Report (2015)</u> , <u>Strategic Housing Market Assessment (SHMA)</u> , the Strategic Housing Land Availability Assessment (SHLAA), the pre-recession levels of house building and other wider policy considerations before determining what the appropriate housing requirement is for Cheshire East.
SR 27	Planning for Growth – paragraph 8.14	62	Delete paragraph: The Strategic Housing Market Assessment (SHMA) 2010 and 2013 update confirms that Cheshire East is a high demand area, and that there is a need to maintain the delivery of a variety of dwelling types and sizes to reflect demand for a range of open market dwellings.
SR 28	Planning for Growth – paragraph 8.15	62	Suggested revision to paragraph as follows  The <del>SHMA 2013 update</del> <u>Housing Development Study</u> <del>identifies</del> concludes that Cheshire East is an appropriate geography for planning purposes, over which to assess and meet housing requirements. The study also <del>identifies-concludes</del> that Cheshire East comprises several housing two functional sub- market areas that are substantially contained within the Borough. The functional market areas <u>suggested by the</u>

			<u>data to reflect the former Macclesfield Borough and a second sub-area reflecting the former Crewe and Nantwich and, Congleton and Macclesfield areas.</u>
SR 29	Planning for Growth – paragraph 8.16	62	<p>Delete paragraph:</p> <p><del>It also indicates that there is a net annual affordable housing need equivalent to an annual imbalance of 1,401 dwellings over its 5 year time horizon. It is important to state that this is a measure of the imbalance of affordable need relative to supply and is not a target for delivery of additional affordable homes.</del></p>
SR 30	Planning for Growth – paragraph 8.17	63	<p>Suggested revision to paragraph as follows</p> <p><del>Around 2,200 sites were considered as part of the Strategic Housing Land Availability Assessment (Update 31st March 2012). Of these approximately 1,600 sites were considered suitable for housing during the following 15 years. These 'suitable' sites could potentially provide a total of nearly 50,000 dwellings over the 15 year period, of which about 7,200 homes would be on brownfield sites with a further 4,800 on sites that are a mix of brownfield and greenfield land. This work demonstrates a theoretical capacity for new housing in the Borough. An updated Assessment will accompany the submission of this Plan to examination. In the meantime the Council has produced an updated 'Five Year Housing Land Supply Position Statement' with a base date of 31st December 2013. This has been produced for housing appeal purposes; it includes planning permissions granted up to that date but not the uncommitted sites included and proposed in this Plan. An updated assessment of housing permissions and commitments has been completed to a base date of 31 March 2015. Nevertheless the research done for the Position Statement This has been used to inform an a interim housing trajectory for the Plan period which does include the envisaged delivery timing of all the sites proposed in the Plan. The trajectory is reproduced in Appendix E.</del></p>
SR 31	Planning for Growth – paragraph 8.18	63	<p>Suggested revision to paragraph as follows:</p> <p>Using an overall housing need target of <del>36,000</del> <del>27,000</del> dwellings for the Borough over the Plan period would equate to an average net increase of around <del>1,800</del> <del>1,350</del> dwellings per annum. Setting this annual level to apply from 2010 would be a significant step change in the housing requirement for the area compared with past policy requirements. However this overall level of housing is considered necessary and appropriate to meet the Council and Government's growth agenda. In arriving at this total figure, consideration has been given to the capacity of the area to accommodate growth and an appropriate balance has been struck which minimises the impact on the environment, infrastructure and the Green Belt, whilst providing for objectively assessed needs. It is considered that a significantly higher growth</p>

			strategy for housing, to facilitate even greater economic growth, would be unsustainable in overall terms as it would have an unacceptable impact on the local environment, the intended role of the Green Belt and the cumulative capacity of local infrastructure.
SR 32	Planning for Growth – paragraph 8.19	63	<p>Suggested revision to paragraph as follows</p> <p>The overall basis of the Plan is to enable economic growth in Cheshire East. The local economy suffered, along with the rest of the country, during the recent recession. The annual rate of house building dipped to a low of less than 500 dwellings in 2010/11 compared to the annualised development plan target of 1,150 applicable at the time. This contraction in the house building industry is shown in starker terms if the new annualised average figure of 1,350 1,800 was to be applied immediately from 2010. <del>Given the post-recession recovery needed by the house building industry, the historic Plan start date, the necessity to bring forward significant site-releasing infrastructure and the time required for the Plan's jobs led growth strategy to have effect, it is considered appropriate to have five year stepped up housing target figures. Such an approach should help avoid any diversion of development from the Potteries during the area's recovery from recession. The proposed first step target of 1,200 dwellings per annum for the 2010-15 period would still exceed the average annual increase in dwellings of 1,180 over the whole Plan period identified from the Government's projections, as detailed above, and represent an increase over the previous development plan. Successive 100 dwelling per annum step ups for the remaining three 5 year periods represent a realistic, ambitious and progressively increasing delivery of housing. The selection of land for residential development within the site allocations will need to take account of both the overall housing requirement and the need to redress past shortfalls in delivery since 2010.</del></p>
SR 33	Planning for Growth – paragraph 8.20	63	<p>As part of considering options to removing land from the Green Belt, collaboration working with neighbouring authorities has explored the extent to which such authorities could assist in meeting the Cheshire East's housing requirements. The outcome of those discussions is that none of these authorities are in such a position. <del>However a request to assist High Peak Council has been received. That authority's area is highly constrained by land of high landscape value and steep topography even within those parts of the Borough that are not within the Peak District National Park. Cheshire East Council wants to avoid inappropriate development pressure on the National Park, an important tourism destination that is partly within the authority's own area. The Council also recognises that previous housing restraint policies have probably directed some residential development to High Peak. Associated with this are transport movements in the A6 corridor, which are causing severe traffic congestion that is likely to be further exacerbated by additional development. In view of these synergies between the two</del></p>

			<del>authorities' areas, it is considered appropriate to provide for part of High Peak's housing requirement in Cheshire East. A modest 500 dwellings in the second half of the Plan period is proposed, an amount considered to be within the parameters of the medium growth strategy.</del>
SR 34	Planning for Growth – Table 8.2 Housing Completions	64	<p>Amend Figures in table 8.2:</p> <p>Net completions 01/04/13 - 31/12<u>203/1413</u>: <del>497</del> <u>663</u></p> <p><u>Net completions 01/04/14 – 31/03/15 – 1,236</u></p> <p>Planning permissions at 31<sup>st</sup> <del>December</del> <u>March 2013-2015</u></p> <ul style="list-style-type: none"> <li>• Site under construction – <del>2,291</del> <u>4,333</u></li> <li>• Full Planning Permission – <del>1,806</del> <u>1,603</u></li> <li>• Outline planning permission – <del>2,509</del> <u>5,262</u></li> <li>• Subject to S.106 agreement – <del>2,150</del> <u>3,924</u></li> </ul> <p>Total completions and planning permissions – <del>40,906</del> <u>15,122</u></p> <p><del>Remaining (including 500 dwellings for High Peak) – 16,594</del></p> <p><u>Additional footnote added: The Planning Permissions at 31st March 2015 include 4775 dwellings on sites included within Strategic Sites allocations that fall in these categories. The Commitments column in Appendix A excludes any permissions on Strategic Sites to prevent double counting.</u></p>
SR 35	Planning for Growth – Vision for Key Service Centres	66	<p>Suggested revision to paragraph as follows:</p> <p>The Key Service Centres will see growth, with high quality homes and business premises provided <del>to meet local needs</del>, where smaller independent traders and tourism initiatives will continue to thrive and where all development will contribute to creating a strong sense of place.</p>
SR 36	Planning for Growth – Vision for Local Service Centres	66	<p>Suggested revision to paragraph as follows</p> <p>In the Local Service Centres, some modest growth in housing and employment will have taken place to <del>meet locally arising objectively assessed</del> needs, to reduce the level of out-commuting and to secure their continuing vitality. This may require small scale alterations to the Green Belt in some circumstances.</p>

SR 37	Planning for Growth – Policy PG 2- Settlement Hierarchy	67	<p>Suggested revision to Policy as follows:</p> <p>Local Service Centres</p> <p>In the Local Service Centres, small scale development to meet <del>localised objectively assessed</del> needs and priorities will be supported where they contribute to the creation and maintenance of sustainable communities.</p> <p>The Local Service Centres are Alderley Edge, Audlem, Bollington, Bunbury, Chelford, Disley, Goostrey, Haslington, Holmes Chapel, Mobberley, Prestbury, Shavington and Wrenbury.</p> <p>Other Settlements and Rural Areas</p> <p>In the interests of sustainable development <u>and the maintenance of local services</u>, growth and investment in the other settlements should be confined to <u>proportionate development at a scale commensurate with the function and character of the settlement and confined to locations well related to the existing built-up extent of the settlement.</u> <del>small scale infill and the change of use or conversion of existing buildings in order to sustain local services.</del> Affordable housing development of an appropriate scale <del>on the edge of a rural settlement to meet a particular local need may be justified, although It may be appropriate for</del> local needs <del>can also</del> to be met within larger settlements, dependent on location.</p>
SR 38	Planning for Growth – Paragraph 8.34	67	<p>Suggested revision to paragraph as follows:</p> <p>In the <u>other settlements and</u> rural areas, the Local Plan Strategy approach is to support an appropriate level of small scale infill development that reflects the function and character of individual villages. Small scale growth may be appropriate where it supports the creation of stronger local communities and where a clear <del>local</del> need <u>exists, which is not more appropriately met in a larger nearby settlement.</u> <u>Development will be restricted to locations well related to the built-up extent of these settlements. The identification of such sites will be achieved through the allocation of suitable sites and / or the designation of settlement boundaries</u> <del>is addressed as part of the Site Allocations and Development Policies Development Plan Document and / or in Neighbourhood Plans, where these come forward. Elsewhere, in order to reduce unsustainable sporadic development, new housing will be strictly controlled.</del> In the case of Goostrey which adjoins Holmes Chapel, a larger Local Service Centre, it is anticipated that development needs will largely be provided for in Holmes Chapel.</p>
SR 39	Planning for Growth	68	Suggested revision to paragraph as follows:

	– Paragraph 8.35		Notwithstanding the above settlement hierarchy, the Local Plan Strategy also includes the new North Cheshire Growth Village at Handforth East. This new village will be designed to the highest environmental standards, acting as best practice examples for future design and construction. <del>This new village will become a Local Service Centre in the</del> Consideration will be given to its position in the settlement hierarchy once it is built and will embody sustainable development principles including:
SR 40	Planning for Growth – Paragraph 8.37	68	Suggested revision to paragraph as follows:  The Local Plan Strategy also includes Other Local Plan Strategy Sites at Wardle Employment Improvement Area and Alderley Park Opportunity Site. At Alderley Park Opportunity Site, <del>an unidentified level of</del> residential development may come forward where it is demonstrated to be necessary for the delivery of the life science park, in accordance with Local Plan Strategy Policy SC29.
SR 41	Planning for Growth – Paragraph 8.42	69	Delete paragraph: <del>In addition, a new area of Green Belt will be defined adjacent to Crewe to prevent it merging with Nantwich and other surrounding settlements.</del>
SR 42	Planning for Growth – Policy PG 3 – Green Belt	69	<b>Point 5 of the Policy will be updated following the consideration of sites later in the examination process</b>  Delete point 7: <del>7. — A new area of Green Belt will be designated adjacent to Crewe to prevent its merger with Nantwich and other surrounding settlements. It will also link to the existing Green Belt to help maintain the strategic openness of the gap between Crewe and the Potteries. The Area of Search for this new area of Green Belt is shown on Figure 8.2. The detailed boundaries of this new area of Green Belt will be defined through the Site Allocations and Development Policies Document(42).</del>  Delete Footnote 42 <del>For clarification, the saved Green Gap policy from the Borough of Crewe and Nantwich Local Plan will continue to operate (other than where specific sites are allocated in this Local Plan Strategy) until the detailed boundaries of the new Green Belt are defined in the Site Allocations and Development Policies Development Plan Document.</del>



SR 43	Planning for Growth – Paragraph 8.43	70	As set out in Chapter 4 'The Case for Growth' and Policy PG 1 'Overall Development Strategy', and evidenced through the <del>Strategic Housing Market Assessment Update (2013)</del> <u>Housing Development Study (2015)</u> , and the Employment Land Review (2012) <u>and the Alignment of Economic, Employment and Housing Strategy Report (2015)</u> there are significant identified needs for market and affordable housing, as well as for new employment land provision within Cheshire East.
SR 44	Planning for Growth – Paragraph 8.46	71	Suggested revision to paragraph as follows:  The Green Belt Assessment <u>Update (2015 2013)</u> has considered the contribution each parcel of Green Belt land adjoining settlement boundaries makes to the purposes of the Green Belt.
SR 45	Planning for Growth – Figure 8.1	72	Figure will be updated following the consideration of sites later in the examination process
SR 46	Planning for Growth – Paragraph 8.51	72	Remove paragraph <del>Within the proposed area of search for a new Green Belt (shown in Figure 8.2), there are a number of neighbouring towns and villages fairly close to each other. As Crewe has grown throughout the 20th Century, erosion of the gaps between Crewe, Nantwich and a number of smaller settlements has caused settlements to merge into the urban area in some cases, and very narrow gaps to remain in other cases.</del>
SR 47	Planning for Growth – Figure 8.2	73	Figure is to be removed.
SR 48	Planning for Growth – Paragraph 8.52	73	Delete paragraph: <del>The identification of Crewe as a spatial priority for growth brings significant opportunities, but also some threats. As Crewe grows to fulfil its potential it will become increasingly important to maintain the distinctive identity of the other settlements within the area of search and to prevent them merging into a Greater Crewe urban area.</del>
SR 49	Planning for Growth – Paragraph 8.53	74	Delete paragraph; <del>As set out in the 'New Green Belt and Strategic Open Gaps' study, strong policy protection will be required to maintain the existing gaps between settlements that are at risk of coalescence resulting from the future growth of Crewe</del>
SR 50	Planning for Growth – Paragraph 8.54	74	Delete paragraph: <del>The detailed boundaries of the new area of Green Belt will be defined on the Adopted Policies Map; until that point the Green Gap boundaries, as defined in the saved policy of the Borough of Crewe &amp; Nantwich</del>

			Replacement Local Plan will remain in force, apart from where specific changes are proposed in this document.
SR 51	Planning for Growth – Paragraph 8.55	74	<p>Delete Paragraph:</p> <p><del>The detailed boundaries of the new area of Green Belt, when defined in the Site Allocations and Development Policies Document, will need to be compatible with the growth aspirations set out for Crewe in the 'All Change for Crewe' and 'High Growth City' programme. It will be important to ensure that the new Green Belt does not unduly restrict the future growth of Crewe and consideration will need to be given as to how the town might grow in the future. Consequently, there is likely to be the need to safeguard areas of land between the urban area and the inner limit of the Green Belt to meet potential future development needs.</del></p>
SR 52	Planning for Growth – Key Evidence	74	<p>Update as follows:</p> <ol style="list-style-type: none"> <li>1. Cheshire East Green Belt Assessment <u>Update</u></li> <li>2. New Green Belt and Strategic Open Gaps Study</li> <li>3. <del>Strategic Housing Market Assessment</del> <u>Alignment of Economic, Employment and Housing Strategy Report</u></li> <li>4. <del>Strategic Housing Market Assessment Update</del> <u>Housing Development Study</u></li> <li>5. Employment Land Review</li> </ol>
SR 53	Planning for Growth – Policy PG4 Safeguarded Land	74	<p><b>Point 5 of the Policy will be updated following the consideration of sites later in the examination process</b></p> <p>Suggested revision to point 6 as follows:</p> <p>In addition to these areas of Safeguarded Land listed; it may also be necessary to identify additional non-strategic areas of land to be safeguarded in the Site Allocations and Development Policies Document, <del>which will include around 5 to 10 hectares to serve the longer-term development needs in Poynton.</del></p>
SR 54	Planning for Growth – Paragraph 8.59	75	Suggested revision to paragraph as follows :

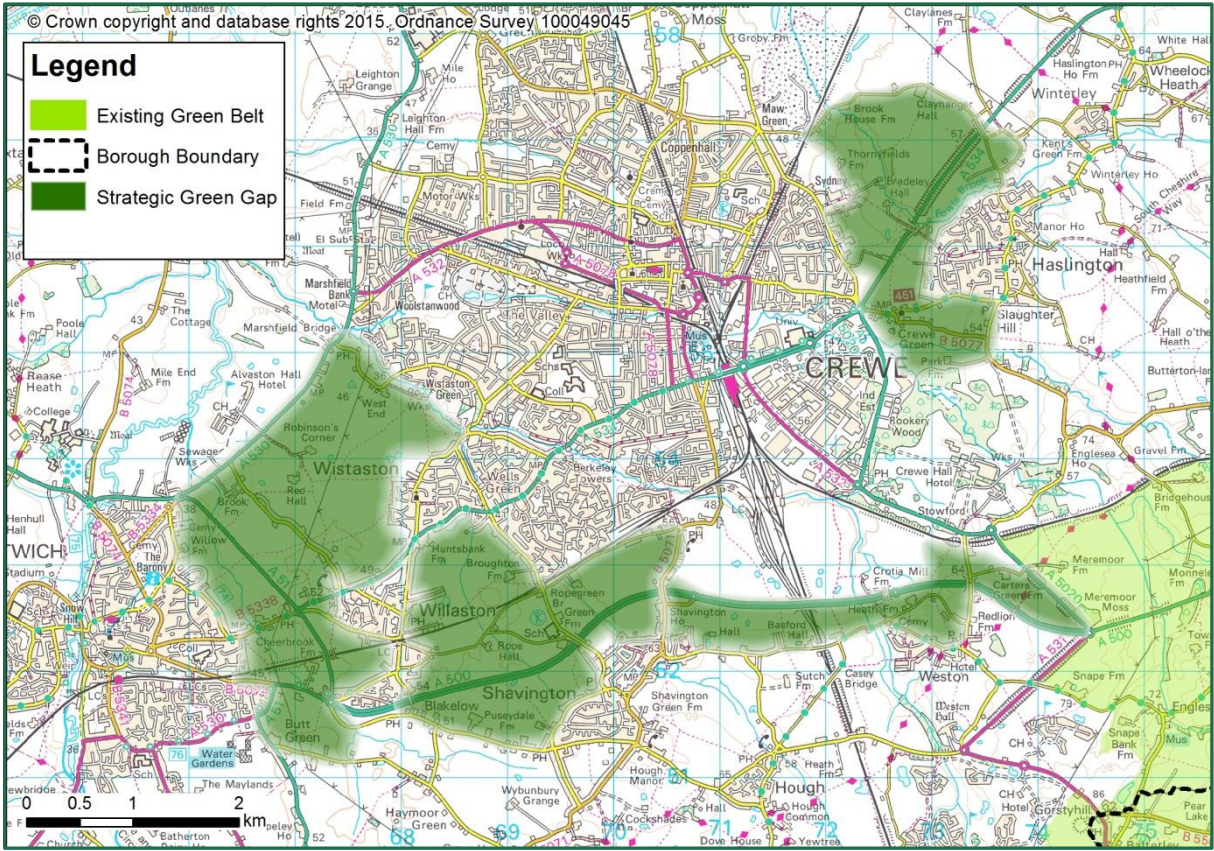
			<p>The development needs beyond this plan period will be determined through future reviews of the Local Plan. <del>To ensure that Green Belt boundaries will not need to be altered at the end of this Plan period, it is necessary to identify areas of Safeguarded Land. In the absence of guidance on the amount of land that should be Safeguarded, a balance is required that gives confidence on the permanence of the Green Belt boundary whilst minimising the impact on the Green Belt and making the most efficient use of land</del></p>
SR 55	Planning for Growth – Paragraph 8.60	75	<p>Suggested revision to paragraph as follows :</p> <p><u>Within the South Cheshire Green Belt area, the main settlements of Congleton and Alsager are located adjacent to, but beyond the Green Belt. There is a significant supply of potential non-Green Belt land in these areas and therefore no need to designate Safeguarded Land to ensure permanence of the South Cheshire Green Belt boundary. Within the North Cheshire Green Belt, the main settlements are inset within the Green Belt and do not have the same expansion options on non Green Belt land. It is therefore necessary to include areas of Safeguarded Land to make sure that the North Cheshire Green Belt boundaries will not need to be altered again at the end of the plan period. In the absence of guidance on the amount of land that should be Safeguarded, a balance has been struck between the need to ensure the permanence of the Green Belt boundary and the NPPF requirement to make the most efficient use of land.</u></p>
SR 56	Planning for Growth – Paragraph 8.61	75	<p>Suggested revision to paragraph as follows :</p> <p><del>There will be a number of further options to accommodate future development needs beyond the Plan period, which could include measure such as (not exhaustive):</del></p> <p><del>Recycling of land within the urban areas, including the re-use of under-used employment areas, which will become redundant over the lifetime of the Plan. For example, there may be opportunities around the former mills off London Road in Macclesfield where there could be potential for a new urban village development;</del></p> <p><del>Additional town centre and higher density development;</del></p> <p><del>Channelling development to areas within the inner boundary of the Green Belt (i.e. Greater Manchester and the Potteries conurbations);</del></p> <p><del>Channelling development to areas beyond the outer boundary of the Green Belt. It is anticipated that HS2 will bring extensive jobs and housing to Cheshire East post 2030. The full impact of HS2 on</del></p>

			<p><del>Cheshire East is unclear; however, it is likely that the HS2 project will prove decisive in supporting the case for significant growth and development to the south, in preference to the north of the borough. The likelihood is that this future development will be centred in and around Crewe, Alsager and Congleton.</del></p> <p><u>A number of Local Plans have indicated that a 15 year plan period, followed by 5-10 years worth of Safeguarded Land will ensure that the Green Belt boundary retains a degree of permanence. As Safeguarded Land is only required in the North Cheshire Green Belt, the development requirement for the northern sub-area in this plan period has been projected forward beyond 2030 to determine the amount of Safeguarded Land required.</u></p>
SR 57	Planning for Growth – New Paragraph 8.61a	75	<p>Suggested Insertion as follows:</p> <p><u>Consideration has been given to the likely availability of land beyond 2030. Whilst it is difficult to identify specific land that may become available so far into the future, there is a range of evidence to suggest that there will be a continued and reliable source of recycled and other land for development post 2030. There may also be other further options available to accommodate development including:</u></p> <ul style="list-style-type: none"> <li><u>• Channelling development to locations within the inner Green Belt boundary, with the opportunities arising from the renaissance of our adjacent conurbations;</u></li> <li><u>• Channelling development to locations beyond the outer edge of the Green Belt boundary in Cheshire East. It is anticipated that HS2 will prove decisive in supporting the case for significant future growth and development in the southern part of the Borough, centred around Crewe, Alsager, Congleton and Middlewich. As evidenced by the volume of sites submitted through the Local Plan process and Strategic Housing Land Availability Assessment, it is clear that there will continue to be a significant stock of potential development sites in areas beyond the Green Belt post 2030.</u></li> </ul>
SR 58	Planning for Growth – New Paragraph 8.61b	75	<p>Suggested Insertion as follows:</p> <p><u>Given the desire to protect the countryside and minimise the impact on the Green Belt, it is appropriate to provide only the minimum amount Safeguarded Land needed to make sure that Green Belt boundaries do not need to be altered again in the next plan period. Considering the potential options for accommodating development post 2030, it is considered that there are grounds for a modest reduction in the timescale for projecting forward needs, to provide for between 8-10 years of Safeguarded Land. Factors in relation to future housing densities have also been considered, including an ageing population, increased provision of smaller units and enabling higher densities through improved urban</u></p>

			<u>design. It is considered that there are sufficient grounds for assuming future housing densities of between 30 and 40 dwellings per hectare. A range of scenarios have been tested using the parameters on time period for projections and housing densities, which result in a requirement of between 155 ha and 244 ha of Safeguarded Land. Overdependence on any single influence is not appropriate given the timescales and variables involved, and a mid-point of 200 hectares is selected to take account of all factors concerned</u>
SR 59	Planning for Growth – Paragraph 8.62	75	Suggested revision to paragraph as follows :  At the end of the Plan period, the <u>continued supply of recycled and other land for development as well as the other options to accommodate development and the use of the identified Safeguarded Land if required, will be sufficient</u> <del>utilisation of the above measures where appropriate, plus the use of the identified safeguarded land if required will be sufficient</del> to ensure that the Green Belt boundary will not need to be reviewed again at this time.
SR 60	Planning for Growth – Paragraph 8.63	76	Delete paragraph as follows:  <del>Additional Safeguarded Land within the new area of Green Belt adjacent to Crewe will be defined in the Site Allocations and Development Policies document, alongside the detailed boundaries of the new Green Belt.</del>
SR 61	Planning for Growth – Figure 8.3	76	Figure will be updated following the consideration of sites later in the examination process
SR 62	Planning for Growth – Key Evidence	76	Update as follows:  1. National Planning Policy Framework 2. Cheshire East Green Belt Assessment <u>Update</u> 3. <u>Safeguarded Land Advice Note</u>
SR 63	Planning for Growth – New Planning for Growth – Paragraph 8.63a	77	Insert text as follows:  <u>Maintaining and enhancing the character and separate identities of the Borough's towns and villages is a key priority of the Local Plan Strategy.</u>
SR 64	Planning for Growth	77	New Policy proposed as follows:

	– New Policy PG4a		<p><u>Strategic Green Gaps</u></p> <p><u>1. The areas between the following settlements are defined as Strategic Green Gaps:</u></p> <p><u>i. Willaston / Wistaston / Nantwich / Crewe;</u></p> <p><u>ii. Willaston / Rope / Shavington / Crewe;</u></p> <p><u>iii. Crewe / Shavington / Basford / Weston; and</u></p> <p><u>iv. Crewe / Haslington.</u></p> <p><u>2. These areas are shown on Figure 8.3a. The detailed boundaries of the Strategic Green Gaps will be defined through the Site Allocations and Development Policies document and shown on the Adopted Policies Map.</u></p> <p><u>3. The purposes of Strategic Green Gaps are to:</u></p> <p><u>i. Provide long-term protection against coalescence;</u></p> <p><u>ii. Protect the setting and separate identity of settlements; and</u></p> <p><u>iii. Retain the existing settlement pattern by maintaining the openness of land.</u></p> <p><u>4. Within Strategic Green Gaps, policy PG 5 (Open Countryside) will apply. In addition, planning permission will not be granted for the construction of new buildings or the change of use of existing buildings of land which would:</u></p> <p><u>i. Result in erosion of a physical gap between any of the settlements named in this policy; or</u></p> <p><u>ii. Adversely affect the visual character of the landscape.</u></p> <p><u>5. Exceptions to this policy will only be considered where it can be demonstrated that no suitable alternative location is available.</u></p>
SR 65	Planning for Growth – New para 8.63b	77	<p>Insert text as follows:</p> <p><u>Within the areas to the south, east and west of Crewe, there are a number of neighbouring towns and villages in close proximity to each other. As Crewe has grown throughout the 20th Century, erosion of the gaps between Crewe, Nantwich and a number of smaller settlements has caused settlements to merge into the urban area in some cases, and very narrow gaps to remain in other cases.</u></p>
SR 66	Planning for Growth	77	<p>Insert text as follows:</p>

	– New para 8.63c		<u>The identification of Crewe as a spatial priority for growth brings significant opportunities for this area, but also some challenges. As Crewe grows to fulfil its potential it will become increasingly important to maintain the distinctive identity of Nantwich and other nearby settlements and to prevent them from merging into a Greater Crewe urban area.</u>
SR 67	Planning for Growth – New para 8.63d	77	Insert text as follows:  <u>As set out in the ‘New Green Belt and Strategic Open Gaps’ study, strong and strategic long-term policy protection is required to maintain the existing gaps between Crewe and Nantwich, and between Crewe and other settlements that are at risk of coalescence resulting from the future growth of Crewe.</u>
SR 68	Planning for Growth – New para 8.63e	77	Insert text as follows:  <u>The detailed boundaries of the Strategic Green Gaps will be defined through the Site Allocations and Development Policies Document and shown on the Adopted Policies Map. Until that time, the Green Gap boundaries, as defined in the saved policy NE.4 of the Borough of Crewe and Nantwich Replacement Local Plan will remain in force, apart from where specific changes are proposed in this document through the allocation of Local Plan Strategy sites.</u>
SR 69	Planning for Growth – New Figure 8.3a		Insert new figure as follows:

			
SR 70	Planning for Growth – New paragraph 8.63f		<p>Insert new paragraph:</p> <p><u>The gaps identified in this policy are considered to be the strategic gaps required to prevent coalescence, primarily arising from the growth of Crewe. The Site Allocations and Development Policies document will consider whether there are further, more localised gaps that require additional policy protection through a Local Green Gaps policy.</u></p>
SR 71	Planning for Growth		<p>Insert new text as follows:</p>



	– New Key Evidence Section		<ol style="list-style-type: none"> <li>1. New Green Belt and Strategic Open Gap Study</li> <li>2. Arup New Green Belt Policy Advice Note</li> </ol>
SR 72	Planning for Growth – Policy PG5 Open Countryside	77	<p>Proposed revision to Policy PG5 as follows:</p> <p>Open Countryside</p> <ol style="list-style-type: none"> <li>1. The Open Countryside is defined as the area outside of any settlement with a defined settlement boundary.</li> <li>2. Within the Open Countryside only development that is essential for the purposes of agriculture, forestry, outdoor recreation, public infrastructure, essential works undertaken by public service authorities or statutory undertakers, or for other uses appropriate to a rural area will be permitted.</li> <li>3. Exceptions may be made: <ol style="list-style-type: none"> <li>i. where there is the opportunity for <del>the limited infilling in villages; the infill</del> of a small gap with one or two dwellings in an otherwise built up frontage <u>elsewhere ; limited affordable housing, in accordance with the criteria contained in Policy SC6 ‘ Rural Exceptions Housing for Local Needs’</u> or where the dwelling is exceptional in design and sustainable development terms;</li> <li>ii. for the re-use of existing rural buildings where the building is permanent, substantial and would not require extensive alteration, rebuilding or extension</li> <li>iii. for the replacement of an existing <del>dwelling building</del> by a new dwelling not materially larger than the dwelling it replaces</li> <li>iv. for extensions to existing dwellings where the extension is not disproportionate to the original dwelling</li> <li>v. for development that is essential for the expansion or redevelopment of an existing business</li> <li>v.vi. <u>For development that is essential for the conservation and enhancement of a heritage asset</u></li> </ol> </li> </ol>
SR 73	Planning for Growth – Policy PG 6 Spatial Distribution	79	<p>Proposed revision to Policy PG6 as follows:</p> <p>Spatial Distribution of Development</p> <ol style="list-style-type: none"> <li>1. The Principal Towns are expected to accommodate development as shown: <ol style="list-style-type: none"> <li>i. Crewe: in the order of 65 hectares of employment land and <del>7,700</del> <u>7,000</u> new homes;</li> <li>ii. Macclesfield: in the order of <del>20</del> <u>45</u> hectares of employment land and <del>3,500</del> <u>4,250</u> new homes;</li> </ol> </li> <li>2. The Key Service Centres are expected to accommodate development as shown: <ol style="list-style-type: none"> <li>i. Alsager: in the order of <del>35</del> <u>40</u> hectares of employment land and <del>4,600</del> <u>2,000</u> new homes;</li> <li>ii. Congleton: in the order of 24 hectares of employment land and <del>3,500</del> <u>4,150</u> new homes;</li> </ol> </li> </ol>

			<p>iii. Handforth (including North Cheshire Growth Village): in the order of <del>40</del> <u>22</u> hectares of employment land and <del>450</del> <u>2,200</u> new homes;</p> <p>iv. Knutsford: in the order of <del>15</del> <u>40</u> hectares of employment land and <del>650</del> <u>950</u> new homes;</p> <p>v. Middlewich: in the order of 75 hectares of employment land and <del>4,600</del> <u>1,950</u> new homes;</p> <p>vi. Nantwich: in the order of 3 hectares of employment land and <del>4,900</del> <u>2,050</u> new homes;</p> <p>vii. Poynton: in the order of <del>3</del> <u>10</u> hectares of employment land and <del>200</del> <u>650</u> new homes;</p> <p>viii. Sandbach: in the order of <del>20</del> hectares of employment land and <del>2,200</del> <u>2,750</u> new homes;</p> <p>ix. Wilmslow: in the order of <del>8</del> <u>10</u> hectares of employment land and <del>400</del> <u>900</u> new homes;</p> <p><del>3. The New Settlement at North Cheshire Growth Village at Handforth East is expected to accommodate up to 12 hectares of new employment land and 1,850 new homes.</del></p> <p><del>4. The Employment Improvement Area at Wardle is expected to accommodate in the order of 61 hectares of employment land</del></p> <p>5.3. The Local Service Centres are expected to accommodate in the order of <del>5</del> <u>7</u> hectares of employment land and <del>2,500</del> <u>3,500</u> new homes.</p> <p>6.4. The Other Settlements and Rural Areas are expected to accommodate in the order of <del>69</del> <u>5</u> hectares of employment land (figure including the 61 hectare Employment Improvement Area at Wardle) and <del>2,000</del> <u>2,950</u> new homes (including Alderley Park).</p>
SR 74	Planning for Growth – Paragraph 8.74		<p>Suggested revision to paragraph as follows :</p> <p>The distribution of development between the various towns of the <u>Borough</u> is informed by the <u>Spatial Distribution Update Report</u>. This has taken into account the following considerations:</p> <ul style="list-style-type: none"> <li>• Settlement Hierarchy</li> <li>• Various consultation stages including the Town Strategies, Development Strategy and Emerging Policy Principles</li> <li>• Green Belt designations</li> <li>• Known development opportunities including the Strategic Housing Land Availability Assessment</li> <li>• Infrastructure capacity</li> <li>• Environmental constraints</li> <li>• Broad sustainable distribution of development requirements</li> </ul>
SR 75	Planning for Growth	80	Suggested revision to paragraph as follows :

	– Paragraph 8.76		"and are as amended by the sites detailed in this <u>Local Plan</u> Core Strategy document"
SR 76	Planning for Growth – Paragraph 8.79	80	Suggested revision to paragraph as follows The <u>Housing Development Study</u> <del>Strategic Housing Market Assessment (SHMA)</del> suggests that, on the basis of migration <del>and</del> , travel to work <del>and other</del> data, Cheshire East is an appropriate geography for planning purposes over which to assess and meet housing requirements and comprises <del>two three</del> functional housing <u>sub</u> -market areas: one is focused on the former Macclesfield district and exhibits strong interactions with Greater Manchester market; <del>a the</del> second is focused on the former Crewe & <u>Nantwich</u> and Congleton <del>Nantwich</del> districts <del>and is largely self-contained with migration from North Staffordshire; the third is centred around Congleton, having.</del> and has noticeable market interactions with North Staffordshire and Greater Manchester.
SR 77	Planning for Growth – Table 8.3	81	Amend title of new settlement: "North Cheshire Growth Village, <u>Handforth East</u> "

	Planning for Growth – Table 8.3	80	Amend table																													
<table><tr><th colspan="5">Table 8.3 Indicative Distribution of Development</th></tr><tr><th rowspan="2">Town</th><th colspan="2">New Homes</th><th colspan="2">Employment Land</th></tr><tr><th>Total 2010 to 2030</th><th>Average each year<sup>(44)</sup></th><th>Total 2010 to 2030</th><th>Average each year</th></tr><tr><td colspan="5">Principal Towns</td></tr><tr><td>Crewe</td><td><u>7,700</u> <del>7,000</del></td><td><u>385</u> <del>350</del></td><td><u>65ha</u></td><td><u>3.25ha</u></td></tr><tr><td>Macclesfield</td><td><u>4,250</u> <del>3,500</del></td><td><u>213</u> <del>175</del></td><td><u>20ha</u> <del>15ha</del></td><td><u>1ha</u> <del>0.75</del></td></tr></table>				Table 8.3 Indicative Distribution of Development					Town	New Homes		Employment Land		Total 2010 to 2030	Average each year <sup>(44)</sup>	Total 2010 to 2030	Average each year	Principal Towns					Crewe	<u>7,700</u> <del>7,000</del>	<u>385</u> <del>350</del>	<u>65ha</u>	<u>3.25ha</u>	Macclesfield	<u>4,250</u> <del>3,500</del>	<u>213</u> <del>175</del>	<u>20ha</u> <del>15ha</del>	<u>1ha</u> <del>0.75</del>
Table 8.3 Indicative Distribution of Development																																
Town	New Homes		Employment Land																													
	Total 2010 to 2030	Average each year <sup>(44)</sup>	Total 2010 to 2030	Average each year																												
Principal Towns																																
Crewe	<u>7,700</u> <del>7,000</del>	<u>385</u> <del>350</del>	<u>65ha</u>	<u>3.25ha</u>																												
Macclesfield	<u>4,250</u> <del>3,500</del>	<u>213</u> <del>175</del>	<u>20ha</u> <del>15ha</del>	<u>1ha</u> <del>0.75</del>																												

**Key Service Centres**

Alsager	<u>2,000</u>	<u>100</u>	<u>40ha</u>	<u>2ha</u>
	<del>1,600</del>	<del>80</del>	<del>35ha</del>	<del>1.75ha</del>
Congleton	<u>4,150</u>	<u>208</u>	<u>24ha</u>	<u>1.20ha</u>
	<del>3,500</del>	<del>175</del>		
Handforth (including North Cheshire Growth Village)	<u>2,200</u>	<u>110</u>	<u>22ha</u>	<u>1.1ha</u>
	<del>150</del>	<del>8</del>	<del>10</del>	<del>0.5ha</del>
Knutsford	<u>950</u>	<u>48</u>	<u>15ha</u>	<u>0.75ha</u>
	<del>650</del>	<del>33</del>	<del>10ha</del>	<del>0.5ha</del>
Middlewich	<u>1,950</u>	<u>98</u>	<u>75ha</u>	<u>3.75ha</u>
	<del>1,600</del>	<del>80</del>		
Nantwich	<u>2,050</u>	<u>103</u>	<u>3ha</u>	<u>0.15ha</u>
	<del>1,900</del>	<del>95</del>		
Poynton	<u>650</u>	<u>33</u>	<u>10ha</u>	<u>0.5ha</u>
	<del>200</del>	<del>10</del>	<del>3ha</del>	<del>0.15ha</del>
Sandbach	<u>2750</u>	<u>138</u>	<u>20ha</u>	<u>1.00ha</u>
	<del>2,200</del>	<del>110</del>		
Wilmslow	<u>900</u>	<u>45</u>	<u>10ha</u>	<u>0.5ha</u>
	<del>400</del>	<del>20</del>	<del>8ha</del>	<del>0.4ha</del>

			<table><tr><td colspan="5">Other Settlements</td></tr><tr><td rowspan="2">Local Service Centres</td><td><u>3,500</u></td><td><u>175</u></td><td><u>7ha</u></td><td><u>0.35ha</u></td></tr><tr><td><del>2,500</del></td><td><del>125</del></td><td><del>5ha</del></td><td><del>0.25</del></td></tr><tr><td rowspan="2">Other Settlements and Rural Areas (including Wardle Improvement Area)</td><td><u>2,950</u></td><td><u>148</u></td><td><u>69ha</u></td><td><u>3.45ha</u></td></tr><tr><td><del>2,000</del></td><td><del>100</del></td><td><del>5ha</del></td><td><del>0.25ha</del></td></tr></table>	Other Settlements					Local Service Centres	<u>3,500</u>	<u>175</u>	<u>7ha</u>	<u>0.35ha</u>	<del>2,500</del>	<del>125</del>	<del>5ha</del>	<del>0.25</del>	Other Settlements and Rural Areas (including Wardle Improvement Area)	<u>2,950</u>	<u>148</u>	<u>69ha</u>	<u>3.45ha</u>	<del>2,000</del>	<del>100</del>	<del>5ha</del>	<del>0.25ha</del>
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SR 78	Planning for Growth – Key Evidence	82	<p>Suggested Revision to key evidence as follows:</p> <ol style="list-style-type: none"><li>Determining the Settlement Hierarchy</li><li><del>Strategic Housing Market Assessment</del> Housing Development Study</li><li>Strategic Housing Land Availability Assessment</li></ol>																							

## ANNEX D: HOUSING TECHNICAL ANNEX

### 1 Introduction

- 1.1 The National Planning Policy Framework (NPPF) requires Local Planning Authorities to “ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area” and “identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change” (NPPF, paragraphs 47 and 159).
- 1.2 In his Interim Views [PSA017b] on the submitted Cheshire East Local Plan Strategy (LPS), the Inspector identified shortcomings with the Council’s original calculation of Objectively Assessed Need (OAN) and the overall housing requirement. These concerns related to:
- The failure to establish an appropriate **baseline figure** for objectively assessing housing need ([PS A017b], paragraph 4);
  - The assumptions made by the Council about household formation rates, migration and economic activity rates:
    - On **household formation**, the Inspector noted that “...CEC has assumed that household formation rates will stay constant after 2021...However, the PPG advises that household formation rates may have been suppressed historically by past under-supply and worsening affordability of housing...a partial return of household formation rates to longer term trends...could be considered...CEC has considered some alternative models which assume some growth in household formation after 2021; these may represent a more appropriate and robust basis on which to estimate future housing need” ([PS A017b], pp 42-43).
    - On **migration**, the Inspector commented that “...CEC uses short-term data for the period 2006/07 – 2009/10...By using figures from the last decade, the LPS is continuing the levels of migration associated with a period of economic recession and limited availability of new housing, rather than those associated with a more buoyant economy and more new housing” ([PS A017b], paragraph 44).

- On **economic activity rates**, he noted that “CEC has also made some unduly optimistic assumptions about increased economic activity of older people...Both the unduly pessimistic assumptions about job growth and the optimistic assumptions about future economic activity rates of older people have the effect of artificially depressing the need for new housing for employees. This is a high risk strategy which could result in the failure of the economic strategy of the plan at the expense of increased and less sustainable in-commuting” ([PS A017b], paragraph 50).
  - Factoring in relevant evidence on **market signals and affordable housing**. The Inspector took the view that “There are shortcomings in the Council’s objective assessment of housing needs, both in terms of establishing an appropriate baseline figure and failing to specifically take into account and quantify all relevant economic and housing factors, including market signals and the need for affordable housing.” ([PSA017b], paragraph 4).
  - **Economic and housing strategy**. The Inspector highlighted the need for economic strategy to be suitably ambitious, suitably aligned with the wider strategies of the Council and other agencies, and for housing provision to be sufficient to achieve this economic ambition. He noted that “The economic strategy is unduly pessimistic, including the assumptions about economic growth and jobs growth, and does not seem to fully reflect the proposals and initiatives of other agencies and the extent of site allocations proposed in the submitted plan. There is a serious mismatch between the economic strategy and the housing strategy of the submitted plan, particularly in the constrained relationship between the proposed level of jobs and the amount of new housing...The proposed level of future housing provision seems inadequate to ensure the success of the overall economic, employment and housing strategy.” ([PS A017b], paragraph 4)
- 1.3 Overall the Inspector concluded that further work was needed to assess the OAN and define the overall Housing Requirement for the area in a way which explicitly addressed all the relevant factors outlined in the NPPF and Planning Practice Guidance (PPG), using assumptions which are robust and realistic, and which better reflect the inter-relationship with the Plan’s economic strategy.
- 1.4 Following receipt of the Inspector’s Interim Views and the Inspector’s decision to suspend the LPS Examination, the Council commissioned consultants, Opinion Research Services (ORS), to undertake a Housing Development Study (HDS) and establish the OAN for housing in response to the Inspector’s



Interim Views alongside other technical evidence based documents being produced during the suspension period.

- 1.5 The OAN for housing calculates, as far as possible, the additional needs for housing for the relevant housing market area that takes no account of policy constraints. That is not, however, to say that it is devoid of any value judgements, as a prediction of what will happen in the future requires a series of informed assessments that must be made at every step. The only certainty about the future is that it is uncertain. As the PPG observes “establishing future need for housing is not an exact science” (PPG, para. 014<sup>1</sup>). Professional judgement is required at a number of stages in the derivation of the OAN in terms of the time period used to project migration flows, the household formation rates to be applied to population projections, the response to wider market signals and many other judgements required to arrive at the OAN.
- 1.6 **ORS concluded that the headline OAN for Housing in Cheshire East is 36,000 dwellings over the 20-year period 2010-30, equivalent to an average of 1,800 dwellings per annum** (ORS Housing Development Study June 2015, Executive Summary, para. 2). The OAN figure includes an allowance for older people’s accommodation and also takes account of all of the evidence in relation to demographic trends, market signals and economic development needs and also factors in considerations such as Student Accommodation, Gypsy and Traveller provision, vacancies and second homes in the overall calculation. This approach is fully compliant with both the NPPF and PPG, is mindful of Planning Inspector Decisions and High Court Judgements, as well as emerging good practice including the technical advice note about OAN and Housing Targets published by the Planning Advisory Service (PAS) in June 2014.
- 1.7 **The Housing Requirement for Cheshire East as set out in the suggested revisions for Policy PG1 is 36,000 homes between 2010 and 2030. This is considered to accommodate the full OAN and is aligned with the Vision and Strategic Priorities set out in the LPS.**
- 1.8 This technical annex responds to the evidence base provided from the ORS Housing Development Study. It sets out key considerations in the definition of the OAN for housing and the translation of the OAN into a Housing Requirement for Cheshire East Council, whilst responding to the policy considerations in the LPS.

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<sup>1</sup> Reference ID: 2a-014-20140306

## **2 Strategic Priorities and Policy Objectives**

- 2.1 The LPS sets out a number of Strategic Priorities in order to deliver the overall Vision for Cheshire East, frame the strategic policies and measure the overall performance of the LPS (LPS, pp 49-51). Strategic Priority 2 of the LPS (Creating Sustainable Communities) sets out the Plan's approach to meeting the needs of its local communities and providing for the infrastructure required to create sustainable and stronger communities, whilst retaining the Borough's character and distinctiveness.
- 2.2 Strategic Priority 2 states that the LPS will create sustainable communities by providing for the full, objectively assessed housing needs for the Borough to support economic growth and to meet housing needs. It goes on to state that the focus for development will be in sustainable locations (such as Principal Towns, Key Service Centres), ensuring an appropriate mix of house types, sizes and tenures including affordable housing to meet the Borough's needs and enabling vulnerable and older people to live independently for longer.
- 2.3 The Housing Requirement set out in the suggested revisions to Policy PG1 will accommodate the OAN of the Borough and is therefore considered to align with Strategic Priority 2 of the LPS in meeting the full OAN for the Borough (including affordable housing need). Alongside PG 2 (Settlement Hierarchy), it will focus development on sustainable locations (such as Principal Towns, Key Service Centres). In addition, the inclusion of housing for older people within the OAN calculation and Housing Requirement (encompassing both Use Classes C2 and C3) is aligned to Strategic Priority 2 in providing for older people's accommodation.

## **3 Housing Market Area**

- 3.1 Cheshire East Council represents a single housing market area with recognition of two local sub-market areas – one in the north and the other in the south of the Borough (HDS, paragraphs 2.29 – 2.30). This is consistent with the Inspector's Interim Views, which acknowledge that Cheshire East is a reasonably self-contained area, subject to recognising the links with Cheshire West & Chester, Greater Manchester and north Staffordshire, together with the existence of more localised housing market sub-areas within Cheshire East ([PSA017b], paragraph 18).

## **4 DCLG Household Projections**

- 4.1 The 'starting point' estimate for OAN has been the Department of Communities and Local Government (CLG) 2012-based household projections. ORS have reviewed and assessed the household projections and

used a scenario based on 10 year migration trends as it was felt that this gives the most reliable and appropriate long-term demographic projection for establishing housing need (HDS, paragraphs 3.12 and 3.66).

## **5 Older Person's Accommodation (C2 uses)**

- 5.1 In line with the approach of paragraph 37 of the PPG, the OAN and Housing Requirement includes an allowance for older person's accommodation which accounts for 2,185 units over the Plan Period (HDS, paras. 3.50 – 3.52). This figure incorporates accommodation for older people which may include facilities within Planning Use Class C2 as well as conventional dwellings (Use Class C3).
- 5.2 The delivery of older person's accommodation is linked to the Vulnerable and Older Persons Strategy [PSB026]. The Vulnerable and Older Persons Strategy includes a number of outcomes to be met through the Strategy, including:
  - Outcome 1: 'People are supported to live in their own homes independently for longer.'
  - Outcome 2: 'People can receive the support they need in a wide range of specialist, supported accommodation within the Borough.'
  - Outcome 3: 'People are able to make informed choices about the accommodation, care, and support options within Cheshire East.'
- 5.3 The approach of the Council in the delivery of the Vulnerable and Older Person's Strategy, and the work of the Council's strategic planning, housing, health and social care teams will ensure a joined up approach to the delivery of older people's accommodation. The provision for older people's accommodation is aligned with Strategic Priority 2(iii) of the LPS in enabling vulnerable and older people to live independently for longer.
- 5.4 The Council acknowledges that current and future accommodation demand for older people within Cheshire East, can only be made through directly working with stakeholders and Registered Providers of Social Housing (hereinafter "Registered Providers"), in the commissioning of schemes funded through a number of sources. The Council's Strategic Housing Service is working with Registered Providers to ensure the delivery of affordable housing programmes for older people within Cheshire East to meet local needs, including meeting the needs through general, supported and specialised housing.

- 5.5 Whilst the Homes and Communities Agency requires local commissioners and housing groups to identify housing needs, investment through the Affordable Housing Capital Funding is available for housing types specifically for older people such as Sheltered Housing, Extra Care Housing, Shared Supported Houses and Retirement Villages.
- 5.6 In addition, the Homes and Communities Agency administer the Care and Support Specialised Housing Fund on behalf of the Department of Health, and has recently entered into Phase 2 for 2015/16. The fund is specifically for older people, with care and support needs for adults with disabilities or mental health problems.
- 5.7 The Vulnerable and Older Persons Housing Strategy [PSB026] advocates that older people should be supported to remain in their home as long as possible, through required aids and adaptations and assisted living Telecare technology. In addition, Policy SC4 (Residential Mix) in the LPS (point 2) acknowledges the importance of demonstrating that housing proposals can be capable of meeting, and adapting to, the long term needs of older residents.

## **6 Market Signals**

- 6.1 The Housing Development Study has considered the latest evidence on market signals. The market signals analysis compared Cheshire East to a number of Local Authority areas that are considered most comparable in terms of ONS classification data together with data from the CLG Index of Multiple Deprivation. The market signals analysis compared Cheshire East to these areas - Cheshire West & Chester, the East Riding of Yorkshire, Wiltshire and North Somerset – and to England (HDS, para. 5.34).
- 6.2 The Study identified that, on the whole, market signals do not indicate any need for an upward adjustment to housing need: house price, rents and affordability trends in Cheshire East are typically in line with or better than the equivalent rates for England the comparator areas; and whilst the rate of development has been relatively low in recent years, over the last decade it was higher than the England average. The proportion of households that are overcrowded is lower than in England (and most comparator areas) and rose more slowly during 2001-11 than in most of these other areas; and whilst the rate of development has been relatively low in recent years, it was higher than the England average for 2001-11 (HDS, paragraphs 4.20 and 5.54).
- 6.3 Nevertheless, there has been an increase in concealed families over the period 2001-11. The objective assessment of housing need has addressed this – and homelessness - by increasing projected household growth by 344

(an average of 17 per annum) over the Plan period (2010-2030) (HDS, paragraph 5.55)

## 7 Affordable Housing Need

- 7.1 Having undertaken an assessment of current unmet housing need and projected future housing need, the Housing Development Study has identified a total affordable housing need of a minimum of 7,100 dwellings (an average of 355 per annum), which is included in the objective assessment of housing need of 36,000 dwellings (HDS, paragraph 4.100).
- 7.2 The delivery of affordable housing in Cheshire East (2009/10 to 2014/15) is set out in Figure 1 below:

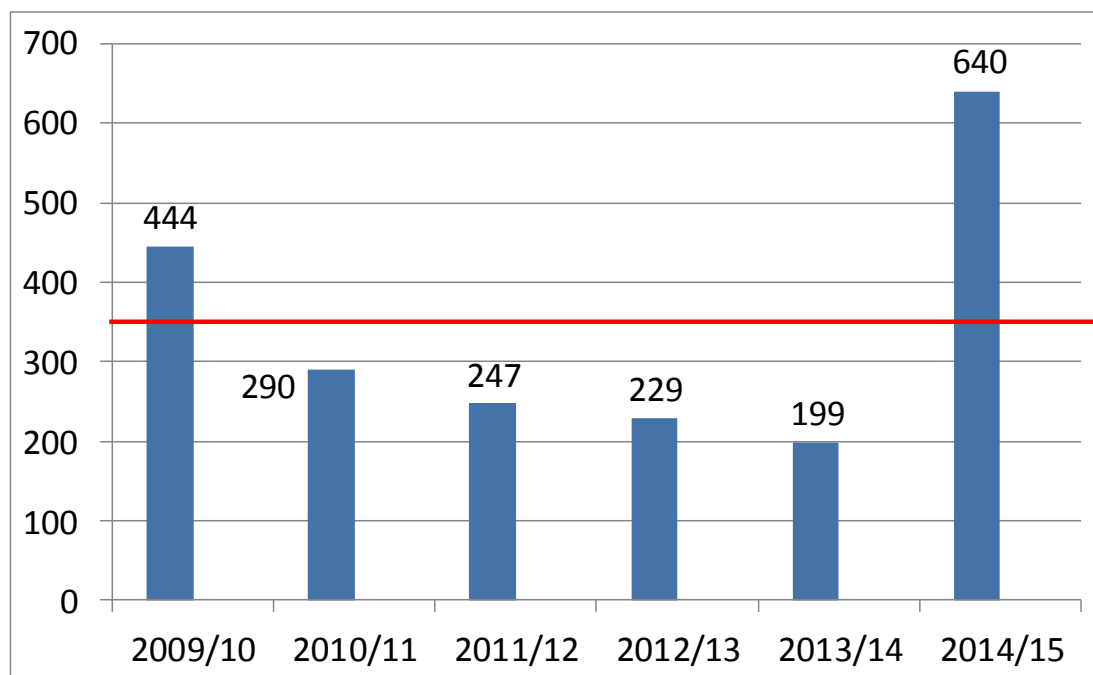


Figure 1: Affordable Housing Delivery, Source: Strategic Housing Service

- 7.3 The Housing Development Study recognises the conclusions of the Draft Core Strategy and CIL Viability Study [BE042], prepared in 2013, which concluded that Greenfield residential development is generally viable with the Council's 30% affordable housing target whereas brownfield residential development maybe viable only if lower levels of affordable housing are permitted at planning application stage. On this basis, it should be viable to deliver the affordable housing need identified (HDS, paragraph 5.28 – 5.29). In addition, any uplift in OAN in response to other factors, such as the

alignment of the OAN to jobs would also help address affordable housing need in the Borough.

- 7.4 The housing requirement set out in the suggested revisions to Policy PG1 will respond to the affordable housing need identified in the ORS report and is considered to align with Strategic Priority 2.(ii) in ensuring that there is an appropriate mix of house types, sizes and tenures including the level of affordable housing that is necessary to meet the Borough's needs.
- 7.5 The key factors in the affordable housing calculation are the assessment of current unmet need for affordable housing and the projected need for future affordable housing in line with the requirements of the NPPF and PPG. ORS have noted the importance of properly considering the needs of newly forming against migrating households and also that different household groups have different propensities of forming in response to housing need. It is also the case that while some households fall into need each year, other households will climb out of need at the same time and this needs to be fully factored in to any calculation of affordable housing need. The impact of addressing all of these factors is to reduce the affordable housing need calculated for Cheshire East from the figure previously reflected in the 2013 arc<sup>4</sup> SHMA Update [BE001]. It is also important to note that the 2013 SHMA Update was produced prior to the publication of the PPG.
- 7.6 For the avoidance of doubt, the ORS Housing Development Study replaces the conclusions set out in the SHMA 2013 Update, although the data derived from the 2009 survey, reflected in the SHMA, is used for illustrative purposes as part of the evidence base informing the preparation of and justifying the LPS.

## 8 Links to Employment

- 8.1 The Alignment of Economic, Employment and Housing Strategy Report (2015) concluded that net jobs growth of around 31,000 would be ambitious yet realistic for the 20-year Plan period (2010-2030); this represents a jobs growth rate that averages around 0.7% per annum. This is consistent with Cheshire East's previous long-term economic performance (average jobs growth rates of 0.8% per annum for 1998-2008 and 0.6% per annum for 2009-13), the Council's LPS and the economic growth vision [BE128] of the Cheshire & Warrington Local Enterprise Partnership [BE124]<sup>2</sup>.

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<sup>2</sup> Whilst the SEP does not provide a geographical breakdown of the 70,000 jobs ambition, Cheshire East's current share of Cheshire and Warrington's total employment (39%) suggests a Cheshire East contribution of 29,000 net additional jobs by 2030 to the 70,000 total. The 31,000 net additional jobs proposed by Cheshire East meets this implied overall contribution.

- 8.2 The HDS has considered employment trends and how the projected growth of the economically active population fits with the projected future changes in job numbers. The study notes that, in meeting any shortfall in workers over the Plan period, there has to be an appropriate balance between migration flows and commuting flows, to ensure that both are sustainable over the long term. The Study identified a potential range for the OAN from 1,466 dwellings per annum, where all of the adjustment for additional workers is met through additional net inward commuting, to 1,894 dwellings per annum, where all of the adjustment is met through additional net inward migration.
- 8.3 An increase in jobs within the Borough has potential to attract migrants into the area from other parts of the UK, but also to influence the working preferences of existing residents. As the quality and quantity of employment increases, so the need to seek work outside of the area will also diminish. Accordingly, an adjustment in the proportion of out commuting can be anticipated as more residents find work locally. This should be expected as generally speaking it is easier to move jobs than it is to move house. On balance and following more detailed analysis regarding the balance and realism of future migration and commuting patterns, the figure of 1,800 dwellings per annum is considered to be the viable OAN for Cheshire East (HDS, paragraph 5.93 – 5.103).
- 8.4 Paragraph 018 of the PPG <sup>3</sup> states:
- “Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems”.*
- 8.5 Paragraph 18 of PPG represents part of the calculation of OAN and requires professional judgement to be applied. The HDS concludes that, given the unprecedented levels of net inward migration that would be required to meet the projected shortfall of economically active population through migration alone, there need to be changes to both migration and commuting flows, to ensure that both are sustainable over the longer term (HDS, paragraphs 5.87-5.92).

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<sup>3</sup> Reference ID: 2a-018-20140306

- 8.6 The LPS Vision (LPS, page 47, paragraph 3) refers to new development being directed to the Principal Towns of Crewe and Macclesfield to support regeneration priorities, and to the Key Service Centres of the Borough which provide a good range of services and facilities. This is reflected as a theme running through the strategic priorities of the LPS, for example Strategic Priorities 2 and 4 in reducing the need to travel and also the policy context in the LPS Settlement Hierarchy, Spatial Distribution, Planning for Sustainable Development and Connectivity policies. It has also been an influencing factor on site selection. The LPS also includes key infrastructure schemes referenced in policies CO1 (Sustainable Travel and Transport) and CO2 (Enabling Business Growth through Transport Infrastructure) to improve accessibility and sustainable transport modes across the Borough to minimise unsustainable commuting patterns.

## 9 Drawing the evidence together - From OAN to Housing Requirement

- 9.1 The PPG advises that in arriving at a policy position, a range of considerations will need to be taken into account. This includes the overall assessment of need; the available capacity of residential land and the comparative environmental impact of utilising this land alongside delivery rates, market conditions and wider infrastructure in place and required to sustainably accommodate housing and jobs.

## 10 Sustainability Appraisal / HRA screening

- 10.1 The LPS Sustainability Appraisal Addendum has considered five overall growth options in the Borough over the plan period. Options 1 to 3 reflected the options previously advanced in the preparation of the LPS. Option 4 reflected the OAN derived as an outcome of the HDS and Option 5 represented a figure above that of the identified OAN. The table below summarises the assessment of alternatives and the selection of growth options:

Strategic Options Considered and Appraised	Reasons for Progressing or Rejecting the Option in Plan Making
Option 1:  22,000 dwellings (1,100 dpa) and 351ha of employment land	Option 1 was not progressed because of concerns that it would not meet the objectively assessed needs for housing and employment and would not make sufficient provision for growth. It would also not respond to the Inspector's Interim views, in particular, that the economic strategy is unduly pessimistic and the future housing provision is inadequate to ensure the success of the overall economic, employment and housing strategy.



Option 2: 27,000 dwellings (1,350 dpa) and 351ha of employment land	Option 2 was not progressed because of concerns that it would not meet the objectively assessed needs for housing and employment and would not make sufficient provision for growth. It would also not respond to the Inspector's Interim views in particular that the economic strategy is unduly pessimistic and the future housing provision is inadequate to ensure the success of the overall economic, employment and housing strategy.
Option 3: 32,000 dwellings (1,600 dpa) and 351ha of employment land	Option 3 was not progressed because of concerns that it would not meet the objectively assessed needs for housing and employment in the Borough. In addition, it would not provide sufficient workers to meet the projected jobs growth rate in the Borough of 0.7%.
Option 4: 36,000 dwellings (1,800 dpa) and 378ha of employment land	Option 4 is being progressed as the Housing Requirement for Cheshire East as it meets the objective assessment of housing need identified by the Housing Development Study 2015. This includes the objectively assessed need for affordable housing and is aligned to the economic objectives of the Council. The migration assumptions reflected in this option match the highest level recorded in any single year since 1991 in Cheshire East and are therefore considered ambitious but achievable.
Option 5: 38,000 dwellings (1,900 dpa) and 378ha of employment land	Option 5 was not progressed as the Housing Development Study 2015 as the balance of commuting and migration was considered less likely to be achieved. In particular, it identified that there would be no change in commuting patterns and the year on year net inward migration levels necessary to achieve this would be significantly higher than anything previously experienced in Cheshire East and are therefore less likely to be sustained over the whole plan period.

- 10.2 The Habitat Regulations Assessment screening acknowledged that the suggested Housing Requirement of 36,000 dwellings is unlikely to result in any additional impacts on European designated sites over and above the impacts assessed through the Habitats Regulations Assessment work undertaken to support the LPS [SD004], however, the magnitude and significance of identified impacts could potentially differ, depending on how any increase is distributed [Section 3, HRA Appraisal of Suggested Revisions – Planning for Growth].

## **11 National and Sub-Regional context**

- 11.1 In terms of the national context, the Housing Development Study identified a housing need of 253,400 for England (taking account of 2012 Household Projections, adjusting for long-term migration and market signals whilst taking account of vacant and second homes). This figure represents a 1.1% increase in the current dwelling stock each year and would require current housebuilding to increase by 89% (based on dwelling starts in 2013-14).
- 11.2 Development industry campaigners (such as Homes for Britain) in the 2015 election campaign supported a position to build at least 245,000 homes to be built in England every year; a figure derived from the 2004 Barker Review. The Conservative Manifesto in 2015 set out an ambition to build 200,000 new starter homes. It is clear that the 253,400 exceeds these aspirations so any further increase in housing numbers at a local level (such as adjustments for affordable housing or to provide extra workers) must be considered in this context.
- 11.3 The Housing Requirement as set out in the draft suggested revisions for Policy PG1 is 36,000 dwellings. This accommodates the full OAN derived by the Housing Development Study in line with Strategic Priority 2 of the LPS. The Cheshire East OAN represents a 1.1% increase in dwelling stock each year (equal to the England average). In addition, 36,000 dwellings significantly contributes to the delivery of the Vision set out in the Strategic Economic Plan for Cheshire and Warrington which is for the Cheshire and Warrington sub-region's population to grow by 100,000, the creation of 75,000 new jobs and the provision of 70,000 new homes by 2030 ([BE124, Section 3]<sup>4</sup>.
- 11.4 Whilst the SEP does not provide a geographical breakdown of the 70,000, Cheshire East's current share of Cheshire and Warrington's total dwellings

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<sup>4</sup> The Adopted Cheshire West and Chester Local Plan (part 1) states that the Plan will deliver at least 22,000 new homes by 2030. The Warrington Core Strategy has had elements of its housing policies removed from its Adopted Local Plan, which proposed 10,500 new homes up to 2027. Warrington Borough Council is in the process of reviewing their overall housing requirement in response to this.

(41%)<sup>5</sup> suggests a Cheshire East contribution of 29,000 to the net additional dwellings by 2030 to the 70,000 total dwellings ambition. The 36,000 housing requirement suggested by Cheshire East will meet this implied overall contribution.

## 12 Duty to Co-operate

- 12.1 The Inspector was satisfied that preparation of the Submitted Local Plan had met the legal requirements of the Duty to Co-operate. However, it is good and essential planning practice to continue the process of ensuring proper account is taken of any arising cross boundary strategic issues. This is especially so in circumstances when changes are to be proposed to the Plan that could have wider than Plan area impacts.
- 12.2 A full summary of the collaborative working that has taken place during the suspension period is set out elsewhere in the Report of Evidence. Briefly in relation to housing issues this collaboration encompassed rounds of face to face meetings with our neighbouring authorities covering each of the main suspension evidence gathering work streams and a joint liaison meeting to which all neighbouring planning authorities were invited.
- 12.3 The latter meeting concentrated on the potential wider impacts of accommodating more growth in Cheshire East particularly in terms of envisaged cross boundary migration and commuting flows – significant factors underlying the growth assumptions. This meeting was followed up with a letter sent to each authority asking for them to:
- raise any outstanding queries on the evidence work,
  - confirm that they could not provide sites to meet any of Cheshire East's development requirements; and
  - set out any cross boundary strategic concerns.

## 13 Policy Constraints

- 13.1 A further consideration is whether there are any policy factors that act as a constraint on the delivery of OAN for housing. The NPPF sets out the national advice at paragraph 14:

*"Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:*

- *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*

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<sup>5</sup> Table Q418EW (Dwellings), 2011 Census, ONS.

- *specific policies in this Framework indicate development should be restricted.<sup>9</sup>*

13.2 Footnote 9 to paragraph 14 of the NPPF, identifies examples of the policies that operate as a constraint on development:

*"For example, those policies relating to sites protected under the Birds and Habitats Directives (see paragraph 119) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority); designated heritage assets; and locations at risk of flooding or coastal erosion."*

13.3 Some of these designations feature significantly in the policy framework for the Borough. The table below sets out the scale of just three of these:

<b>Area of Cheshire East</b>	<b>1166 sq km</b>
<b>Green Belt</b>	407.4 sq km
<b>National Park</b>	88.2 sqkm
<b>SSSI (outside the areas above)</b>	8.1 sq km
<b>Total of 3 areas above</b>	503.7 sq km

13.4 This table illustrates that some 43% of Cheshire East is covered by these three principal designations. (It should be noted that whilst the National Park is a separate planning authority, OAN is calculated for the Borough as a whole.) Whilst a sizeable area remains unaffected by any of these designations, the very fact that well over 40% of the Borough is constrained in this way, inevitably impacts on the scale and location of development that is appropriate.

13.5 Taking account of the Green Belt alone, this represents a significant factor in the future growth of towns in the north of the Borough, partly as the existing Green Belt boundary is drawn extremely tightly. Some alteration of the Green Belt is proposed in order to ensure the sustainable development of these settlements. However, a careful balance needs to be employed so as not to place excessive demands on Green Belt land, contrary to framework policy.

13.6 It is considered that the OAN for housing can be met in full without compromising the objectives of the framework. However, the significant influence of acknowledged constraints within the Borough weighs against a policy approach which sought to elevate the housing requirement significantly above full OAN.

## 14 Supply Capacity

- 14.1 There is also a need to assess whether there are reasonable prospects that the OAN can be delivered within the plan period. In this regard it is helpful to consider recent patterns of housing developments. The outset of the plan period was still dominated by recession in the housing industry. Furthermore, the Regional Spatial Strategy set a target of 1150 homes pa and this remained as the housing requirement until its revocation in May 2013. Accordingly in the early years of the plan period housing completions were significantly below the OAN of 1800 homes pa.

	2010/11	2011/12	2012/13	2013/14
Housing completions <sup>6</sup>	464	535	654	663

- 14.2 However prospects for improving housing completions are now rather better. Since the base date of the submitted plan (31 December 2013) planning permissions have continued to be granted in sustainable locations. When these are added to the sites / allocations already set out in the Submitted Plan a total figure of 32,062 dwellings have already been identified as of 31 March 2015. This is before any consideration of the fresh evidence is made.
- 14.3 In excess of 11,800 units (net)<sup>7</sup> have been approved since 2012 and this figure is continuing to rise throughout 2015. These approvals represent locations where development is deemed to be sustainable (in line with NPPF para. 14) by the LPA
- Around 1,700 units (gross) of the 11,800 units have been approved on appeal over the last 18 months, some on Open Countryside and Green Gap allocated land;
  - Since the turn of 2015, there has been the approval of around 2,000 (net) units, a small number of which were also allowed on appeal;
  - Completions for the past year have risen markedly (2014/15) to 1236 units (net).
- 14.4 This suggests that capacity within the housing industry is recovering from recession and that there is the prospect for home building to rise in coming years.

<sup>6</sup> Examination Library Document References: **BE 026, BE 040, BE 139, BE 140 – Various AMRs**

<sup>7</sup> This figure takes consideration of Reserved Matters application and Extensions of Time so sites may feature more than once in a small number of cases.

14.5 Furthermore, the process of 'Plan making' in Cheshire East also has the opportunity to identify further land for housing. Development plans are made up of a number of different elements and will consist of three key documents:

- The LPS which sets out the vision, spatial strategy and strategic priorities for Cheshire East up to 2030. It also contains strategic sites / strategic locations for further development
- The Site Allocations and Development Management Policies Document (SADPD) which will allocate the remaining sites proposed for future development and provide detailed policies to be used for new development across the Borough. This will build on the framework for growth set out in the LPS.
- The Waste document, which will set out policies for dealing with waste and identify specific policies for waste management facilities.

14.6 Alongside the Local Plan process, Neighbourhood Plans provide communities with the opportunity to prepare Plans for their area in conformity with the Local Plan and will form part of the mechanisms whereby the strategic requirements can be promptly and effectively implemented.

14.7 As such, the LPS represents the first stage in the overall Local Plan for Cheshire East. The SADPD will follow the LPS and will allocate the remaining sites proposed for future development, alongside the Neighbourhood Planning process.

- Finally, there are a number of other initiatives and factors that suggest that over the plan period as a whole the rate of house building can be improved: There has been the grant of funding by DCLG to progress Local Development Orders (LDOs) on Town Centre sites in Macclesfield, which have the potential to deliver around 300 units between them;
- Development of a Brownfield Toolkit to work with developers to seek to unlock important development sites across the Borough for residential uses;
- The Council has its own development arm (Engine of the North) and is also actively exploring options for an arms-length housing company to directly build new homes and

- The current SHLAA<sup>8</sup> identifies some 50,000 potential units which are perceived to be on deliverable SHLAA sites, with delivery over the next 15 years. It must be noted though, that this quantum of 'suitable' and 'deliverable' housing land will be closer to 25,000 new dwellings ([PS B006b], paragraph 7.8).

14.8 Therefore, given that housing completions in the first years of the plan period have lagged significantly behind the revised OAN, there is a clear need for the rate of home building to rise. This requires a proactive response from policy makers – and also all areas of the industry. However, as set out above, at the present time there are a number of factors that suggest that 36,000 homes (including C2) can be delivered over the plan period as a whole. This in turn suggests that the Housing requirement should match the OAN figure.

## 15 Conclusion

- 15.1 The suggested revisions set out in Policy PG1 of the LPS show that the Housing Requirement for Cheshire East is 36,000 dwellings over the Plan period. This figure is considered to align with the provisions of the existing LPS and will achieve its Strategic Priorities and overall Vision.
- 15.2 As highlighted by the above considerations and context, the achievement of the overall Housing Requirement over the Plan period is ambitious but considered to be achievable / deliverable through the delivery of the Site Allocations Development Plan Document, Neighbourhood Plans and continued planning permissions in sustainable locations.
- 15.3 In response to the Inspector's Interim Views, the Housing Development Study (2015) and Alignment of Economic, Employment and Housing Strategy Report (2015) set out:
- an appropriate baseline figure for objectively assessing housing need;
  - revised assumptions – reflecting the Inspector's concerns - about household formation, migration and economic activity rates;
  - an assessment of the relevant evidence on market signals and affordable housing, and the implications for objectively assessed housing need;

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<sup>8</sup> [BE005] SHLAA (base date 31 March 2012)

- how the new recommended Local Plan approach involves a suitably ambitious economic strategy, and properly aligns economic strategy and housing strategy.

15.4 The Council contends that the suggested revisions to Policy PG1 are therefore:

- **Positively prepared**, in that Policy PG1 sets out a Housing Requirement which meets the overall OAN for Housing in Cheshire East over the Plan period;
- **Justified** by proportionate evidence within the Housing Development Study (2015) and the Alignment of Economic, Employment and Housing Strategy Report (2015), which is robust, reliable and up-to-date;
- **Consistent with national policy** by setting out a housing requirement which is consistent with national policy by fully meeting the Objective Assessment of Housing Need identified for Cheshire East.



## APPENDIX 1 ANNEX E

### Safeguarded Land Technical Annex

#### 1 Introduction

- 1.1 This Safeguarded Land Technical Annex sets out the approach taken to the provision of safeguarded land. It provides a clear justification for the amount of safeguarded land required, based on projecting forward development requirements from the current plan period.

#### 2 Overview of Inspector's Interim Views

- 2.1 There is some evidence to justify the release of the overall amount of safeguarded land, being partly based on the potential amount of land that may be required for development beyond the current plan period.
- 2.2 Earlier versions of the Local Plan Strategy included a much larger amount of safeguarded land (260 ha compared to the 130 ha included in the submitted version).
- 2.3 CEC provided a range of options to accommodate future development needs (rather than forecast development requirements post 2030) but he considered that these options would apply equally to the current plan period, as well as in the longer term.
- 2.4 The Green Belt Assessment did not always support the release of the selected sites and that the criteria for making further safeguarded designations at Site Allocations stage was not clearly set out.
- 2.5 His overall conclusion in relation to safeguarded land is set out in his Interim Views (¶89):

*“Although the identification of Safeguarded Land would ensure that Green Belt boundaries would not need to be altered at the end of the current plan period, some further justification about the scale of Safeguarded Land proposed and the release of particular sites, both in the LPS and Site Allocations Local Plan, is needed before the approach could be considered sound”.*

#### 3 Reason for Safeguarding Land

- 3.1 The provisions for designating safeguarded land are set out in the National Planning Policy Framework. As set out in NPPF ¶79, one of the essential characteristics of Green Belts are their permanence.
- 3.2 Under NPPF ¶83, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan. At that time, authorities should consider the Green Belt boundaries having regard to their intended permanence in the long

term, so that they should be capable of enduring beyond the plan period.

- 3.3 Finally, NPPF ¶85 requires that, when defining Green Belt boundaries, authorities should satisfy themselves that Green Belt boundaries will not need to be altered at the end of the development plan period; and where necessary, identify in their plans areas of 'safeguarded land' between the urban area and the Green Belt, in order to meet longer term development needs stretching way beyond the plan period.
- 3.4 It is the requirement not to alter Green Belt boundaries again at the end of the plan period (2030) that means it is necessary to identify safeguarded land.
- 3.5 In the North Cheshire Green Belt, there are a number of settlements inset within the Green Belt that are tightly-bounded by the Green Belt and are unable to meet their development needs without making changes to the Green Belt boundary (in this plan period to 2030). The exceptional circumstances to justify alterations to the Green Belt boundary are identified to be the need to allocate sufficient land for market and affordable housing and employment development, combined with the significant adverse consequences of not doing so, particularly since it is not practicable to fully meet the development needs of the area without amending Green Belt boundaries.
- 3.6 Sites will be allocated in the current Local Plan to meets the needs arising during this plan period (2010-2030). Without a good indication of the availability of non-Green Belt sites beyond 2030, the Council could not be sure that the Green Belt boundary designated now would endure throughout the next plan period (assumed for this purpose to be 2030-2045). The safeguarded land may not be needed to meet development needs in the next plan period, for a variety of reasons. For example, the objectively assessed needs may decrease after 2030, building densities may increase, or the availability of urban land may increase. However, the safeguarded land will be available, if needed, as a buffer to ensure that Green Belt boundaries will not need to be reviewed again until the end of the next plan period (2045) at the very earliest.
- 3.7 The development pattern in the South Cheshire Green Belt is very different. The main towns (Congleton and Alsager) are located adjacent to, but beyond the Green Belt. As they are not surrounded by Green Belt, these towns retain the ability to grow in other directions. The only inset settlements are small villages (below the level of Local Service Centres in the Settlement Hierarchy) whose needs could be met in the nearby towns. Consequently, the exceptional circumstances related to inability to accommodate development needs do not apply in the South Cheshire Green Belt. Any alteration to Green Belt boundaries in the current Local Plan would be based on identified site-specific exceptional circumstances.

- 3.8 Therefore, the Council can be satisfied that, for the South Cheshire Green Belt, there will be a sufficient pool of non-Green Belt sites available for development post 2030 and there is no requirement to identify safeguarded land in the South Cheshire Green Belt.

#### **4 Overview of Arup Critical Friend Advice**

- 4.1 Ove Arup & Partners were commissioned by the Council to advise on the proposed calculation of safeguarded land within the Local Plan Strategy.
- 4.2 Arup were asked to look at the approach to safeguarded land within the submitted Local Plan Strategy and compare that with national guidance and best practice elsewhere. They were further tasked with advising on the correct approach to adopt, following the Inspector's interim views.
- 4.3 In particular recommendations were sought on the specific calculation of the quantum of safeguarded land. For the avoidance of doubt, the site-specific location of any safeguarded land was excluded from this advice.
- 4.4 The Arup advice note (included at the end of this Technical Annex as Sub-Annex E) recommends a method to identify a quantum of safeguarded land based on 'longer term development needs' using objectively assessed need (or using the housing and employment requirements proposed in the Local Plan Strategy).
- 4.5 A number of Local Authorities have indicated that a 15-year plan period, followed by 5-10 years' worth of safeguarded land should ensure that the Green Belt boundary retains a degree of permanence. The arbitrary nature of the level of safeguarded land relates to the uncertainty in the extrapolation of existing objectively assessed need, the availability of windfall sites / brownfield land and the volatility of development pressures.
- 4.6 Projecting objectively assessed need whilst accounting for the recycling rate of brownfield land and the existing rate of delivery on windfall sites, offers an estimate of the longer term development needs of the District. Whether sufficient safeguarded land is identified for 5 or 10 years beyond the plan period will depend on three factors:
- The likely availability of deliverable and developable sites in the urban form;
  - The abundance of windfall sites across the plan period; and
  - The volatility of development pressures across the plan period.

#### **5 Arup Recommended Approach for Cheshire East**

5.1 The Arup note recommends CEC pursue the option to project forward the objectively assessed need for a period of 10 years determined following the level of brownfield recycling and reliability of windfall sites.

5.2 Applying a two-stage approach, CEC will therefore need to:

Stage 1: Identify the level of brownfield recycling and windfall sites across the whole borough via the existing evidence base. The results of Stage 1 will impact how far forward the projections should go, for example, if the level of recycling/windfall sites is high, CEC could reduce the period of projections down from 10 to 5 years.

Stage 2: Project objectively assessed need<sup>1</sup> (OAN) for 10 years beyond the plan period (dependent on Stage 1). Whilst it would be usual to project forward the OAN for the whole Borough, it may be appropriate for CEC to consider the objectively assessed needs across the northern part of the Borough by projecting the OAN within the northern sub market area. This is because it is only the towns in the northern sub market area that are inset within the Green Belt. For this approach to be appropriate, CEC would need to be satisfied that they are able to demonstrate a sufficient supply of land for the south of the Borough, outside of the Green Belt. This could involve consideration of potential sites in the SHLAA.

## 6 Future Needs

6.1 As the Planning Practice Guidance (PPG) observes<sup>2</sup>, establishing future need for housing within the plan period itself is 'not an exact science'. Accordingly, the anticipation of future needs beyond the plan period are similarly fraught with multiple variables.

6.2 As a consequence, the Council advocates projecting forward the current identified needs for new homes and jobs. The revised OAN set out in the Housing Development Report marks a significant increase in housing from previous totals within the past Regional Spatial Strategy (1,150 per year) and Structure Plans (500 - 1,050 per year). Taking a long term view therefore, whilst some may argue for higher numbers, in a historical context, current numbers are positioned well above the average.

6.3 Equally, in terms of employment, the work by Ekosgen recommends that employment land commensurate with a 0.7% rate of growth should

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<sup>1</sup> CEC will need to determine whether to use objectively assessed housing and employment needs or to use the housing and employment requirements proposed in the Local Plan Strategy if these differ from OAN figures.

<sup>2</sup> Reference ID: 2a-015-20140306

be identified. This aligns employment land with a long term rate of growth. Once again, in a historical context these totals should be viewed as supporting healthy optimism of future take up and needs.

- 6.4 Although the projecting forward of current development needs beyond 2030 is relatively simplistic, it is considered to be the most robust approach. The only alternative would be to try and make a separate estimate of needs for the period 2030-2045. Given the timescales involved, it is considered this would neither be accurate nor realistic.
- 6.5 The Borough-wide objectively-assessed need for development is 36,000 net additional dwellings <sup>3</sup> and 378 hectares of employment land.<sup>4</sup> Given the large numbers of 'deliverable' and 'developable' sites in the SHLAA, the extensive sites submitted to the Local Plan process and the edge of settlement potential identified through the Assessment of the Urban Potential of the Principal Towns; Key Service Centres and Local Service Centres and Possible Development Sites Adjacent to the Settlements work, it can be demonstrated that there will be sufficient land available in non-Green Belt areas post 2030 to meet the potential needs arising in those non-Green Belt areas. In addition (as set out above), there is no requirement to safeguard land in the South Cheshire Green Belt.
- 6.6 Consequently, it is argued that it is only appropriate to safeguard land in the North Cheshire Green Belt to allow for potential future needs arising from within that northern area of the Borough. In other words, it will not be appropriate to designate safeguarded within the area covered by the North Cheshire Green Belt to allow for potential future needs arising in other areas of the Borough.
- 6.7 As such, it will be appropriate to project forward the needs arising from the northern sub-area (as defined in the Housing Development Study) to determine the quantum of safeguarded land, rather than projecting forward the needs of the Borough as a whole.
- 6.8 The Spatial Distribution Update (Recommended Option 6) takes the Borough-wide objectively assessed needs for development and sets out the requirements for housing and employment in each area. It is therefore considered appropriate to use these housing and employment land requirements for the northern sub market area when projecting forward needs.
- 6.9 Consequently, it is proposed that the Council therefore adopts a calculation of land based on the recommended approach set out by Arup in their advice note and involves projecting forward the current

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<sup>3</sup> ORS Cheshire East Housing Development Study 2015

<sup>4</sup> Ekosgen Alignment of Economic, Employment and Housing Strategy 2015

housing and employment requirement for the northern sub-area for a further period beyond 2030.

## 7 Time Period for Projections

- 7.1 The amount of safeguarded land must be sufficient to ensure that Green Belt boundaries do not need to be amended again until 2045 at the very earliest. This time period has been chosen as the base date as guidance indicates that 15 years is the usual minimum time period for a Local Plan and is 15 years beyond the current plan period end date of 2030.
- 7.2 This does not mean that CEC must identify sufficient safeguarded land to meet the full 15 years of future projected development requirements, as inevitably, there will be a number of other sources of land suitable for development such as infill, brownfield and other windfall opportunities that will be available to make up the difference. We must be confident that these infill, brownfield and other windfall opportunities, when combined with the safeguarded land could accommodate the full 15 years of projected development requirements.
- 7.3 The starting point for Arup's recommendation is that the amount of safeguarded land should be sufficient to meet 10 years of future projected development requirements. If the Council can determine that there is a high level of brownfield recycling and windfall sites and these are likely to be a continued reliable source in the future, then it may be possible to reduce the amount of safeguarded land to be sufficient to meet 5 years of future projected requirements.
- 7.4 Providing safeguarded land to meet fewer years of projected development requirements implies that there will be more reliance on other sources of land (as the end date of 2045 remains fixed).
- 7.5 Accordingly, the Council has considered the likely sources of land supply that might apply after 2030. Once again, many variables potentially apply to such future development, but given that land is a finite resource, this is to some extent easier to predict. There are various sources to give an indication of potential land supply beyond 2030. These cannot simply be added up as this would result in 'double-counting' but they do indicate a range of potential sources of land.
- 7.6 **Over-provision of housing land in this plan period.** There is a current backlog of housing completions, which will be amplified as a result of the increased housing provision figure backdated to 2010. In this plan period it is proposed to provide sufficient land to be sure of meeting the housing requirement of 36,000 net additional dwellings. This will include a modest buffer to assist with short term deliverability and to ensure that the full 36,000 are provided by 2030. This suggests that (as with the submitted plan), slightly more land than is required to meet the identified housing requirement may need to be allocated

within the Local Plan Strategy and the Site Allocations and Development Policies documents.

- 7.7 There are two outcomes from this to consider in relation to safeguarded land:
- 1) The extra land assists with deliverability and enables the full 36,000 dwellings to be delivered by 2030. In this case, there is likely to remain a residual amount of land at the end of the plan period (theoretically equal to the amount that is ‘overprovided’ now). In this case, it is argued that it is reasonable to assume that this land will be available for development in the next plan period.
  - 2) If all allocated land is fully-developed during this plan period and in excess of 36,000 dwellings are delivered by 2030, it would be argued that overprovision against need in this plan period will reduce development requirements by an equivalent amount in the next plan period.
- 7.8 Within the context of the overall requirements post-2030, any surplus may well be modest, but would nonetheless contribute to needs in the next plan period.
- 7.9 **Urban Potential Study Findings.** The Assessment of Urban Potential work looked at potential development sites in the urban areas. Within the settlements inset within the North Cheshire Green Belt, it found that there are sites with potential for development of 648 dwellings during the current plan period. It also found that there are sites that could accommodate 1,958 net additional dwellings which do not have potential for development during the current plan period. In the majority of cases, sites were discounted because they are currently in use. This means that there is currently not the evidence to suggest that they will come forward in this plan period, but they may well come forward for development post 2030.
- 7.10 Whilst it cannot be certain that sites 1,958 homes will all come forward, this figure does suggest that it is possible that the rate of brownfield recycling could increase in the future.
- 7.11 **Windfall / Completions on Non-Allocated Sites.** Windfall sites are defined in the NPPF as being:
- “Sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available”*
- 7.12 Whilst the number of ‘true’ windfalls is difficult to quantify (due to the various sources of information that indicate that sites are available including the SHLAA and submissions to the Local Plan), it could be

argued that we do not know the availability of any sites post 2030. Therefore, any development on a site that is not allocated in a plan would be windfall for the purposes of this exercise.

- 7.13 Within the former Macclesfield Borough, there have been an average of 257 net completions per year on non-allocated sites since 2002. Due to issues with double-counting, these 'completions on non allocated sites' can not be added to other sources. Even if this rate of 257 completions per year on non-allocated land continued beyond 2030, it might be difficult to regard this as a 'high' figure to justify reducing the amount of safeguarded land.
- 7.14 Whilst the numbers are not necessarily high, the proportion of completions on non allocated sites is high (86.7%) suggesting that recycling of land has played an important role in housing delivery.
- 7.15 **Cheshire East SHLAA.** The total number potential units on 'Deliverable' and 'Developable' Non Green Belt SHLAA sites in the former Macclesfield Borough is 1,427. If including the 'Not Currently Developable' sites (but still excluding 'Not Suitable' sites, this increases to 2,489
- 7.16 Again, this points to a level of provision post-2030 but not a 'high' level to justify significant reduction of the level of safeguarded land.
- 7.17 **Brownfield Local Development Orders.** Macclesfield is the location of one of the national brownfield LDO pilots currently being sponsored by the Department for Communities and Local Government. It is anticipated that by the 2020s, Brownfield LDOs will be widespread. Consequently, their impact will start to be felt within the current plan period, but perhaps particularly so in the following decades.
- 7.18 **Other Ways of Meeting Future Needs.** Whilst making predictions on planning issues beyond 2030 is very difficult, there are likely to be a number of further options available to accommodate development requirements. These may include:
  - Further recycling of land within the urban areas (as set out above);
  - Channelling development to locations within the inner Green Belt boundary, with the opportunities arising from the renaissance of our adjacent conurbations;
  - Channelling development to locations beyond the outer edge of the Green Belt boundary in Cheshire East. It is anticipated that HS2 will prove decisive in supporting the case for significant future growth and development in the southern part of the Borough, centred around Crewe, Alsager, Congleton and Middlewich. As evidenced by the volume of sites submitted



through the Local Plan process and SHLAA, it is clear that there will continue to be a significant stock of potential development sites in areas beyond the Green Belt post 2030.

#### 7.19 **Overall Conclusions in Relation to Time Period for Projections.**

Taking the above points together, it is considered that there are sufficient grounds to make a modest reduction in the 10-year timescale, as advocated by Arup. Consequently, the Council has tested assumptions based on a Safeguarded Land total for 8, 9 and 10 years, respectively.

### 8 **Housing Densities**

8.1 Finally, the Council has also considered the future density of development. The safeguarded land calculation is partly based on the number of houses that may need to be provided in the future (by projecting forward current requirements) but the amount of safeguarded land is expressed in hectares. Therefore, there is a need to make an assumption regarding the average density at which new housing would be delivered in the event that the safeguarded land was required for this purpose in the future.

8.2 The SHLAA and LPS make general assumptions that 30 dwellings per hectare (dph) is a reasonable average development density, unless site specific information indicates otherwise. There is no national guidance in respect of using 30 dph, but it is considered a reasonable (and possibly conservative) assumption as it is at the lower end of the range previously advocated under the old guidance in Planning Policy Statement 3, and having regard to local circumstances which are addressed below.

8.3 As the housing market has emerged from deep recession, densities have if anything fallen slightly in recent years, with a shift to more family housing and with fewer flats and apartments constructed. However, in terms of the totality of housing need, there are factors that point to rather higher densities in future, which are now considered.

8.4 **Ageing Population.** There is a broad-based policy objective to ensure that older and vulnerable people remain living independently in their own homes for as long as possible. Whilst classically this may be associated with bungalows (a lower density form of development), more commonly in terms of new build now it is other forms of level access accommodation. For the most part these are built considerably in excess of 30 dph. As the demography of the Borough ages, so a higher proportion of this type of accommodation can be anticipated in the future.

8.5 **Housing Mix.** In order to meet the needs of all of the population, it is appropriate that a mix of housing be provided. This suggests a return to the building smaller units – either starter homes or apartments to sit

alongside conventional 3 or 4 bedroomed housing. In a more balanced market there is more opportunity for greater variety of housing than has been the case in recent years.

- 8.6 **Urban Design.** The NPPF already emphasises the importance of good design throughout the planning process (paragraph 56). This is starting to translate into more innovative designs, some of which are being constructed at higher densities. The emergence of modern vernacular represents one sector of this trend, whilst the replication of older traditions is another. Both however are capable of building at higher densities than conventional estate housing.
- 8.7 **Finite Land Resource.** The NPPF recognises the role that the planning system has in terms of conserving valued landscapes, soils, ecology and the best agricultural land (paragraph 109 – 112). Land is a finite resource and Cheshire East enjoys a combination of good farmland and a number of national designations. Green Belt itself is not to be surrendered lightly, given its importance (NPPF ¶83). These factors will remain and potentially be exacerbated into the future – therefore suggesting that land will need to be used judiciously as we head into the middle of the century.
- 8.8 **Conclusions in Relation to Housing Densities.** There is a growing recognition of the benefits of higher-density developments, particularly given the national challenge in significantly boosting the supply of new housing, whilst protecting the countryside and making the best use of land.
- 8.9 Higher density housing can:
- Make better use of scarce land resources;
  - Make more efficient use of existing infrastructure;
  - Reduce the need for travel by providing local amenities; and
  - Reduce the reliance on car transport by providing a focus for walking, cycling and public transport networks.
- 8.10 Taking all the above points together, it is considered there are sufficient grounds to factor in a modest increase in the standard 30 dph assumption in the safeguarded land calculation. Consequently, the Council has tested assumptions based on average housing densities of 30 dph, 35 dph and 40 dph respectively.

## 9 Safeguarded Land Calculation

- 9.1 The housing and employment land requirement for the northern sub-area for the current plan period can be determined from the Spatial Distribution Update report (Recommended Option 6) by summing the

requirements for those settlements within the northern sub-area and adding an apportionment for Local Service Centres and rural areas (for which the figures are expressed on a Borough-wide basis).

- 9.2 For the purposes of calculating the amount of Safeguarded Land, the requirements for Local Service Centres and rural areas in the northern sub-area have been apportioned using:
- The proportion of the total population of Local Service Centres residing in northern sub-area Local Service Centres; and
  - The proportion of the rural population residing in the northern sub-area.
- 9.3 This gives a total requirement (during the current plan period) for 12,109 net additional dwellings and 83.6 ha of employment land within the northern sub-area. This equates to an annual average provision of 605 net additional dwellings and 4.2 ha of employment land.
- 9.4 To project this forward and calculate the amount of Safeguarded Land, it is necessary to convert the annual housing requirement into a land requirement by dividing it by the average density (30 dph – 40 dph tested) and adding this to the annual employment land requirement. This gives the total annual land requirement.
- 9.5 This total annual land requirement is then multiplied by time period for projections (8 – 10 years tested) to calculate the amount of Safeguarded Land required.
- 9.6 Based on the starting point of 10 years' worth of Safeguarded Land and housing delivered at an average of 30 dph, the amount of Safeguarded Land required would be 244 ha. Conversely, a reduction to 8 years combined with a density assumption of 40 dph results in a requirement for a total of 155 ha of Safeguarded Land.
- 9.7 The Council has tested a series of scenarios between these parameters:

	<b>30 dph</b>	<b>35 dph</b>	<b>40 dph</b>
<b>10 year projection</b>	244 ha	215 ha	193ha
<b>9 year projection</b>	219 ha	193 ha	174 ha
<b>8 year projection</b>	195 ha	172 ha	155 ha

- 9.8 It is suggested that overdependence on any single influence is unwise, given the variables involved. Consequently, it is suggested that a mid-point of 200 ha be adopted that takes account of all of the factors concerned. This represents a balanced approach which gives confidence that Green Belt boundaries will not need to be altered again at the end of the plan period, whilst minimising the impact on the Green Belt.

- 9.9 This approach is not any more definitive about the likely variables – for to do so might render a calculation with a spurious level of fine gained accuracy. Instead it is suggested that a broader strategic view of the issue be taken. However, for the purposes of comparison, 200 hectares of safeguarded land equates to 9 years of safeguarding at an average density of 34 dwellings per hectare.

## **10 Safeguarded Sites**

- 10.1 The approach to calculating the required amount of safeguarded land makes no consideration of potential sites.
- 10.2 Potential Safeguarded Sites will be considered through the Site Selection work currently underway, which is informed by the Green Belt Assessment Update 2015 as well as all other evidence including the Sustainability Appraisal.

**Sub-Annex E: Arup Critical Friend Advice – Safeguarded Land**

Cheshire East Borough Council  
**Critical Friend Advice**  
Safeguarded Land

Final Issue | 6 May 2015

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number

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## Document Verification

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# 1 Introduction

## 1.1 Critical friend advice

Arup has been commissioned by Cheshire East Council (CEC) to give critical friend advice on an appropriate methodology and justification for determining the amount of safeguarded land required for the Local Plan.

The purpose of this advice note is to set out a sound method to determine the amount of safeguarded land taking account of relevant national planning policy and guidance; best practice advice and approaches taken by other local authorities. The recommended approach should take into consideration and propose a method in response to the Inspector's interim views. The note should consider the appropriate timeframe for safeguarding and whether some form of flexibility should be factored in when determining the quantum of safeguarded land.

## 1.2 Green Belt in Cheshire East

Cheshire East has 40,630 hectares of land designated as Green Belt, located in the northern and eastern parts of the borough. Figure 1 shows the extent of the Green Belt, and the north / south split between Green Belt and non-Green Belt areas. There are two areas of safeguarded land within Cheshire East taken forward from the replacement local plans, these are currently consented for development and are not considered for safeguarding in the Local Plan Strategy (2014).

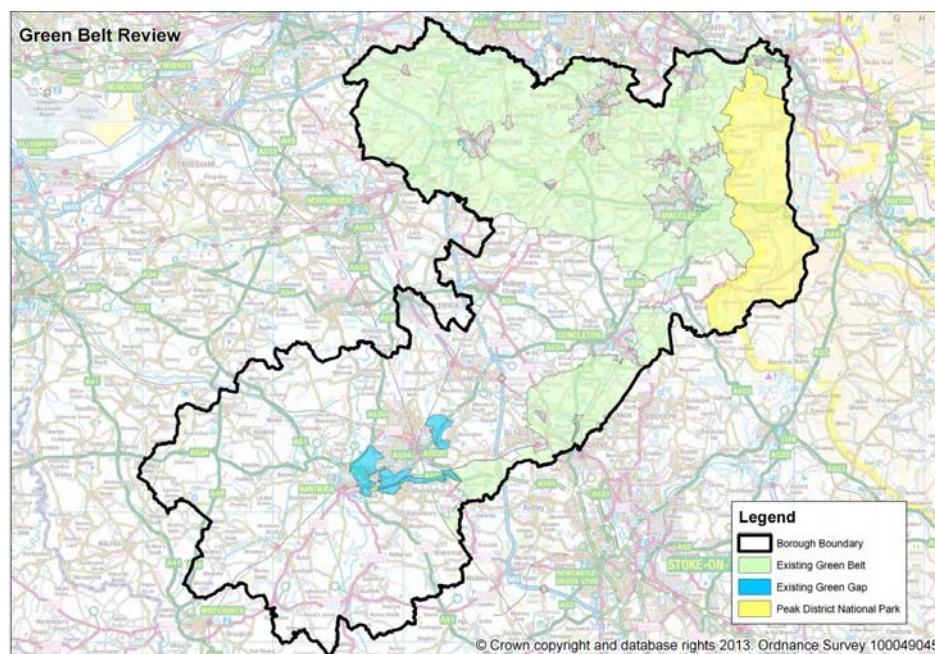


Figure 1 Map showing areas of Green Belt and Green Gap within Cheshire East<sup>1</sup>.

<sup>1</sup> Cheshire East Green Belt Assessment (September 2013).

It is important to understand the characteristics of the Green Belt in Cheshire East, as local factors relating to the distribution of Green Belt across the borough will need to be taken into account in the policy response to safeguarded land.

## 2 Existing Cheshire East Council Safeguarded Land Policy

Policy PG 4 of the Local Plan Strategy (2014) relating to safeguarded land emphasises the requirement to identify safeguarded land in order to meet longer-term developments needs beyond the Local Plan period. Parts 1-4 of the Policy reiterate the principles set out in paragraph 85 of the National Planning Policy Framework (NPPF).

Part 5 of Policy PG 4 proposes the following areas of Safeguarded Land within Cheshire East:

Site	Size (hectares)
Site CS 31 (Safeguarded) 'Lyme Green, Macclesfield'	17.9 hectares
Site CS 32 (Safeguarded) 'South West Macclesfield'	45.4 hectares
Site CS 33 (Safeguarded) 'North West Knutsford'	25.1 hectares
Site CS 34 (Safeguarded) 'North Cheshire Growth Village, Handforth East'	19.8 hectares
optionSite CS 35 (Safeguarded) 'Prestbury Road, Wilmslow'	14.5 hectares
Site CS 36 (Safeguarded) 'West of Upcast Lane, Wilmslow'	7.4 hectares
<b>Total amount of Safeguarded Land</b>	<b>130.1 hectares</b>

The safeguarded land identified is not proposed for development within the plan period but may be required post 2030 if a future review of the plan identifies further development needs.

Paragraph 15.41 of the Local Plan Strategy (2014) identifies that safeguarded land is required around the larger settlements that are inset into the Green Belt: Macclesfield, Handforth, Poynton and Wilmslow. Given that there is currently no safeguarded land around Poynton, Part 6 of Policy PG 4 notes that further areas of non-strategic land to be safeguarded may need to be identified in the Site Allocations and Development Policies Document. This will include around 5-10 hectares to serve Poynton. The policy does not justify the reasoning behind this amount and states that more detailed investigations on this will be carried out during the preparation of the Site Allocations and Development Policies Document.

Paragraph 8.6 setting out the justification for Policy PG 4 states:

*“In the absence of guidance on the amount of land that should be safeguarded, a balance has been struck between the need to ensure the permanence of the Green Belt boundary and the NPPF requirement to make the most efficient use of land.”*

As set out in the ‘Hearing Statement: Matter 6’ and the Council’s Response to Inspector’s Question, this balance has been shaped by previous versions of the Local Plan, namely the Pre-Submission Core Strategy which projected forward development requirements for land in the Green Belt, for a further 20 year plan period (until 2050). This resulted in 260 hectares of safeguarded land. David Rutley MP put a question to the House of Commons debate on 24<sup>th</sup> October on the issue and the Planning Minister Nick Boles commented that there was no requirement under the Localism Act 2011, the NPPF, or any other Government planning policy to plan beyond 15 years. This statement, combined with consultation responses led the Council to conclude that planning for development until 2050 was an overly-cautious approach. The Council revised their approach and were satisfied that the identified 130 hectares of safeguarded land was sufficient to ensure that Green Belt boundaries will not need to be altered again in 2030.

Cheshire East Council deemed it inappropriate to forecast development requirements beyond 2030 and instead set out a number of measures which could be used beyond the plan period in order to accommodate development requirements. This is set out at paragraph 8.61 of the Local Plan and includes:

- Recycling of land within the urban areas;
- Additional town centre and higher-density development; and
- Channelling development to areas beyond the outer boundary of the Green Belt.

In addition to the 130ha of safeguarded land, the Council highlights that the Local Plan Strategy identifies more land for housing and employment than is required to meet objectively assessed needs during the plan period thus it is envisaged that the remaining amount of allocated land can be taken forwards into the next plan period, providing additional flexibility.

### 3 Review of Inspector's Interim Views

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The Inspector published his interim views on the Legal Compliance and Soundness of the submitted Cheshire East Local Plan on 12<sup>th</sup> November 2014 and provided subsequent clarification in a letter dated 28<sup>th</sup> November 2014. In relation to the safeguarded land, the Inspector's main concern was that further justification "...about the scale of safeguarded land proposed and the release of particular sites..." was required before the approach could be considered sound.

The Inspector recognises that "...*there is some evidence to justify the release of the overall amount of safeguarded land, being partly based on the potential amount of land that may be required for development beyond the current plan period...*"

The Inspector comments that CEC does not forecast development requirements post-2030 and instead cites further options to accommodate future development needs however he notes that "...*these could apply equally to the current plan period, as well as in the longer term*" (paragraph 88).

In terms of identifying smaller scale areas of safeguarded land at the Site Allocations stage, the Inspector comments that the criteria for making such designations has not been set out (paragraph 89). Site selection criteria will be addressed separately as part of the Site Allocations work and therefore does not fall within the scope of this report.

CEC therefore need to address the following issues:

- 1) Forecasting development requirements post-2030; and
- 2) Justifying the scale of safeguarded land proposed.

### 4 Policy, Guidance and Best Practice

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#### National Planning Policy Framework

Paragraph 85 of the National Planning Policy Framework ('NPPF') represents the starting point setting out the requirements for safeguarded land. Paragraph 85 states:

*"When defining boundaries, local planning authorities should:*

- *ensure consistency with the Local Plan strategy for meeting identified requirements for sustainable development;*
- *not include land which it is unnecessary to keep permanently open;*
- *where necessary, identify in their plans areas of 'safeguarded land' between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period;*
- *make clear that the safeguarded land is not allocated for development at the present time. Planning permission for the permanent development of safeguarded land should only be granted following a Local Plan review which proposes the development;*

- *satisfy themselves that Green Belt boundaries will not need to be altered at the end of the development plan period; and*
- *define boundaries clearly, using physical features that are readily recognisable and likely to be permanent”.*

Therefore paragraph 85 establishes the principle that in some cases there may be a need for an authority’s spatial plan to include areas of land to meet its long term development needs. Specifically, this states that these should stretch ‘well beyond the plan period’ however does not specify how far beyond this should go. This action will also ensure the permanence of Green Belt boundaries by safeguarding specific areas for future development needs without triggering the need to fundamentally alter the Green Belt boundary in a shorter timescale (i.e. within the same plan period). Equally paragraph 85 provides protection for sites that are designated as safeguarded by stating that: “*planning permission for the permanent development of safeguarded land should only be granted following a Local Plan review which proposes the development*”.

In addition, paragraph 83 adds that in undertaking a Local Plan review, local planning authorities should “...*consider the Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period*”. This would indicate that if exceptional circumstances mean that Cheshire East Borough Council seek to remove land from the Green Belt and allocated it for development then adequate land to allow the Green Belt boundary to endure beyond the plan period will be required. It is however unclear how the local planning authority should determine what amount of land beyond the plan period would be deemed adequate.

#### Planning Advisory Service ‘The Big Issues – Green Belt Exceptional Circumstances’

Guidance issued by the Planning Advisory Service offers some brief clarification upon the need to provide for safeguarded land within a spatial plan. The guidance defines the concept of safeguarded land as arising “*from the combination of the wish for permanence, and yet the inevitability of having to find land for development through development plans*”. The guidance paper notes that there is no guidance on how local authorities should interpret the safeguarded land policy in paragraph 85 and thus nationally there is inconsistency amongst local planning authorities in designating safeguarded land:

*“In some cases local authorities seek to identify safeguarded land over and above the calculated development requirement for the plan period...there are certainly cases where the issue is effectively ignored by the planning authority and examining inspectors alike”.*

#### Commons Debates May 2014

In response to debates regarding the concept of ‘safeguarded land’ held in May 2014<sup>2</sup>, Nick Boles stipulated that whilst the terminology within the NPPF was not sufficiently clear, that the allocation of such land must have regard to the following:

*“Safeguarding is not a requirement for every local authority with green-belt land. It is something that it can choose to do, but only if necessary. If the plan that it*

<sup>2</sup> Daily Hansard – Westminster Hall (13 May 2014)

*puts forward has provisions to meet housing needs in full and if other sites are available for potential future development beyond the life of the plan, it may well be that safeguarding land is unnecessary... While we want all communities to embrace growth, a vaulting ambition is not a sufficient justification for threatening protected land. Need is an important factor and can be a contributor to the exceptional circumstances that might justify some potential revision of a site's protected status. Ambition and the desire to grow faster than one's neighbours or perhaps to build a small empire is not a sufficient justification for putting protections at risk."*

### Summary of Issues from Policy and Guidance

The NPPF stipulates that local planning authorities when reviewing their Green Belt should consider the requirement to designate land as safeguarded in order to meet their district's long term development needs. Guidance from the Planning Advisory Service suggests that a lack of advice regarding the interpretation of the requirement has resulted in inconsistencies in approach between local planning authorities and Inspectors alike. Government advice highlights the importance of maintaining a balance between preserving the Green Belt and the need for long term expansion.

In spite of this lack of guidance, fundamentally there are two implications arising from the Inspector's comments and paragraph 83 and 85:

1. The quantum of safeguarded land required, how this relates to the current Objectively Assessed Need and the local interpretation of 'well beyond the Plan Period'; and
2. The location of safeguarded land and whether this should relate to the 'longer term development needs'.

### Best Practice Research

National guidance highlights clear inconsistencies in approach to safeguarded land between local authorities thus this section provides an appreciation of the approaches adopted by various local authorities who have successfully adopted Local Plans in recent years.

Local Authority and Local Plan Status	Approach Adopted	Summary	Extent of Green Belt
Wakefield Metropolitan District Council Site Specific Policies Local Plan Adopted 2012	Allocates a number of sites (safeguarded land) as Protected Areas of Search for Long Term Development to be used for development in the longer term, should the need arise	Quantum: No reasoning behind quantum of safeguarded land Duration: No explanation on the duration of 'longer term development needs'	Whole authority constrained by Green Belt
Rotherham Borough Council Core Strategy	The Core Strategy indicates that the 'integrity of the Green Belt can be seriously compromised where its boundaries are constantly	Quantum: No explanation on	Whole authority

Local Authority and Local Plan Status	Approach Adopted	Summary	Extent of Green Belt
(adopted September 2014) RBC Final Draft Site and Policies	changing. In order to avoid the need for future review of the Green Belt boundary, it is necessary to identify safeguarded land between urban areas and the Green Belt which may be required to meet the longer term development needs at least five years beyond the end of the Plan Period.	quantum of safeguarded land. Duration: Five years beyond the end of the Plan Period.	constrained by Green Belt
Broxtowe Borough, Gedling Borough and Nottingham City Aligned Core Strategy ('ACS') Found Sound July 2014	The ACS carries forward the principle of safeguarded sites from each Borough's adopted Local Plans. Paragraph 3.3.4 states that 'in Gedling Borough, some areas of land are excluded from the Green Belt (as safeguarded land) to allow for long term (i.e. beyond the Core Strategy period) development needs. The Inspector considered that with regard to safeguarding, it would be appropriate for the Councils to identify such land in their Part 2 Local Plans, the proposed quantity of safeguarded land will therefore be defined in the Local Plan Part 2.	Quantum: To be defined in Local Plan Part 2. Duration: No indication of how far beyond the Core Strategy period.	Whole Greater Nottingham area constrained by Green Belt with particular importance on the area between Nottingham and Derby.
Rushcliffe Borough Council (adopted December 2014)	The adopted Core Strategy states that within the Local Plan Part 2 (Land and Planning Policies) consideration will be given to the identification of safeguarded land to meet longer term requirements beyond the Plan Period.	Quantum: To be defined in Local Plan Part 2. Duration: No indication of how far beyond the Plan period.	Green Belt constrains northern half of borough only
Leeds City Council Core Strategy adopted November 2014	The adopted Core Strategy designates land that is outside of the Green Belt for unidentified needs in the future (defined as Protected Areas of Search). Paragraph 4.8.7 establishes that <i>"through the LDF a sufficient and realistic supply of PAS land will be identified to provide contingency for growth if the supply of housing and employment allocations proves to be insufficient in the latter stages of the plan period"</i> . The Core Strategy suggests that new PAS should account for at least 10% of the total land identified for housing, and that the windfall allowance that is built into the housing target means that there is additional flexibility built into the	Quantum: 10% of total housing land identified Duration: No safeguarded land beyond the plan period given windfall allowance provides additional flexibility.	Whole authority constrained by Green Belt

Local Authority and Local Plan Status	Approach Adopted	Summary	Extent of Green Belt
	overall housing requirement, thus reducing the need for additional 'beyond-the-plan-period' sites.		
Bath and North East Somerset Local Plan Part 1 (adopted July 2014)	<p>The adopted Local Plan notes that when altering Green Belt boundaries, a long term view needs to be taken to ensure that boundaries endure beyond the plan period. The Inspector notes that “[t]he scale of any such future [housing] needs which might have to be met within B&amp;NES are unknown and this makes it impossible to balance future possible need for more greenfield land against the benefits of retaining land in the Green Belt. Although this may be a common dilemma when considering possible safeguarded land, the situation is more complex here.”</p> <p>As a result a Memorandum of Understanding has been confirmed by the four West of England Authorities to undertake a sub-regional assessment of need. The Inspector therefore considers that pursuing a substantial scale of safeguarded land would skew the figures from this future sub-regional assessment in identifying the most sustainable locations and he therefore takes a cautious approach in terms of scale. In considering the existing strategic allocations, the Inspector takes into account that each allocation will significantly boost the five year land supply.</p>	<p>Quantum: Inspector takes a cautious approach preferring not to safeguard large areas in the absence of a sub-regional assessment undertaken cooperatively by the West of England authorities.</p> <p>Duration: No reference to duration beyond the plan period.</p>	Whole area constrained by Green Belt
Knowsley Council (submitted in July 2013, with further consultation on major modifications held in early 2014)	<p>Core Strategy Policy CS5 states that there are broad locations (identified as ‘reserve’ and ‘safeguarded’) which will be removed from the Green Belt to meet longer term development needs. Safeguarded land for both housing and employment will only be released when this is necessary to maintain a five-year supply of deliverable sites.</p> <p>Land at Knowsley Village is identified as a ‘safeguarded’ location for residential development after 2028. Release of</p>	<p>Quantum: Preference to await the results of a sub-regional study given uncertainties in projecting development requirements beyond 2028.</p> <p>Duration: Safeguarded land for both housing and employment will only be released when this is</p>	Whole authority constrained by Green Belt



Local Authority and Local Plan Status	Approach Adopted	Summary	Extent of Green Belt
	<p>this land would account for 1093 dwellings post 2028 (which is approximately 2 years housing land supply).</p> <p>The Green Belt –Technical Report states that ‘due to significant uncertainties in projecting development requirements beyond 2028, it is considered appropriate to await a potential sub-regional study before considering whether to identify more Green Belt land to be safeguarded.</p>	necessary to maintain a five-year supply of deliverable sites.	
<p>City of York Council</p> <p>Further Sites Consultation 2014.</p> <p>Currently on hold so not tested at Examination.</p>	<p>In setting the amount of safeguarded land, the City of York approach is based on the Objectively Assessed Housing Need for York. The annual OAHN is projected forward for an additional 10 years to provide a housing requirement for 25 years. This 10 year requirement is then converted into a broad land take by using the local plan density policies. The City of York note that the projection of potential employment requirement is even more challenging than housing projections. They note that a combination of this extrapolation and the identification of circumstances where established employment sites can be extended to allow for their expansion should the plan review determine that this is necessary.</p>	<p>Quantum: Based on OAHN</p> <p>Duration: OAHN is projected forward for an additional 10 years beyond the 15 year plan period.</p>	<p>Whole authority constrained by Green Belt</p>

This demonstrates that the approaches adopted by different local authorities vary significantly. Some local authorities chose not to safeguard any land beyond the plan period, given there is either sufficient brownfield land to withstand future development pressures or, there is sufficient levels of safeguarded land for which there is considered to be a reasonable prospect of delivery. Other local authorities use a 15 year plan period followed by 5-10 years of safeguarded land to ensure that the Green Belt boundary retains a degree of permanence. The subjective nature of this period relates to the uncertainty in extrapolating existing Objectively Assessed Employment and Housing Need, the availability of windfall sites/brownfield land and the volatility of development pressures.

Where the authorities relied on objectively assessed need to project forward development requirements, this was assessed uniformly across the whole borough or Local Plan area given that in all cases apart from Rushcliffe, the Green Belt area constrains the whole of the borough. In Rushcliffe, the Green Belt only

covers the northern half of the borough however as yet they have not identified a quantum of safeguarded land as this is to be undertaken in the Local Plan Part 2.

## 4.1 City of York Legal Review

City of York Reported<sup>3</sup> on a legal opinion in Local Plan Working Group on the 29th January, 2015. The view taken by John Hobson of Landmark Chambers is that:

- *‘Safeguarded land is required in order to **strike the balance between preservation of the Green Belt and the need for further expansion.** Consequently, if land is required to meet the longer term needs it should be excluded from the Green Belt and protected from pressure for development contrary to the longer term needs by including it as safeguarded land. However, it is important that any such land will be genuinely available and capable of development when it is needed. In the context of land included as safeguarded for employment use, paragraph 22 of the NPPF should be borne in mind, which cautions against long-term protections of sites for employment use where there is no reasonable prospect of the site being used for that purpose’.*
- *‘The **‘where necessary’** test adumbrated in NPPF Paragraph 85 therefore applies where longer term needs for development have been identified. So those needs can in due course be met, land should be safeguarded for the purpose of that development and, by identifying such land, the Green Belt can be protected from encroachment thus ensuring its boundaries remain permanent. From the information provided with my Instructions it appears to me that the situation in York is within the circumstances contemplated by this test.’*

Therefore whilst it is clear that there is a need to balance Green Belt preservation against the need for further expansion, there is less clarity regarding the definition of ‘where necessary’.

The opinion from Counsel is also very clear on the need for the Green Belt to endure beyond the Plan period and that land not needed for development during the Plan period should be protected as safeguarded land. Any other course of actions places the Plan at risk of being found unsound at examination. Paragraph 16 of the advice states that:

*“In my opinion if no safeguarded land is identified in the emerging Local Plan this would give rise to a serious risk of the Plan being found unsound. There would be a failure to identify how the longer term needs of the areas could be met, and in particular a failure to indicate how those longer term needs could be met without encroaching into the Green Belt and eroding its boundaries.”*

In respect of the period of time beyond the Plan period for which the Green Belt should be expected to endure, Counsel advises that this is a matter for planning judgement. He goes on to say that a ten year period beyond the life of the Plan would be appropriate for York.

<sup>3</sup> <http://democracy.york.gov.uk/documents/s95547/Report%20-%20Local%20Plan%20Safeguarded%20Land.pdf>

## Summary

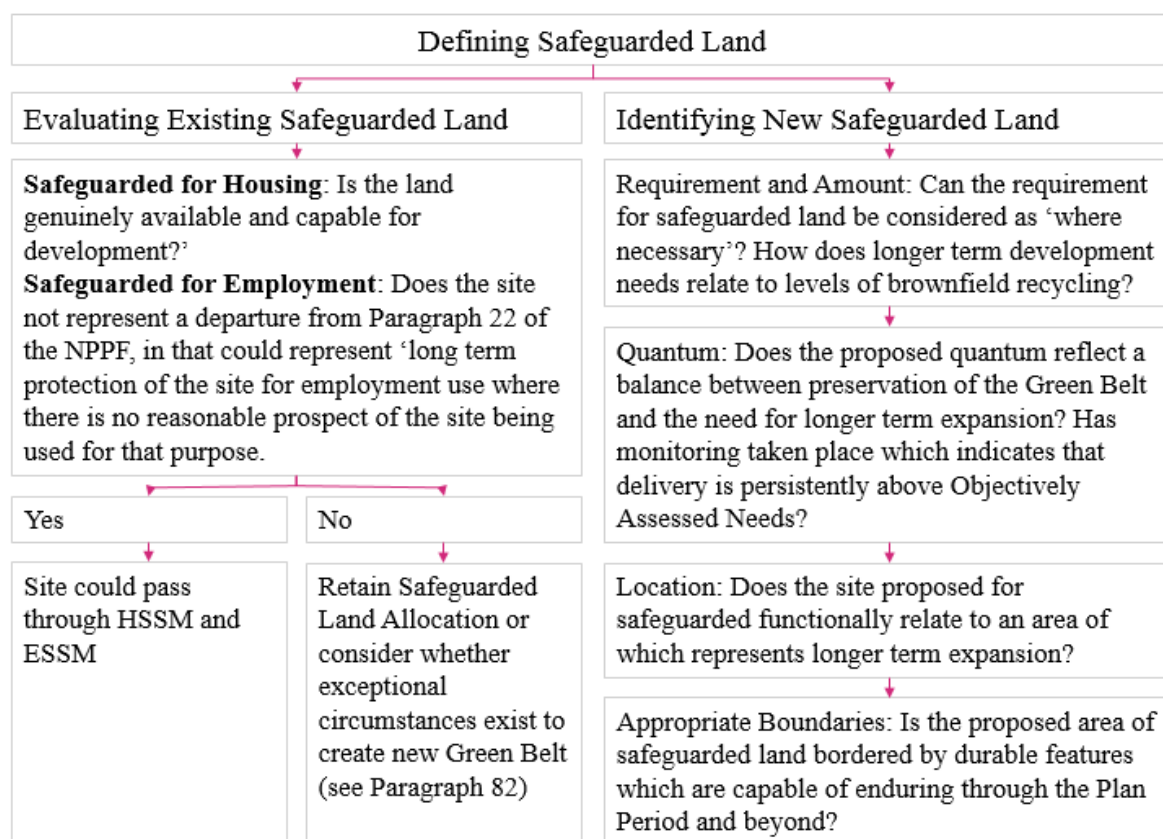
The examples above show a diverse range of approaches employed by different local authorities.

- The definition of **‘where necessary’**, in accordance with paragraph 85, is not consistent across Local Authorities. Generally, it is accepted that the definition of safeguarded land is necessary to meet potential long-term development requirements and avoid the need for another review of the Green Belt at the end of the Plan Period. Conversely, safeguarding additional land offers certainty and permanence to the boundary of the Green Belt and ensures that a Green Belt Review does not trigger the need for a Plan Review. Although the York Legal Review of safeguarded land does not explicitly state what constitutes ‘longer term development needs’, it is likely that the need for further expansion is based on brownfield recycling rate and reserves of developable and deliverable sites.
- **Quantum of Safeguarded Land:** Again the approach to defining the level of Safeguarded Land varies. Wakefield, for example, has identified that it is unnecessary to allocate any additional safeguarded land beyond their existing allocated Safeguarded Sites. Knowsley, Leeds, York and Rotherham have opted for the definition of an arbitrary number of years of safeguarded land (for examples, 2-10 years or a proportion of their total housing requirement). This arbitrary proportion is likely to be based on the level of weakly-performing Green Belt land and the resultant strength of the Green Belt boundary of these sites, alongside the recycling rate of brownfield land. No Local Authorities appear have allocated safeguarded land across two full Plan Periods.
- **Location of Proposed Safeguarded Land:** Generally, safeguarded land allocations are proposed on the edge of major site allocations. Boundaries are assessed against the definitions of the Green Belt boundaries.
- **Approach to Existing Safeguarded Land:** Based on the detail within the York Legal Opinion, safeguarded land should be included within the assessment of Green Belt land, then appraised for whether the land is likely to be ‘available and capable for development’ and for which there is likely to be a reasonable prospect for delivery.

## 5 Proposed Method

The next section of this report evaluates the national guidance and background research to determine an appropriate method for the definition of safeguarded land within Cheshire East. The proposed approach recommends reviewing the existing safeguarded land within the borough to determine its continued fitness for purpose, prior to identification of new safeguarded land where necessary. Figure 1 displays the overall process for defining future safeguarded land.

Figure 1 Process for Defining Safeguarded Land



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The emphasis of the advisory note is on 'identifying new safeguarded land' following the approach set out in the flow diagram in figure 1. Decisions to define new safeguarded land will need to focus on the required amount, where this should be located and take account of allocating safeguarded land 'where necessary'.

### Local Interpretation of 'Where Necessary'

Paragraph 85 of the NPPF states that '**where necessary**, [LPA's should] identify in their plans areas of 'safeguarded land' between the urban area and the Green

belt, in order to meet longer-term development needs stretching well beyond the Plan Period’.

**Stage 1: Assess the likely scale of previously developed land and whether windfall sites are a reliable source of supply.**

The data from windfall completions (taken from the AMR) and assessment of potential supply of deliverable and developable sites will determine whether it is necessary for Cheshire East to identify safeguarded land in order to meet longer term development needs. This relates to Option 1 set out in the next section. It is important to consider the quantum of land available from brownfield recycling and windfall sites, and then make a judgement if safeguarded land is ‘necessary’. In the case of Cheshire East previously developed land and windfall sites are likely to provide additional flexibility and result in a slight reduction to the amount of safeguarded land required.

## Defining the Quantum of Safeguarded Land

**Stage 2: Define the quantum of safeguarded land.**

Based on the above research of comparative Local Authorities and the national requirements for safeguarded land, it is possible to determine three options for defining the quantum of safeguarded land.

**Option 1: No Safeguarded Land Identified**

Research indicates that a number of Local Authorities have adopted Local Plans without allocation safeguarded land. If there is sufficient brownfield land that future development pressures will not compromise the strength of the Green Belt, or there is sufficient levels of safeguarded land for which there is considered to be a reasonable prospect of delivery, it may not be ‘necessary’ to identify safeguarded land beyond the Plan Period.

Note: This option is not considered to be appropriate for CEC given their local circumstances regarding availability of land within urban areas in the north of the borough compared to ‘objectively assessed housing need’. Once reviewed, the overall requirement is not to alter the Green Belt boundaries within the plan period, therefore CEC must identify safeguarded land.

**Option 2: Identify an arbitrary level of Safeguarded Land based on ‘Longer Term Development Needs’ using Objectively Assessed Need.**

A number of Local Authorities have indicated that a 15 year Plan Period followed by a 5 – 10 years’ worth of safeguarded land should ensure that the Green belt boundary retains a degree of permanence. The arbitrary nature of the level of safeguarded land relates to the uncertainty in the extrapolation of existing Objectively Assessed Employment and Housing Need, the availability of windfall sites/ brownfield land and the volatility of development pressures.

Projecting Objectively Assessed Need whilst accounting for the recycling rate of brownfield land and the existing rate of delivery on windfall sites, offers an estimate of longer term development needs of the District. Whether sufficient safeguarded land is identified for 5 or 10 years beyond the Plan Period will depend on three factors: the likely availability of deliverable and developable sites

in the urban form, the abundance of windfall sites across the Plan Period and the volatility of development pressures across the Plan Period.

### **Option 3: Identify two Plan Periods of Safeguarded Land**

Although there appears to be no Local Authorities which have taken this approach to safeguarded land, this would effectively ensure the most pure approach to ‘evidence base’ and could refute the need for a separate Green Belt Review to be undertaken at the start of the next Plan Period. This approach will rely on the three factors above and a sufficient amount of weakly performing Green Belt land arising from the Green Belt.

For Option 2 and Option 3 it is recommended a ‘straight line projection’ is used when determining the amount of land required over the next 5 or 10 years. Adjustments to take account of economic or demographic changes are not considered appropriate when determining the quantum of safeguarded land due to limitations associated with identifying and applying a consistent approach to adjustment factors.

#### **Recommended approach for Cheshire East**

**It is recommended Cheshire East pursue option 2 with a period of 10 years determined following the level of brownfield recycling and reliability of windfall sites.**

**In applying the two stage approach set out above, CEC will therefore need to:**

**Stage 1: Identify the level of brownfield recycling and windfall sites across the whole borough via the existing evidence base. The results of Stage 1 will impact how far forward the projections should go, for example, if the level of recycling/windfall sites is high, CEC could reduce the period of projections down from 10 to 5 years.**

**Stage 2: Project objectively assessed need<sup>4</sup> (OAN) for 10 years beyond the plan period (dependent on Stage 1). Whilst it would be usual to project forward the OAN for the whole Borough, it may be appropriate for CEC to consider the objectively assessed needs across the northern part of the Borough by projecting the OAN within the northern sub market area. This is because it is only the towns in the northern sub market area that are inset within the Green Belt. For this approach to be appropriate, CEC would need to be satisfied that they are able to demonstrate a sufficient supply of land for the south of the Borough, outside of the Green Belt. This could involve consideration of potential sites in the SHLAA.**

<sup>4</sup> Cheshire East Council will need to determine whether to use objectively assessed housing and employment needs (OAN) or to use the housing and employment requirements proposed in the Local Plan Strategy if these differ from OAN figures.

## Location of Safeguarded Land

**Location:** there has been limited precedent about the location of safeguarded sites. Given the need for safeguarded land to be based on durable and permanent boundaries it appears a sensible approach to follow the method used by City of York Council; to safeguarded land on the edge of proposed site allocations (with both the site allocation boundary and safeguarded land boundary based on permanent and robust boundaries).

## Boundaries of Safeguarded Land

**Appropriate Boundaries:** The Green Belt Assessment Update 2015 has identified durable and permanent boundaries as required by NPPF. A policy decision will then be made by CEC as to whether land is required to be removed from the Green Belt. The identified new Green Belt Boundary will form the boundary of either a site allocation or safeguarded land, but must be based on a permanent boundary.

## 5.1 Responding to the Inspectors concerns

As set out in section 3 the Inspector raised the following concerns regarding the safeguarded land policy and proposals in the Local Plan Strategy (2014):

1. Further justification is needed about the scale of safeguarded land proposed, as CEC do not forecast development requirements beyond 2030.
2. The options proposed could in paragraph 8.61 of the Local Plan Strategy (2014) could be applied in the current plan period prior to 2030.
3. Further justification is needed about the release of particular sites.

This critical advice note recommends a method to identify and evidence the amount of safeguarded land required for Cheshire East beyond the end of the plan period in 2030. The recommended method can be used to respond directly to point 1 above. In addition, the evidence from the safeguarded land analysis can be used to replace the justification set out in paragraph 8.61 of the Local Plan Strategy (2014). Further justification about the release of sites will be addressed in a separate work stream, although advice has been provided in this note regarding the potential location of safeguarded land.

## **APPENDIX 1 ANNEX F**

### **New Green Belt / Green Gap Policy**

#### **1 Introduction**

- 1.1 Following consideration of the Inspector's Interim Views, the Arup New Green Belt Policy Advice Note and the available evidence, this Annex sets out a replacement policy for the New Green Belt proposal in the submitted Local Plan Strategy (LPS).
- 1.2 The previously proposed New Green Belt policy will be replaced by an alternative "Strategic Green Gaps" policy which will cover the gaps currently included in the existing Green Gaps policy (saved policy NE.4 in the Crewe and Nantwich Local Plan). These are identified as being the critical gaps to provide protection against coalescence, to protect the character and separate identity of settlements, and to retain the existing settlement pattern by maintaining the openness of land. The gaps identified in this policy are considered to be the strategic gaps required to prevent coalescence, primarily arising from the growth of Crewe.
- 1.3 In addition to the "Strategic Green Gaps" policy, further consideration should be given to an additional "Local Green Gaps" policy through the Site Allocations and Development Policies document.

#### **2 Overview of Inspector's Interim Views**

- 2.1 The Inspector found that there was insufficient justification in the evidence to establish a new Green Belt around Crewe. In particular, the following concerns were identified:
- 2.2 Although the evidence addresses the criteria that have to be met, it does not explicitly identify the exceptional circumstances needed to establish the new Green Belt.
- 2.3 The area of search for the new Green Belt extends much further than that currently covered by the Green Gaps policy, which may not be fully justified, and earlier versions of the Plan envisages a much smaller area of Green Belt.
- 2.4 Significant areas of new development are proposed within the area of search for the new Green Belt.
- 2.5 Crewe has been a location for growth in the past and the scale of growth now proposed is not significantly different than in the previous adopted Local Plan. This does not seem to represent a major change in circumstances to justify establishing a new area of Green Belt; it could also constrain further growth around Crewe in the future.



- 2.6 There seems to be little evidence to suggest that normal planning and development management policies (including the Green Gaps policy) would not be adequate, provided that a 5-year supply of housing land is consistently maintained.

### **3 Arup Advice Note**

- 3.1 Ove Arup & Partners were commissioned by the Council to provide advice on the proposed policy for the creation of a new Green Belt and to consider whether an alternative policy approach would be more appropriate. The Arup advice note is included at the end of this Technical Annex.
- 3.2 The Arup advisory note considers the approaches to dealing with this issue including the evidence available, the Inspector's Interim Views and the outcomes of recent High Court and planning appeal decisions. It concludes that evidence submitted does not satisfy the Inspector that exceptional circumstances exist to justify the creation of a new Green Belt, and that based on the outcomes of recent High Court and planning appeal decisions, the existing Green Gaps policy cannot currently be considered 'insufficient'. As a result, it recommends that the LPS considers a new Green Gaps policy rather than proceeding with the proposed new Green Belt designation.
- 3.3 The Arup Advice Note recommends that the LPS employs a 'package of policies' which can be used in conjunction to protect the green gaps and open countryside around Crewe and Nantwich. This package of policies comprises of a new Green Gaps policy supported by 'protection' based policies, such as:
- Open countryside;
  - Environmental and heritage policies; and
  - The use of 'green buffers' within strategic sites adjacent to Green Gaps.

### **4 Evidence Base**

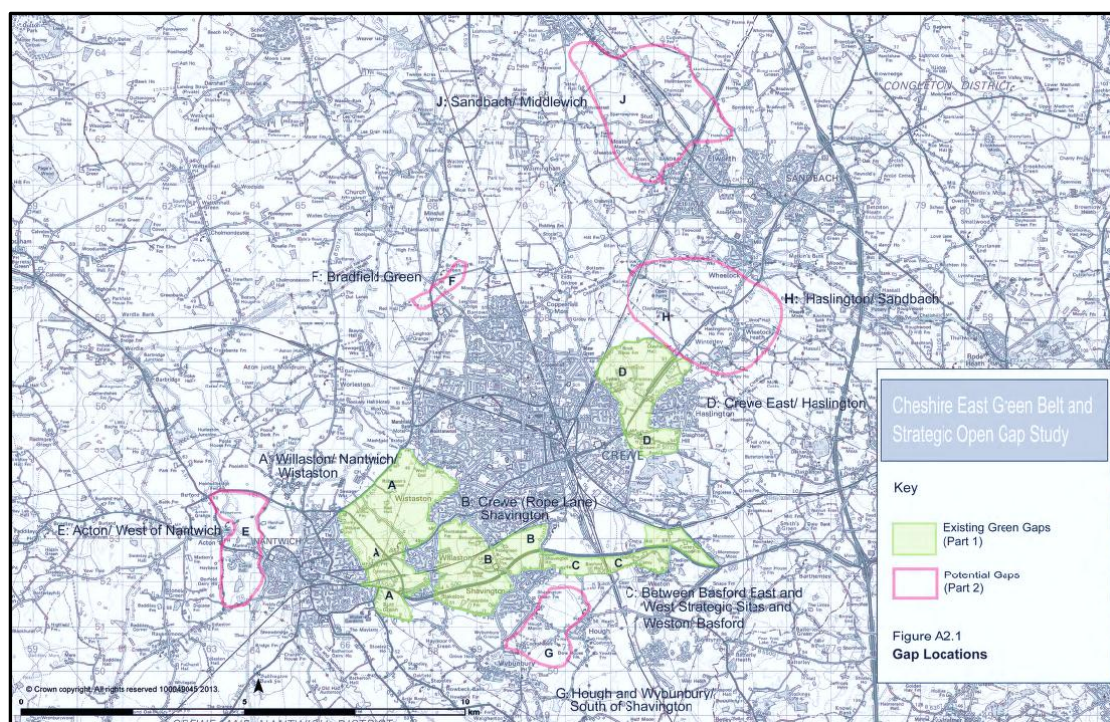
- 4.1 The 'New Green Belt and Strategic Open Gap Study'<sup>1</sup> ("the Study") is the primary source of evidence for the proposed new Green Belt policy. In addition to considering the case for a new Green Belt, this study looks at alternative policy options such as a strategic open gap policy instead of a new Green Belt.
- 4.2 The Arup Advice Note recommends that this evidence be reviewed and updated to define critical and less critical gaps in order to refine the

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<sup>1</sup> Examination document [BE 011]

policy response to ensure a consistent approach to protection within Green Gaps

- 4.3 The Study also makes an assessment of various gaps within the current Green Gap areas and beyond. It assesses the current character of the existing Green Gaps and considers whether they are still capable of performing their original purpose, to prevent the merging of settlements. The assessments look at land-use, settlement character, landscape character, environmental and historic designations and public routes providing views in and out of the countryside. They also consider the narrowest point of each gap and make visual assessments of the gaps.
- 4.4 The Study also looks at a number of other gaps beyond the current Green Gap areas, although the assessments of these other gaps are not as rigorous and do not include a full visual appraisal. The gaps appraised in the study are shown in Figure F.1 below.
- 4.5 The Study only assesses the broad area of each gap and does not provide the evidence for defining detailed boundaries.



**Figure F.1: Location of Gaps Appraised in the New Green Belt and Strategic Open Gaps Study**

- 4.6 A review of the Study shows that there is sufficient evidence to justify a strategic open gap policy within the current Green Gap areas:
- Gap A: Willaston / Wistaston / Nantwich / Crewe;
  - Gap B: Willaston / Rope / Shavington / Crewe;

- Gap C: Crewe / Shavington / Basford village / Weston; and
  - Gap D: Crewe / Haslington.
- 4.7 The Study is clear that if a new Green Belt policy is not pursued then it will be essential to include these areas in a strategic open gap policy in the LPS. This policy would seek to identify land that performs an important role in protecting the setting and separate identity of settlements and to avoid coalescence; retaining the existing settlement pattern by maintaining the openness of the land; and retaining the physical and psychological benefits of having open land near to where people live.
- 4.8 It also recommends consideration of a strategic open gap between Sandbach and Middlewich (J), between Leighton and Bradfield Green (F) and between Shavington, Wybunbury and Hough (G). However, a review of the study shows that some additional evidence and further assessment of these gaps would be required before it could be determined whether their inclusion in a strategic gaps policy could be justified.
- 4.9 The Study concludes that for the other gaps between Haslington and Sandbach (H) and between Nantwich and Acton (E), normal policies such as those related to open countryside and heritage would suffice and there is no justification for their inclusion in a strategic gaps policy.
- 4.10 When considering the area of search for any potential new Green Belt, the Study also considers that it would be reasonable (if considering an extended Green Belt designation around the south, eastern and western edges of Crewe) to consider extending that designation towards the south-west to encompass other nearby settlements in the gap between Crewe and Stoke-on-Trent, that could in future become the focus for new development.
- 4.11 It may then be appropriate to consider additional gaps within the previous Green Belt area of search that have not been specifically-assessed in the Study. However, these gaps are unlikely to perform such a strategic function as those identified in the Study and consideration of further areas would require additional evidence.

## **5 Rationale for Protecting Gaps**

- 5.1 The proposal for a new Green Belt was predicated, primarily, on a strategic need to prevent the neighbouring towns of Crewe and Nantwich merging together. The two areas have very different characters and origins: Nantwich is the historic centre of South Cheshire, with 2,000 years of settlement; Crewe is a 'railway town', a product of 19<sup>th</sup> Century rail expansion which has grown rapidly since then and threatens to overwhelm its smaller, historic neighbour. The aim of the new Green Belt policy, to realise the benefit of growth in

both towns whilst ensuring that they did not become physically linked and lose their individual characters, remains a fundamental objective of the LPS. This is supported by Strategic Priority 3 in the submitted LPS which seeks to maintain and enhance the character and separate identities of the Borough's towns and villages.

- 5.2 In addition, the Study also identifies a number of other nearby settlements where there is a risk of coalescence with Crewe where a strategic gap designation would provide protection against coalescence and help to preserve the distinct character and separate identity of these settlements.
- 5.3 Throughout the LPS preparation process, there was significant and consistent community support for a policy to maintain physical gaps between settlements and to preserve the distinctive character of each settlement. Both the Crewe and Nantwich draft Town Strategies received strong support, through comment forms and petitions. The Development Strategy<sup>2</sup>, published in January 2013, included a proposal for two new areas of Green Belt (between Crewe and Nantwich and between Nantwich and Acton) and a 'Strategic Open Gap' policy to the south, east, north and north east of Crewe. This was supported by a petition with 1,914 signatures. One of the core planning principles as set out in the NPPF is that planning should *"be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area"*.

## 6 Local Plan Strategy Approach

- 6.1 The LPS should include a strategic policy with the core objective of maintaining the physical gaps between Crewe and Nantwich, as well as between Crewe and the villages of Willaston, Wistaston, Haslington and Shavington to prevent them from merging with each other. This is primarily due to the risk of coalescence arising from the growth of Crewe. This would apply to gaps A, B, C and D in the Study (the existing Green Gaps).
- 6.2 The other areas recommended for consideration for inclusion in a strategic open gaps policy by the Study are between Shavington, Wybunbury and Hough (G), Sandbach and Middlewich (J), and between Leighton and Bradfield Green (F).
- 6.3 Gap F is already covered by a site-specific policy in the LPS for site CS 3 (Leighton West) and strategic location SL 2 (Leighton): *"a green buffer should be provided between Leighton Hospital and the village of Bradfield Green"*.

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<sup>2</sup> Examination Document [BE 100]

- 6.4 Gap J is outside of the previous area of search for a new Green Belt and does not accord with the proposed core objective of the policy to maintain the physical gaps between Crewe and Nantwich as well as between Crewe and its surrounding villages. It would also require further evidence to seek to justify inclusion in a strategic open gap policy.
- 6.5 There is an argument for including Gap G in the gaps policy, particularly as it would be an extension to the existing Green Gap and current development proposals would reduce the existing gap. However, it doesn't strictly accord with the proposed core objective of maintaining the physical gaps between Crewe and Nantwich, as well as between Crewe and the villages of Willaston, Wistaston, Haslington and Shavington to prevent them from merging with each other.
- 6.6 The February 2015 High Court judgment<sup>3</sup> confirms that "*Policy NE.4 [existing Green Gap policy] did not come within paragraph 49, and the Inspector erred in finding that it did*". In other words, the existing Green Gap policy is not a housing land supply policy in the context of NPPF paragraph 49 and therefore is not considered out of date in the absence of a five year deliverable supply of land for housing. Inclusion of additional gaps risks diluting the core objective of the strategic gaps policy, increasing the potential for it to be considered a housing land supply policy. In addition, there is a requirement for further evidence to seek to justify inclusion of Gap G. It is therefore not proposed to include Gap G in the strategic gaps policy.
- 6.7 In addition to the strategic gaps policy included in the Local Plan strategy, it may be appropriate to consider a further local gaps policy through the Site Allocations and Development Policies document to deal with less critical gaps. This local gaps policy would be more restrictive than the open countryside policy but less restrictive than the strategic gaps policy in the LPS. It could consider the gaps discounted from the Study as well as other possible gaps in the former Green Belt area of search and any other gaps elsewhere in the Borough where evidence supports their inclusion. This would satisfy the Arup recommendation to consider critical and less critical gaps.
- 6.8 As there is insufficient evidence at this stage to define a detailed boundary, it will be necessary to save the extent of the existing Green Gap (as previously proposed in the submitted LPS). It is proposed to save the existing Green Gap policy (Policy NE.4, CNBC Local Plan 2005) and its detailed boundary alongside the new policy until detailed boundaries are defined on the Adopted Policies Map.

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<sup>3</sup> *Cheshire East Council v Secretary of State for Communities and Local Government* [2015] EWHC 410 (Admin)

- 6.9 The LPS already includes a suite of other policies related to open countryside, environment and heritage as recommended in Arup's advice note (as the 'package of policies'). It also includes requirements for 'Green Buffers' as part of development proposals where relevant – for example Site CS 3 and Strategic Location SL 2 have a requirement for a green buffer between Leighton Hospital and Bradfield Green; Site CS37 has a requirement for a green buffer between the site and Weston.

## **7 Changes to Submitted Local Plan Strategy**

- 7.1 As a result of the proposed new policy, references to the creation of a new Green Belt in the submitted LPS policy PG 3 will be deleted.
- 7.2 A new policy entitled "Strategic Green Gaps" and associated justification will be inserted before the existing policy PG 5 on Open Countryside.

## **8 Proposed New Policy and Justification**

- 8.1 The new Strategic Green Gaps policy is proposed as follows.

## Strategic Green Gaps

**8.63a** Maintaining and enhancing the character and separate identities of the Borough's towns and villages is a key priority of the Local Plan Strategy.

### Policy PG 4a

#### Strategic Green Gaps

1. The areas between the following settlements are defined as Strategic Green Gaps:
  - i. Willaston / Wistaston / Nantwich / Crewe;
  - ii. Willaston / Rope / Shavington / Crewe;
  - iii. Crewe / Shavington / Basford / Weston; and
  - iv. Crewe / Haslington.
2. These areas are shown on Figure 8.3a. The detailed boundaries of the Strategic Green Gaps will be defined through the Site Allocations and Development Policies document and shown on the Adopted Policies Map.
3. The purposes of Strategic Green Gaps are to:
  - i. Provide long-term protection against coalescence;
  - ii. Protect the setting and separate identity of settlements; and
  - iii. Retain the existing settlement pattern by maintaining the openness of land.
4. Within Strategic Green Gaps, policy PG 5 (Open Countryside) will apply. In addition, planning permission will not be granted for the construction of new buildings or the change of use of existing buildings of land which would:
  - i. Result in erosion of a physical gap between any of the settlements named in this policy; or
  - ii. Adversely affect the visual character of the landscape.
5. Exceptions to this policy will only be considered where it can be demonstrated that no suitable alternative location is available.

#### Justification

**8.63b** Within the areas to the south, east and west of Crewe, there are a number of neighbouring towns and villages in close proximity to each other. As Crewe has grown throughout the 20th Century, erosion of the gaps between Crewe, Nantwich and a number of smaller settlements has caused settlements to merge into the urban area in some cases, and very narrow gaps to remain in other cases.

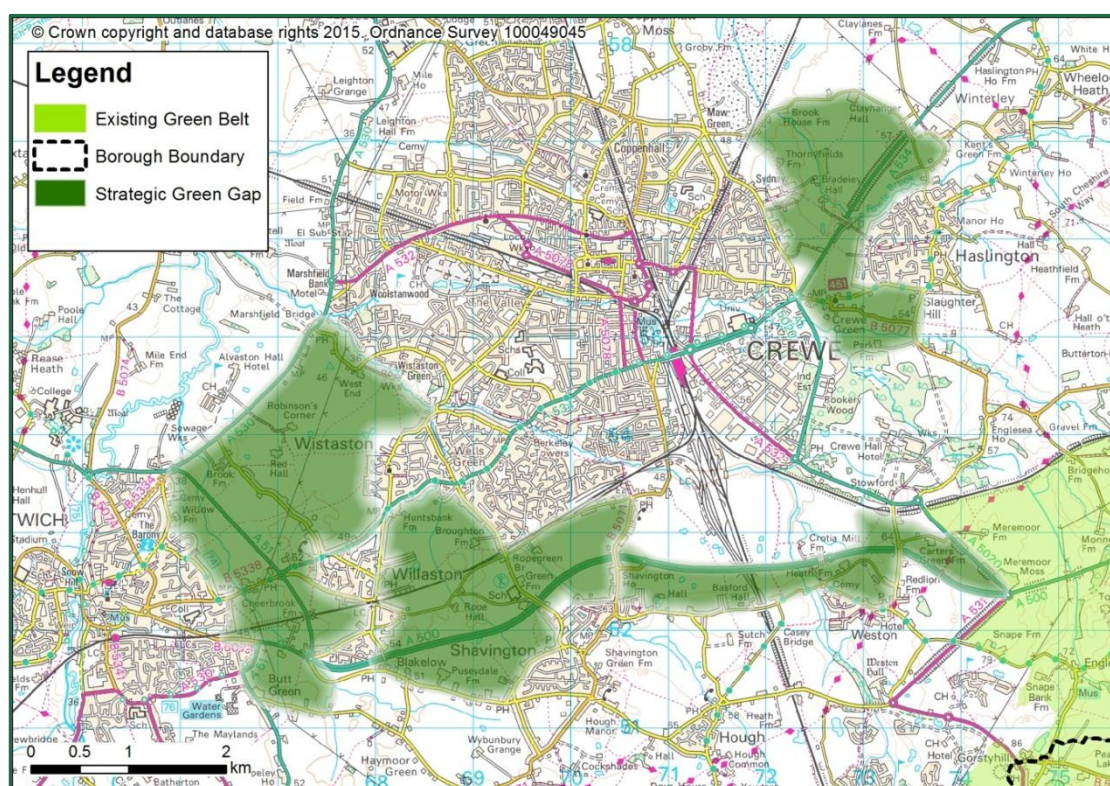
**8.63c** The identification of Crewe as a spatial priority for growth brings significant opportunities for this area, but also some challenges. As Crewe grows to fulfil its potential it will become increasingly important to maintain the distinctive identity of



Nantwich and other nearby settlements and to prevent them from merging into a Greater Crewe urban area.

**8.63d** As set out in the ‘New Green Belt and Strategic Open Gaps’ study, strong and strategic long-term policy protection is required to maintain the existing gaps between Crewe and Nantwich, and between Crewe and other settlements that are at risk of coalescence resulting from the future growth of Crewe.

**8.63e** The detailed boundaries of the Strategic Green Gaps will be defined through the Site Allocations and Development Policies Document and shown on the Adopted Policies Map. Until that time, the Green Gap boundaries, as defined in the saved policy NE.4 of the Borough of Crewe and Nantwich Replacement Local Plan will remain in force, apart from where specific changes are proposed in this document through the allocation of Local Plan Strategy sites.



**Figure 8.3a: Strategic Green Gaps**

**8.63f** The gaps identified in this policy are considered to be the strategic gaps required to prevent coalescence, primarily arising from the growth of Crewe. The Site Allocations and Development Policies document will consider whether there are further, more localised gaps that require additional policy protection through a Local Green Gaps policy.

**Key Evidence:**

1. New Green Belt and Strategic Open Gap Study
2. Arup New Green Belt Policy Advice Note



## 9 Sustainability Appraisal and Habitats Regulations Assessment

- 9.1 The proposed new policy has been considered through the Sustainability Appraisal and Habitats Regulations Assessment processes.
- 9.2 The Sustainability Appraisal concludes that: *“The policy defines strategic green gaps which seek to provide long-term protection against coalescence, protect the setting and separate identity of settlements and retain the existing settlement pattern. The appraisal found that this has the potential for minor positive effects against a number of SA Objectives through protecting the openness of land surrounding settlements in these areas and the visual character of the landscape, as well as the retention of greenfield land, agricultural land and green infrastructure. Major long-term positive effects were identified for the landscape as the policy supports the retention of landscape features in between settlements, and supports the separate identities of townscapes. The appraisal also found that there is the potential for major long-term positive effects against SA Objective 16 (natural resources) through restricting development in these areas and therefore the loss of greenfield and agricultural land. The appraisal did not identify the potential for any significant negative effects”.*
- 9.3 The Habitats Regulations Assessment concludes that *“No impacts are anticipated. Maintaining the strategic green gaps may reduce the potential for future developments to impact upon Wybunbury Moss SSSI a component site of West Midland Mosses SAC and Midland Meres and Mosses Phase 1 Ramsar”.*

**Sub-Annex F: Arup Critical Friend Advice Note – New Green Belt Policy**

Cheshire East Council  
**Green Belt Update - Critical  
Friend Advice**  
New Green Belt Policy

Issue | 20 April 2015

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 202xxx

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## Document Verification

ARUP

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## 1 Introduction

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Arup has been commissioned by Cheshire East Council (CEC) to give critical friend advice on proposed policy for the creation of new Green Belt in the Local Plan Strategy. The purpose of this advisory note is to explore the options and recommend a robust approach taking into account the concerns raised by the Inspector in his interim report in November 2014.

This advisory note first sets out the context for Cheshire East Council proposing a new area of Green Belt within the Local Plan Strategy. It details the current green gaps policy set out in the Crewe and Nantwich Replacement Local Plan, the proposed new Green Belt policy in the Local Plan Strategy and the Inspector's interim views regarding this change in approach.

The second part of this note includes analysis which compares the evidence for the new Green Belt policy against NPPF and PINs requirements. The note finally reviews the recent legal position of the current green gaps policy and concludes with an option appraisal of an array of potential policy approaches.

## 2 Context

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Based on analysis of the 'New Green Belt and Strategic Open Gap' Study and the Local Plan Strategy (2014), the objective of Cheshire East Council is to limit development within and preserve the openness of the countryside to the south, east and west of Crewe and north east of Nantwich to prevent settlements from merging and forming a 'Greater Crewe' conurbation. The Crewe and Nantwich Replacement Local Plan includes a locally specific policy to ensure the continued protection of green gaps between these settlements.

The Crewe and Nantwich Replacement Local Plan (CNRLP) was adopted in 2005, with policies saved by the SoS in 2008. Policy NE4: Green Gaps identifies the following green gaps in the open countryside:

- Wistaston / Nantwich gap;
- Willaston / Rope gap;
- Haslington / Crewe gap; and
- Shavington / Weston / Crewe gap.

*"Within these areas, which are also subject to policy NE2 (Open Countryside) approval will not be given for the construction of new buildings or the change of use of existing buildings or land which would: result in the erosion of the physical gaps between built up areas; or adversely affect the visual character of the landscape. Exceptions to this policy will only be considered where it can be demonstrated that no suitable alternative location is available."* (CNRLP Policy NE4).

This policy has been specified to meet local circumstances where areas need additional protection to maintain the definition and separation of existing communities and support the longer term objective of preventing coalescence. Development pressures have been identified along principal traffic routes, with a

greater level of development control achieved through the policy to ensure continued separation of settlements.

CNRLP Policy NE2 details development permitted within open countryside. This covers development essential for the purposes of agriculture, forestry, outdoor recreation essential works by public service authorities or other uses appropriate to rural areas.

The objectives of the CNRLP Policy NE4 on green gaps are:

- to maintain the separate identities of Nantwich, Crewe and the settlements between them; and
- to preserve areas of open countryside from encroachment.

Over the last few years there has been increasing concern from Cheshire East Council regarding the strength of the CNRLP Policy NE4 on green gaps and its ability to deliver the Councils overall objectives. This has arisen as a result of a number of applications for developments in the green gaps surrounding Crewe and subsequent appeal decisions.

Concerns over current policy were demonstrated through the appeal decisions made in August 2014, detailed in section 4.3, which granted approval for a scheme located in the green gap south of Crewe. The Council considered this appeal decision undermined the purpose of the Green Gap policy in maintaining the separation between settlements.

In response, the Council proposed that to meet its objectives of preventing the merging of settlements to create a Greater Crewe conurbation, a new Green Belt would be required in this area. This was proposed in the emerging Local Plan Strategy through draft Policy PG3. Further details on this proposed new Green Belt policy and associated justification are set out in section 3.

## 3 Local Plan Strategy and Inspectors Concerns

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### 3.1 New Green Belt Policy

Policy PG3 of the Local Plan Strategy (March 2014) sets out the new Green Belt policy:

*“7. A new area of Green Belt will be designated adjacent to Crewe to prevent its merger with Nantwich and other surrounding settlements. It will also link to the existing Green Belt to help maintain the strategic openness of the gap between Crewe and the Potteries. The Area of Search for this new area of Green Belt is shown in Figure 8.2. The detailed boundaries of this new area of Green Belt will be defined through the Site Allocations and Development Policies Document.”*

The Local Plan Strategy justifies the inclusion of a new area of Green Belt in the Borough:

*“As Crewe has grown throughout the 20<sup>th</sup> Century, erosion of the gaps between Crewe, Nantwich and a number of smaller settlements has caused settlements to*

*merge into urban areas in some cases, and very narrow gaps to remain in other cases.” (Paragraph 8.51)*

*“As Crewe grows to fulfil its potential it will become increasingly important to maintain the distinctive identity of the other settlements within the area of search and to prevent them merging into a Greater Crewe urban area.” (Paragraph 8.52)*

The saved Green Gaps policy (see section 2) from the Borough of Crewe and Nantwich Local Plan will continue to operate until the detailed boundaries of the new Green Belt are defined in the Site Allocations and Development Policies Document.

### 3.2 Evidence to justify new Green Belt policy.

The Local Plan Strategy (March 2014) lists the following key evidence to support the justification for the new area of Green Belt:

- Cheshire East Green Belt Assessment (September 2013)
- New Green Belt and Strategic Open Gap Study (September 2013)
- Strategic Housing Market Assessment (September 2010)
- Strategic Housing Market Assessment Update (September 2013)
- Employment Land Review (November 2012)

This list includes the ‘New Green Belt and Strategic Open Gap Study’ (September 2013), referred to as the Study, which Cheshire East Council commissioned to explore the options for protecting the countryside around Crewe and Nantwich.

The Study concluded that:

*“all the gaps between the settlements that are protected by saved Green Gap Policy NE 4 and assessed in the study are considered to be at risk of coalescence primarily as a result of the future growth of Crewe. The gaps that remain between Crewe and Nantwich, Shavington, Weston and Haslington are narrow, mostly occupied by highways infrastructure and rarely so wide that development cannot be perceived on the opposite side.” (paragraphs 2.4.3 and 2.4.4).*

The Study states strong policy protection will be required to maintain the existing gaps between settlements that are at risk of coalescence resulting from the future growth of Crewe. It assesses the development pressures around Crewe and Nantwich and considers the impact on existing gaps.

The options proposed in the ‘New Green Belt and Strategic Open Gap’ Study (September 2013) are:

- Option 1: No Special Protection – Normal Countryside Policies will apply;
- Option 2: Continuation of existing Green Gaps Policy (as a Strategic Open Gap); and
- Option 3: Designation of New Green Belt.

When proposing New Green Belt, the study identifies broad areas for possible Green Belt designation and assesses these against the five Green Belt purposes as defined in NPPF.



The study concluded that: *“The initial assessment demonstrates that all the gaps at present protected by saved Policy NE4 would robustly meet the specified purposes of Green Belt, as set out in para. 80 of the National Planning Policy Framework.”* The study considers extending the existing North Staffordshire Green Belt around the southern, eastern and western edges of Crewe as this would afford more effective policy protection than the Strategic Open Gap proposals. The study states there is insufficient evidence to justify New Green Belt designation to the area west of Nantwich.

Table 5.1 of the study recommends using a combined policy approach to protect green gaps around Crewe and Nantwich. It uses a combination of options 1 – 3, to specify ‘proposed’ and ‘alternative’ policy protection. In the majority of areas, the study recommends New Green Belt, with Strategic Open Gap and Countryside Policies in the remaining areas.

The conclusions and recommendations in the ‘New Green Belt and Strategic Open Gap’ Study (September 2013) pre-date the outcome of the legal judgements set out in section 4. Therefore, the context of the study and overall objective was to find an appropriate response which could offer the most effective and robust policy protection. This was the rationale behind the New Green Belt Policy proposals; justified by analysis of the effectiveness of CNRLP Policy NE4 and assessment of green gaps against the NPPF Green Belt purposes.

### 3.3 Inspectors Interim Views

The Inspector published his interim views on the Legal Compliance and Soundness of the submitted Cheshire East Local Plan on 12<sup>th</sup> November 2014 and provided subsequent clarification in a letter dated 28<sup>th</sup> November 2014. With regard to the proposed new area of Green Belt, the Inspector commented:

*“...there seems to be insufficient justification for establishing a new Green Belt in the south of the district.”* (Section A, paragraph 4).

In particular the Inspector highlighted the following points in paragraphs 91 and 92 of his interim views and paragraph 2vi of his clarification letter:

1. Identify exceptional circumstances needed to established proposed new Green Belt;
2. Provide evidence to support the likely extent of the new Green Belt;
3. Set out implications of proposed development within the new Green Belt search area;
4. Demonstrate the other policy is insufficient and new Green Belt is therefore required; and
5. Include proposed detailed boundaries of new Green Belt.

## 4 Recent Legal Decisions

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The following section summarises the outcome of recent legal decisions which have implications for the appropriateness of existing CNRLP Policy NE4 and

thereby implications for the need for a new Green Belt policy in the Local Plan Strategy.

Applications made by Richborough Estates for 80 homes in Shavington (APP/R0660/A/12/2173294 - land on Rope Lane, Shavington) and 146 homes in Willaston (APP/R0660/A/14/2211721 - land north of Moorfields, Willaston) were refused by Cheshire East Council. Both cases went to appeal and in August 2014 both inspectors upheld the appeals and approval was granted.

For the Shavington scheme, the Inspector concluded that “*development plan policies NE 2 and NE 4 insofar as they regulate the supply of land for housing are not up-to-date.*”

For the Willaston scheme, the inspector considered policy NE4 to be out of date in light of the lack of a five year supply; limited weight was given to the emerging Local Plan; and the inspector concluded there was no significant harm to the wider functions of the green gap in maintaining the definition and separation between the settlements of Willaston and Rope. This suggested that Policy NE4 was in effect a form of housing policy and its implementation was thereby impacted by the five year housing land supply position.

An application for 44 houses at the Hunters Lodge Hotel in the Haslington Green Gap was made in by Seddon Homes in 2013 (APP/R0660/A/13/2203883 – Sydney Road, Crewe). The application went to appeal and the decision was upheld in July 2014. The Inspector found the openness and undeveloped character of the area to be visually important and of a distinct physical area even though not of exceptional landscape quality in its own right. The Inspector stated that:

“even though the actual percentage reduction in the distance of the edge of the built up area of Crewe to that of Haslington may not be high, I conclude that the physical form of the development would make the open area materially narrower and would add to coalescence.”

The Inspector also did not accept that Policy NE 4 should be regarded as a housing supply policy as it relates to an ‘area of land’ or ‘construction of any new building’ rather than a policy which ‘regulates housing supply’.

In January 2015, the SoS upheld the inspectors’ decision to refuse the Himor Group application for 880 homes, a school, retirement village and other amenities on green gap land at Shavington near Crewe (APP/R0660/A/13/2209335 - land bounded by Gresty Lane, Rope Lane, Crewe Road and A500, Crewe). The inspector concluded that whilst the scheme could be considered sustainable development, the benefits were outweighed by the adverse impact of permanently reducing the area of the green gap at a time when the Local Plan was under consideration. The refusal was upheld by the SoS who concluded

“*The Green Gap policy is not simply a housing restraint policy. It is a policy which seeks to retain a sense of separation between settlements...*”

The SoS decision was made due to the premature loss of the green gap, and any decision prejudicing the outcome of the Local Plan examination.

In February 2015 Cheshire East Council were successful in their High Court challenge to the planning inspector’s approval of 146 homes at Willaston. The High Court judge ruled the inspector had made an error in his application of the planning policy relating to maintaining a green gap at Willaston. The inspector

had incorrectly regarded the green gap policy as a housing policy, which he had considered out of date in light of the Council's inability to demonstrate a 5 year housing land supply. ***The applicant has applied to take the High Court decision to the Court of Appeal. If the decision is overturned then the conclusions of this critical advice note need to be revisited.***

Gladman Developments applied in June 2013 for outline permission for 300 homes in Wistaston, west of Crewe (APP/R0660/A/14/2213505 - land north west of Church Lane, Wistaston). CEC refused the application on the grounds it conflicted with the green gap policy NE4. The case went to appeal in August 2014 with the planning inspector recommending permission should be granted for the scheme. The application was called in by the SoS in March 2015, with the SoS disagreeing with the inspector's decision. In the decision letter significant weight was given to the policy "*in relation to the importance of avoiding erosion of the physical gaps between built-up areas and avoiding adverse impacts on the visual character of the landscape.*" The SoS also took the view that releasing land from the green gap between Wistaston and Nantwich could undermine the plan making process and policy in the emerging Cheshire East Local Plan.

These recent decisions all demonstrate the weight given to the Borough of Crewe and Nantwich Replacement Local Plan Green Gaps Policy (NE4) to prevent the erosion of gaps between built up areas. Particular weight must be given to the High Court decision in February 2015 and this is confirmed by the subsequent SoS decision in March 2015. These decisions demonstrate that Policy NE4 is not, in effect a housing policy. It is therefore an appropriate means of protecting the green gap from development that is considered inappropriate in the criteria of the policy.

## 5 Responding to the Inspector

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In order to take account of the Inspector's views and respond accordingly, it is important to reflect on National Policy and Practice guidance and best practice advice. This section firstly reviews current guidance and practice advice, before applying this to Local Plan Submission Policy PG3 and supporting evidence to identify any gaps in CEC's proposed approach.

### 5.1 Policy and best practice.

The National Planning Policy Framework states: "*New Green Belts should only be established in exceptional circumstances, for example when planning for larger scale development such as new settlements or major urban extensions.*" (Paragraph 82).

To demonstrate exceptional circumstances Local Authorities should:

- demonstrate why normal planning and development management policies are not adequate;
- set out whether any major changes in circumstances have made the adoption of this exceptional measure necessary;
- show what the consequences of the proposal would be for sustainable development;

- demonstrate the necessity for the Green Belt and its consistency with Local Plans for adjoining areas; and
- show how the Green Belt would meet the other objectives of the Framework.

There is no direct reference made in National Planning Practice Guidance (NPPG) to New Green Belt Policy. The NPPG does emphasise the degree of protection afforded to Green Belt once designations have been established. Paragraph 44 reconfirms the guidelines set out the NPPF “...*local planning authorities should, through their Local Plans, meet objectively assessed needs unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against policies in the Framework..., or specific policies in the Framework indicate development should be restricted. Such policies include land designated as Green Belt.*”

NPPG paragraph 44 also refers to the NPPF and the importance of Green Belt boundaries only being altered in exceptional circumstances. Paragraph 34 also refers to “very special circumstances” needed to justify inappropriate development on a site within the Green Belt.

The PAS advisory note<sup>1</sup> clarifies that land can only be included in Green Belt to achieve the five purposes as set out in NPPF Paragraph 80. Land proposed for inclusion in the Green Belt should be assessed against the five purposes to identify the level of contribution made and whether the land contributes to the overall aim of Green Belt as defined in NPPF Paragraph 79. In order to make a change to the Green Belt boundary in the local plan there have to be ‘exceptional circumstances’.

A brief review of best practice from other local authorities (such as the Gloucester, Cheltenham and Tewksbury Joint Core Strategy and the Royal Borough of Windsor and Maidenhead Core Strategy) shows that new Green Belt has been introduced through Local Plans as a result of minor boundary modifications and no significant areas of Green Belt have been proposed.

## 5.2 Evidence Gap analysis

The following table analyses the Local Plan Strategy Policy PG3 and supporting evidence on New Green Belt Policy against the Inspectors interim views and National Planning Policy Framework requirements to identify any gaps in the current approach taken by CEC.

NPPF Requirement	Inspectors View	Current Evidence	Evidence Gap
Demonstrate exceptional circumstances for new Green Belt.	Identify exceptional circumstances needed to establish	Section 3.6 of the New Green Belt and Strategic Open Gap Study sets out the exceptional circumstances in direct	Exceptional circumstances for New Green Belt have not been explicitly stated within the Local Plan Strategy, although paragraph 8.53 does refer to the need to

<sup>1</sup> Planning on the Doorstep: The Big Issues – Green Belt

NPPF Requirement	Inspectors View	Current Evidence	Evidence Gap
	proposed new Green Belt.	response to NPPF requirements.	<p>maintain existing gaps between settlements as a result of growth from Crewe.</p> <p>The New Green Belt and Strategic Open Gap Study focuses on development pressures to demonstrate why normal planning and development management policies are not adequate, and due to the timing of the Study publication does not take account of the effectiveness of CNRLP Policy NE 4.</p>
Demonstrate why normal planning and development management policies are inadequate.	Demonstrate why the other policy is insufficient and new Green Belt is therefore required.	Section 3.6 of the New Green Belt and Green Gaps Study concluded that is unlikely normal planning and development management policies will be sufficient to resist growing pressure for development on land within the narrow gaps. At the time several applications had gone to Appeal, with the applications indicating Policy NE4 lacked credibility.	The Local Plan Strategy proposes continuing the Green Gaps Policy until the New Green Belt Boundaries are defined the Site Allocations DPD. The Local Plan Strategy does not allow for the New Green Belt Policy to be used in conjunction with the Green Gaps Policy as recommended in the 'New Green Belt and Green Gaps Study.' Justification for New Green Belt in place of normal policies has also not been included in the Local Plan.
Show what the consequences would be for sustainable development.	Set out the implications of proposed development in the Green Belt search area.	<p>Section 3.6 of the New Green Belt and Green Gaps Study identifies potential areas for sustainable growth around Crewe and Nantwich taking account of new areas of Green Belt.</p> <p>The Local Plan Strategy Policy PG3 details</p>	Further analysis is needed on the feasibility and sustainability of development in the non-Green Belt areas around Crewe and Nantwich.

NPPF Requirement	Inspectors View	Current Evidence	Evidence Gap
		proposed development and development constraints within the Green Belt.	
Demonstrate changes in circumstances and the necessity for new Green Belt.		Section 3.6 of the New Green Belt and Green Gaps Study refers to the changes which have taken place since the introduction of the green gaps policy in 1996. Crewe has been identified as a key driver for growth with proposals such as Basford Strategic Employment Site. There are also principal transport routes along the narrow gaps which are increasing development pressures and merging of settlements in these areas.	Paragraphs 8.51 and 8.52 of the Local Plan Strategy do make reference to development of Crewe and future growth. However further work is needed to understand if there are any significant changes in circumstances which justify a new Green Belt above a local / strategic green gaps policy.
	Provide evidence to support the likely extent of the new Green Belt. If sufficient information is available, include proposed detailed boundaries.	The New Green Belt and Green Gaps Study identifies the area of search for the new Green Belt.  The Local Plan recognises that further work is needed in the Site Allocations and Development Policies DPD to define the new Green Belt boundaries.	Further work needed to identify and prioritise the critical green gaps as this will determine the extent of the new Green Belt or other appropriate policy response.

The analysis in the above table shows the evidence needed to demonstrate the requirement for New Green Belt and satisfy the Inspector. The table shows there are gaps relating to sufficient demonstration of 'exceptional circumstances' for New Green Belt and justification regarding the inadequacy of normal planning and development control policies.

It should also be noted that New Green Belt Policy was proposed at a time when significant development pressures were being placed on green gaps around Crewe and Nantwich. In light of the legal decisions summarised in section 4 and the Inspector's interim views regarding Local Plan Policy PG3 for New Green Belt, alternative policy options may be more appropriate. The range of options available to CEC is considered in detail in section 6.

## 6 Options Appraisal and Recommendations

In light of the recent High Court and Appeal decisions it is necessary to re-appraise the options identified in the 'New Green Belt and Green Gaps Study' (July 2013).

Option	Details	Risks	Benefits	Comments
New Green Belt	Introduction of new Green Belt around Crewe and Nantwich. (Policy PG3 in the Local Plan Strategy).	The 'New Green Belt and Strategic Open Gap Study' questions whether the whole extent of the new Green Belt can be justified. Further work is needed to respond to the Inspectors concerns.	As per NPPF criteria Green Belt designation affords the greatest degree of protection and development can only occur if permitted in the NPPF or if 'very special circumstances' are demonstrated.	Question whether the 'exceptional circumstances' case for new Green Belt can be sufficiently demonstrated, especially in light of the recent legal decisions supporting Policy NE4.  Can the strategic proposals around Crewe be used to justify 'exceptional circumstances'?
Strategic Open Gap	Proposed within the 'New Green Belt and Strategic Open Gap Study'. It refers to strategic gaps covering broad swathes of open countryside, preserving physical and visual separation between settlements.	Policy is untested in Cheshire East and could be subject to challenge. Any new policy wording would be subject to representations. (Consideration would need to be given to best practice examples elsewhere – e.g. Chesterfield and Harborough).	This could provide an updated position for the Local Green Gap Policy. The strategic nature of the Open Gap policy means it can be applied to endure beyond the lifetime of the Local Plan Strategy.	This represents an updated position to the green gaps policy and can be applied for 'critical' green gaps where there are recognised development pressures.



Local Green Gap	Continue with Policy NE4 (or similar).	Policy was introduced in 1996 and could be considered 'out of date' if changing circumstances justifying development pressures prevail.	Recent legal decisions have successfully demonstrated the credibility of Policy NE4 in its ability to defend development restrictions in the green gaps around Crewe and Nantwich.	Consider applying an up to date version of a green gaps policy, as this has been successfully applied to the local circumstances around Crewe / Nantwich.
Open Countryside Policy	Relates to Policy NE2 (or similar).	Risk that development benefits could be judged to outweigh impact on the countryside.	Could be applied to meet local circumstances for 'less critical' green gaps.	Consider use of this policy alongside the recommended policy.
Local Green Space Designation	Introduced in NPPG (March 2014).	According to NPPG criteria Local Green Space Designation cannot be applied to 'extensive tracts of land' and need to relate to local circumstances.	Local Green Space Designations could be successfully applied for smaller scale 'less critical' gaps where spaces are demonstrably special to the local community.	Consider using this type of designation for 'less critical' green gaps as it can be applied to offer 'special protection' but must take account of identified development needs.
Green Buffer within Strategic Site/s	A substantial green buffer can be established between strategic sites and adjacent settlements.	The status of the green buffer means there is risk of encroachment from development over time.	This can be applied to meet specific local circumstances, associated with strategic sites around Crewe identified in the Local Plan Strategy.	Consider using in addition to core Green Belt or Green Gap policy.

The options analysis table shows there is a varied range of policy options which can be taken forward and used as a combined package by Cheshire East Council. On the basis of the analysis the recent High Court and SoS decision means it is unlikely to be necessary to meet the Council's objective of preventing settlements merging and resulting in a Greater Crewe conurbation through a new Green Belt. It is apparent that a green gaps policy in line with the existing Policy NE4 would fulfil this purpose. There are other supporting policies that could be applied but the main protection can be provided through a green gaps policy.

## 7 Local Plan Submission

### 7.1 Recommended Approach and Next Steps

Based on the analysis in this advisory note including the outcome of the high court and appeal decisions, the recommendation is for the Local Plan Strategy to propose a 'package of policies' which can be used in conjunction to protect the critical green gaps and the open countryside around Crewe and Nantwich. This aligns with the findings of the 'New Green Belt and Strategic Open Gaps Study' (referred to as the Study) which concludes that:

*"strong policy protection continues to be necessary to safeguard the existing gaps between settlements that are at risk of coalescence resulting from the future growth of Crewe"*(paragraph 3.8.3).

The 'package of policies' comprises of a new Green Gaps Policy supported by 'protection' based policies such as open countryside, environmental and heritage policies and the use of green buffers within strategic sites adjacent to green gaps.

The recommendation to pursue a Green Gaps Policy is in line with the Strategic Open Gap option in the 'New Green Belt and Strategic Open Gap Study' and the approach taken for the local Green Gap Policy (CNRLP Policy NE4). The benefit of this approach is that it can build on the legal precedence set from Policy NE4, which will provide clarity for policy implementation.

The conclusion from the analysis in this advisory note is the Local Plan Strategy and supporting evidence does not sufficiently make the case for 'exceptional circumstances' for new Green Belt between Crewe and Nantwich. The above recommendation to pursue a Green Gaps Policy would mean revising the Local Plan Strategy to remove any references to new areas of Green Belt.

Justification for a new Green Gaps Policy can be established using the existing evidence from the 'New Green Belt and Strategic Open Gap Study'. Stage 4 of the study sets out the justification and proposed criteria for the assessment of potential areas for coverage by Strategic Open Gaps. The Study states the broad purposes of Strategic Open Gaps are:

1. To protect the setting and separate identify of settlements, and to avoid coalescence;
2. To retain the existing settlement pattern by maintaining the openness of land; and
3. To retain the physical and psychological benefits of having open land near to where people live.

The 'New Green Belt and Strategic Open Gap' Study identifies the criteria for Strategic Open Gaps are the open nature of countryside between settlements; the settlement character and identity; the physical and visual separation between settlements at risk of coalescence; the setting for a town/village including its heritage; and opportunities for access to the countryside.

There is an opportunity to update the evidence in the 'New Green Belt and Strategic Open Gap Study' to take account of:

- up to date development pressures around Crewe and Nantwich;
- growth apportioned to Crewe and Nantwich within the Local Plan Strategy (as proposed to be modified);
- sustainability considerations; and
- assessment of critical and less critical green gaps.

The 'New Green Belt and Strategic Open Gap Study' provides a comprehensive recent evidence base from which to define the new Green Gaps Policy. Stage 2 of the Study sets out the approach taken to assess the existing gaps between settlements, whilst Stage 3 of the study assesses the gaps against the five Green Belt purposes set out in paragraph 80 of the NPPF and Stage 4 proposes Strategic Open Gap designations. The results of the gap assessment are detailed in Appendix 2 of the 'New Green Belt and Strategic Open Gap' Study. This evidence can be reviewed and used to define critical and less critical green gaps in order to refine the policy response to ensure a consistent approach towards protection within green gaps.

The Local Plan Strategy can take forward the recommendations from this advisory note by specifying the general extent of the Green Gaps around Crewe and Nantwich; and justifying the approach to preventing the coalescence between settlements. The Local Plan Strategy can be revised to propose the appropriate package of policies based on the criticality of the green gap, as identified in an update to the evidence base. The detailed boundaries of Green Gaps can be specified in the Spatial Allocations and Development Policies.

## 7.2 Recommendations to address the Inspectors concerns

Section 3.3 of this advisory note sets out the concerns raised by the Inspector in the Interim Views Report. The Inspector found there was insufficient justification within the Local Plan Strategy (2014) to establish a new Green Belt around Crewe and Nantwich.

This advisory note has sought evaluate the evidence relating to the following concerns:

1. Identify exceptional circumstances needed to established proposed new Green Belt;
2. Provide evidence to support the likely extent of the new Green Belt;
3. Set out implications of proposed development within the new Green Belt search area;

4. Demonstrate the other policy is insufficient and new Green Belt is therefore required; and
5. Include proposed detailed boundaries of new Green Belt.

Based on the outcomes of recent High Court and Appeals decisions, the advisory note has concluded the 'other' Green Gaps policy cannot currently be considered 'insufficient'. The Local Plan Strategy also does not currently satisfy the Inspector that exceptional circumstances for new Green Belt have been demonstrated. Therefore, the advisory note recommends the Local Plan Strategy considers a new Green Gaps policy rather than proceeding with new Green Belt designation.

## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	21 <sup>st</sup> July 2015
<b>Report of:</b>	Interim Director of Children's Services
<b>Subject/Title:</b>	Cheshire East Domestic Abuse Commission
<b>Portfolio Holder:</b>	Cllr Rachel Bailey, Children and Families Cllr Les Gilbert, Communities

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#### 1.0 Report Summary

1.1 As a Residents First Council, committed to tackling the causes of harm, we have a zero tolerance approach to domestic abuse and do everything that we possibly can to prevent, to protect and to provide for those people affected in Cheshire East. We know that domestic abuse has a significant impact on the safety, health and wellbeing of Cheshire East families and communities.

1.2 We want to be bold in our approach ensuring that not only are we helping adult and child victims to be safe and get their lives back but also that where possible we are robustly tackling the cause of harm through identifying, challenging and where appropriate supporting the perpetrators of abuse as well as aiming to prevent domestic abuse occurring through strong awareness and culture change work in our schools and communities.

1.3 The Council has led the way and worked with partners to move towards a vision of safer families, relationships and communities as set out in the multi-agency three year Domestic Abuse strategy developed through our award winning multi-agency Cheshire East Domestic Abuse Partnership.

This report highlights a key opportunity to make that vision even more of a reality and provide the best possible services for all our residents.

1.4 Currently the Council separately commissions services for adult and child victims and funds some support for perpetrators to change their behaviour. The end of two major contracts provides an opportunity to streamline funding to procure a service which delivers an accessible, integrated and co-ordinated whole family response.

1.5 We plan to tender out this provision as there are many organisations in the community, voluntary and faith sector in particular who have great knowledge and experience in these issues and are trusted by our communities. We will learn from previous tender exercises and make sure that we promote a local first approach and run a vibrant and inclusive marketplace event. We care about getting value for money, but also about

the outcomes we want to achieve and so we will encourage collaboration between organisations and a community emphasis.

- 1.6 Our requirements are that we expect this to support stronger and safer families and communities. We want to see evidence that services are delivered by organisations trusted by our communities and in places that they feel most comfortable including the co-location of suitable service elements in our emerging community hubs. This will also help to skill up local people to take responsibility for local issues, identifying and offering early support to those affected and linking them to services and systems that are needed to effectively deal with domestic abuse.

In particular this will involve improving responses to families affected by the toxic mix of domestic abuse, mental ill health and substance misuse. These are often our most vulnerable residents and we expect to see a proactive risk aware and risk managed response to co-ordinating the right response by the right services at the right time.

- 1.7 As part of the procurement process the market will be asked to engage in a competitive dialogue procedure to explore what it is able to offer but this offer will need to include as a minimum:

1. Participation in Cheshire East Domestic Abuse Hub (access and referral pathway)
2. Community Bases in Crewe and Macclesfield
3. Supported accommodation (refuge in Crewe and dispersed housing in Macclesfield – these are already established)
4. Services for adults who have been victims
5. Services for adults who harm others
6. Services for children and young people
7. Participation in awareness raising and training
8. Participation in the work of Cheshire East Domestic Abuse Partnership

- 1.8 A Service Specification has been developed for this more comprehensive and integrated service, including contributions from Adults and Children's services already agreed, with a small steering group established to oversee the procurement process. In seeking to commission these services we will ensure the best quality of provision, with the greatest degree of flexibility and the best value for money. Research illustrates that intervening earlier and effectively in domestic abuse has significant human and cost savings.

Stakeholders have been consulted and provided input in the procurement process and will work alongside the commissioned service and refer into it. However, the work is being commissioned by and the contract will be in the

name of the Council (as in this instance the Council is providing all of the funding whilst partners are funding other work streams such as the high risk services).

Permission is now sought to proceed to procure and enter into a contract, the cost of which over a 3 year period (with an option to extend for further a period(s) of up to 2 years) will exceed £1m and thus requires a key decision to be taken.

## **2.0 Recommendations**

- 2.1 That Cabinet approve a competitive dialogue procurement process of a whole family domestic abuse service and delegate to The Director of Children's Services the authority to enter into a contract with the preferred supplier.
- 2.2 That Cabinet authorise the permanent virement of £550,000 (full year effect) from Adults to Children's to align all of the financial resources for this procurement into one place.

## **3.0 Reasons for Recommendations**

- 3.1 Cheshire East is already established as being at the forefront of excellent quality and ground breaking services to prevent and intervene earlier in cases of domestic abuse, enjoying a national reputation for excellence in service delivery as evidenced by winning one national award and being shortlisted for another. Elements of this approach are:

- A strong and effective partnership with Children's and Adults Services, Police, Health, Probation and relevant Boards
- A 'family' approach to interventions which sees a contact by one family member or concerned professional or member of the community as an opportunity to ensure all family members are safe and/or supported to change
- Ease of access to services via a single 'front door' meaning that we are close to identifying and offering services to our estimated need population of 600 high risk and 1200 medium risk victims and their families
- A clear focus on prevention through enabling communities to understand and address domestic abuse at early stages and through extensive schools and young people's work on healthy and acceptable behaviour in relationships and a systematic programme of community engagement using the resources of the Community Hub work of our Communities Team
- An integrated approach to addressing unstable mental health and substance misuse which together with domestic abuse constitute the 'toxic trio' which most affect adults and children's safety and wellbeing
- Intervening with perpetrators to hold them to account and support them to make the changes to their own behaviour to ensure the safety of others

- 3.2 To date the individual strands of this work have been separately commissioned and monitored resulting in a waste of resources in disparate co-ordination strands, with fractured financial commitment. They will be commissioned as an integrated service going forward.

Agreement has been reached with Adults and Children's Services budget holders to combine funding in order to maximise expenditure and ensure there is more robust scrutiny of delivery. The budget has been transferred to the Council's Development Manager for domestic abuse and sexual violence (who is also the lead officer for Cheshire East Domestic Abuse Partnership) and a partnership team has been established to oversee the procurement process.

The amounts involved are:

£550,000 p.a. Adults Services (former Supporting People Funding) to be vired across to Children's Services

£100,000 p.a. Children's Services (agreed by the Council as part of the budget setting process for 2015/16)

This may be enhanced by sub regional transformation funding and central government support for refuge provision so the ability to amend and have some flexibility to the contract will be built into the agreement.

An element of reward for achievement will be included in the schedule to incentivise performance and the winning bidder will be expected also to bring resources to enhance the contract which will be explored as part of the dialogue with potential providers.

- 3.3 Clear outcomes have been established, key amongst which are:

1. Families affected by domestic abuse are identified early by a wide range of partner agencies
2. All identified eligible victims are proactively offered an equally accessible non-discriminatory service
3. Clients are safer and better resourced to remain safe
4. People who harm others are held to account for their behaviour and harm is reduced
5. Children at risk are identified, referred and/or supported to feel and be safe
6. Children and young people affected by domestic abuse have improved health and wellbeing
7. Families are strengthened to have safe and positive relationships
8. Emergency accommodation and housing support enable clients to move on to independent living
9. Members of the public and professionals have increased confidence in addressing domestic abuse



10. Cheshire East interventions are at the forefront of innovative practice development

#### **4.0 Wards Affected**

4.1 All

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

5.1 n/a

#### **6.0 Policy Implications**

6.1 none

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

7.1 Domestic abuse is a significant issue in all communities. For rural communities victims can potentially be more isolated and less enabled to seek help. This approach will ensure that we provide a focus in these communities and work with them to ensure equal access.

#### **8.0 Financial Implications**

8.1 The proposed expenditure can be financed from resources within the existing base budget of the council. In order to improve financial control and accountability it is proposed that the resources for this procurement should all be realigned to one place within the Council's budget. It is therefore recommended that £550,000 is vired on a permanent basis from the Adults budget to the Children's budget.

#### **9.0 Legal Implications**

9.1 The Service is currently proposing to use the competitive dialogue procedure in order to commission a provider who can meet its needs.

9.2 The competitive dialogue procedure is used where needs cannot be met without adaptation of readily available solutions and where innovative solutions are being sought (Public Contract Regulations 2015, Regulation 26(4)). Following submissions of expressions of interest a shortlisting exercise will be carried out and those bidders (a minimum of three unless fewer have met the selection criteria) will be invited to dialogue to develop one or more suitable solutions to meet the Council's needs. The dialogue phase concludes when a suitable solution is identified and final tenders are invited and evaluated based on pre-specified award criteria.

9.3 The contractual terms will be for an initial period of 3 years with the option to extend to a maximum of a further two years. The contract will be drafted and further refined in the context of the competitive dialogue procedure.

9.4 Due consideration will be given during the procurement process to any implications arising from the potential transfer of staff pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

9.5 It is understood that Partners in the Cheshire East Domestic Abuse Partnership may also be interested in bidding to provide the service. There is an overarching requirement under the general principles of the Treaty of Rome to treat all bidders equally and to ensure a level playing field. The Council must act with due diligence and on the basis of all relevant information when making a decision on conflicts of interest which have (or may) arise.

## **10.0 Risk Management**

10.1 The risk of not finding a provider or consortium of providers who can deliver what is required is small, and being managed through a rigorous market testing process. The risks of not progressing with this means that the strategy will not be implemented which will have a significant impact on the quality and effectiveness of the domestic abuse response in Cheshire East.

## **11.0 Background and Options**

11.1 Domestic abuse is a priority area for the Council. Last year the police attended almost 3000 incidents. Some 500 adults with 646 children were subject to high risk multi-agency procedures and another 1000 were referred to specialist services. Of children whose cases were considered at an Initial Child Protection Conference almost half were affected by domestic abuse and abuse by a partner or family member continues to be the top reason for referrals to Adult Safeguarding services.

A significant proportion of the adults are also vulnerable due to substance misuse and mental ill health which makes for a 'toxic trio' of compromised safety, health and wellbeing with attendant costs to public services.

Cheshire East employs a robust partnership approach to early and effective intervention through strategic and operational links with both Children's and Adults Safeguarding Boards and the Safer Cheshire East Partnership (community safety). Already we are witnessing the benefits of this strong and integrated approach as the number of hidden victims has reduced and we have confidence that the majority of those who need help are coming to the attention of services and at an earlier point. It is vital that once identified we can offer a comprehensive and well co-ordinated whole family approach to all those affected.

The new commission increases our capacity to deliver that and to make inroads on the steady toll of damaged individuals, families and communities.

The options in relation to this request to proceed with commissioning are:

- a. not to proceed which will result in severe impact on some of Cheshire East's most vulnerable families and longer term costs to public services
- b. delay commissioning which will result in a significant service gap as procurement rules do not allow us to extend the current commission beyond March 2016
- c. to proceed and put in place a service which will save both human and financial resources

## **12.0 Access to Information**

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

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	21 <sup>st</sup> July 2015
<b>Report:</b>	Director of Adult Social Care and Independent Living
<b>Subject/Title:</b>	Adult Social Care - Care Act Policy Review
<b>Portfolio Holder:</b>	Cllr. Janet Clowes, Adults, Health and Leisure

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#### 1.0 Report Summary

- 1.1 Adult Services is committed to putting residents first. A review has been undertaken of the Charging Policies for care and support. This is so we can meet our statutory duties under new legislation and continue to provide care and support to meet increasing needs of our residents. Even though there will be some impact from these changes, over 4,000 residents will see no change or will benefit from reduced charges.
- 1.2 In April 2015 we implemented the Care Act in Cheshire East. The Care Act brought together multiple guidance, advice and statutory duties into a single piece of legislation. One of the underlying themes is 'fairness' for our local residents – fairness for carers to be entitled to an assessment and support to meet their assessed needs, fairness through capping the amount that people will pay for care and fairness for prisoners who need care and support.
- 1.3 This principle of fairness is one we have carried through into our review of fees and charges – that is the amounts that we charge our residents for the care and support associated activities that we carry out. Our mission statement is that no one will ever pay more than they can reasonably afford for care and support. Everyone's individual circumstances are different so we determine this on a case by case basis through a financial assessment.
- 1.4 Care and support includes help for adults of all ages with things like washing, dressing, eating, getting out and about and keeping in touch with friends or family as well as technology solutions (referred to as Telecare) to keep people safe.
- 1.5 Many of us will need care and support at some point in our lives, and most of us will pay at least something towards the cost of our care. To understand how our residents' felt about care and support, payments and the new Care Act we undertook a formal consultation. We asked our residents what they felt about changes under the Care Act and our ideas for changing our charging policies. The consultation ran from the beginning of December 2014 and ended on 25 January 2015.

- 1.6 Residents were consulted on 9 key areas of proposed changes to the charging policy. The proposed changes include the rationale and the impact and are detailed at Appendix 1.
- 1.7 A summary of the consultation responses to this paper, is attached at Appendix 2.
- 1.8 Following the analysis of the consultation responses it is proposed that Cabinet accept eight of the proposals to be implemented in August 2015. We propose that the proposal to implement charging for carers is rejected. We have put our residents first by listening to and considering what they have said. Residents feedback has led to amendments in our proposals.

## **2.0 Recommendations**

- 2.1 Approve the proposals detailed in Appendix 1.

## **3.0 Reasons for Recommendations**

- 3.1 The Department will be required to refresh charging policies from 1 April 2016 in view of further changes introduced by The Care Act 2014 in phase two implementation of updated legislation.

## **4.0 Wards Affected**

- 4.1 All

## **5.0 Local Ward Members**

- 5.1 All

## **6.0 Policy Implications**

- 6.1 Adult Services Fees and Charges Policy: To accept the approved changes are made to policy, along with the scheme of delegated charges.  
Adult Services Direct Payment: To accept the approved changes are made to policy.  
Public Information: in accessible format for all. Brokerage exists to assist customers to access alternative services where needed and information and advice services are bolstered through requirements of The Care Act.

## **7.0 Implications for Rural Communities**

- 7.1 No specific identified impacts for rural communities. The Council has a duty to ensure eligible unmet need is provided to people in need of care and support.

## **8.0 Financial Implications**

- 8.1 The drivers for this review of the charging policy are twofold: to ensure that charges are fair and equitable and to ensure that local policy is in place to support the implementation of the Care Act in Cheshire East.
- 8.2 An overall theme of the changes, reflecting the need for fairness, is the continued move towards true personalisation. Service users' and carers' individuals needs and circumstances are assessed which is then reflected in their financial assessments, and hence contributions.
- 8.3 In 2015/16 Adults had a small net increase in the bottom line so whilst the new charges will generate more income, overall there has been a net investment in the service with more money being spent to the overall benefit of the residents.

## **9.0 Legal Implications**

- 9.1 The Care Act 2014 gives councils a discretionary power to charge for certain non-residential services. The charge can be set at any level that the authority considers reasonable, subject to complying with other legislation in respect of charging and trading. Where the Council arranges care and support to meet a person's needs, it may charge the adult, except for defined services that cannot be charged for. The overarching principle of the Care Act is that people should only be required to pay what they can afford, subject to financial assessment if appropriate.
- 9.2 The previous guidance (to 31.3.14) in respect of charging is contained in 'Fairer charging policies for home care and other non-residential social services: Guidance for Councils with Social Services Responsibilities' issued in September 2003. From 1<sup>st</sup> April 2015 all former charging regulations are repealed and the Care Act 2014 and all associated regulations replace previous legislation. The local authority is required to consult if considering changing its charging policy.
- 9.3 The changes being proposed to the Charging Policy comply with statute and the relevant guidance.
- 9.4 Cabinet should satisfy itself that the consultation undertaken has abided by Case law which states that consultation must contain four elements:
  - 1. It must be at a time when proposals are still at a formative stage.
  - 2. It must give sufficient reasons for any proposal to permit of intelligent consideration and response.
  - 3. Adequate time must be given for any consideration and response.
  - 4. The result of the consultation must be conscientiously taken into account in finalising any proposals.

9.5 In order to comply with the final requirement (as set out in the previous paragraph) for proper consultation, members of cabinet should ensure that they have familiarised themselves with the views expressed during the consultation period and ensure that those views are taken into account in any decision made.

9.6 When a Local Authority is considering amending policies it should assess the actual or likely affect of its policies on the community in respect of gender, racial and other equality issues. To ensure that these issues have been considered and appropriately taken into account, an Equality Impact Assessment has been completed before presenting the recommendations to Cabinet. A copy is attached and, as with the consultation, Cabinet should ensure that the results of that assessment are taken into account when making its decision.

## **10.0 Risk Management**

10.1 There is a risk of vulnerable people refusing services due to the cost of care. Adult Services would ensure that the financial assessment is fair and affordable within the individuals means and will offer financial assessment review where someone falls into debt or where someone appeals their charge assessment following established processes.

## **11.0 Background and Options**

11.1 The Council has applied charging policies to care and support since the 1980's and has followed Government regulations in setting local policy. Individual customer contributions are reviewed annually and people have the opportunity to discuss any issues that arise out of their individual financial assessment to ensure consistency and fairness in the process.

11.2 The proposed changes include the rationale and the impact and are detailed at Appendix 1.

## **12.0 Access to Information**

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

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Designation:	Director of Adults Services and Independent Living
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Proposal	Proposed Change	Rationale	Impact
1	<p><b>The Charging Formula.</b> Proposal to adjust the charging formula which determines an individual's contribution towards care and support at home.</p> <p><i>Current formula:</i></p> <p><b>Step 1</b> - Weekly Income such as Welfare Benefits, pensions, disability benefits, are taken into account.</p> <p><b>Step 2</b> – Deductions are made for:</p> <ul style="list-style-type: none"> <li>• Individual Daily Living Costs + 25% buffer.</li> <li>• Housing costs</li> <li>• Mobility income</li> <li>• Individual Disability costs</li> </ul> <p><b>Step 3</b> – disposable income is found by calculating the figure at Step 2 and deducting this from the figure at Step 1.</p> <p><b>Step 4</b> - The Council currently views 97% of disposable income as a weekly contribution towards care and support services. The proposal is to move from 97% to 100%.</p>	<p>This would support the transfer of care between local authorities and ensure the care accounts from 2016 under The Care Act are consistent and clear, especially for those able to pay the full cost of their care services.</p> <p>Cheshire East Council consulted on the proposal to amend the charging formula to 100% in 2011 and decided to defer this change until 2012. The change was not taken forward in 2012 and the level of disposable income taken as a charge has remained at 97% since 2011.</p> <p>100% of disposable income would bring CEC in line with many other local authorities practice, including near neighbour Council's.</p>	<ul style="list-style-type: none"> <li>• 2580 people already pay the maximum charge for the care they receive and will not be impacted by this change.</li> <li>• 1370 people are unable to contribute and this will not change.</li> <li>• 360 people will see a 3% increase in their contribution as they are assessed as able to afford to make this contribution – the price increase would be no more than a few pounds per week.</li> <li>• Customers receiving their care through a direct payment (paid net of the customer contribution) who contribute towards their care and support will see a reduction of 3% in their personal budget as their charge increases by 3%.</li> <li>• Should anyone experience hardship a financial review would be offered.</li> </ul>
2	<p><b>Revised Home Care Charges.</b> Current charges for home care services have been set taking account of Care4CE provision which is known to be a higher cost to the Council than commissioned services. This proposal would set a fairer charge for people who chose externally commissioned home care services which cost the Council less and the Council would then add a 3% administrative fee to the charge rate for administration and overhead costs.</p> <p>For example for a person who is assessed to pay the full cost:</p> <p>1 hour home care is charged at £20.34 but could reduce to £13.00.</p>	<p>This proposal would support customer choice and deliver equity in charging arrangements. This is a benefit to many customers.</p> <p>It is recommended that this option is introduced alongside implementation of revised market rates.</p>	<p>The impact of this change based on current market prices is as follows:</p> <ul style="list-style-type: none"> <li>• 410 people currently do not contribute towards their home care services and therefore will be unaffected by this change.</li> <li>• 540 people are receiving care which costs more than they are able to pay and therefore, these people will see no impact from this proposal.</li> <li>• 38 people, who are able to pay the full cost of their services, will see a reduction in their care costs.</li> <li>• 159 people who are assessed to pay towards their home care services will benefit from this change with a reduction in charges.</li> </ul>

3	<p><b>Revised process for identifying individual disability related costs.</b></p> <p>Currently all customers are awarded an automatic amount within the community financial assessment which is intended to cover any disability costs over and above ordinary living costs. The automatic rate is £10 or £4 depending on what level of disability benefit is in payment.</p> <p>A disability related cost could include for example: additional laundry or heating costs, where such costs are incurred to enable an individual to remain at home with a disability.</p> <p>This disregard can be reviewed at the customers request if they consider they incur higher levels of expenditure due to their disability.</p> <p>This proposal would move away from automatically assuming all customers have additional disability costs in addition to the package of care provided by the Council, to a system where the customer is invited to provide evidence of their disability costs. The disregard will then be appropriately applied.</p>	<p>This proposal would ensure those in need are supported properly through an individual assessment. Current practice assumes that all customers living at home have additional disability related costs, whereas many of these costs may already be addressed in the social care package of support.</p> <p>There are very few people who challenge the automatic disregard of £10 or £4 per week and where customers do challenge this (4/5 per year) it is generally found that the customer has greater needs and additional costs have been incurred due to their disability.</p>	<p>This proposal would affect all customers who are able to contribute towards community services. The Council would be mindful of the impact on individuals and would ensure this move is applied fairly and in a phased way at care review for existing customers to ensure care needs and disability costs are considered together. Processes and information would be reviewed to ensure a fully transparent system where the customer is clearly notified of their right to claim disability costs through submission of evidence. Training of Care Management staff would ensure that any clear disability related costs were identified through care assessment and communicated to the Financial Coordinator who undertakes the financial assessment. Where an individual is impacted significantly by any reduction in their disability related expenditure, care would be taken to introduce this in a phased way over a number of billing periods to lessen any impact.</p>
4	<p><b>Introduction of an Administrative Fee for people who are able to fully fund their own care.</b></p> <p>Customers who have capital over the upper threshold (£23,250) are currently viewed as able to fully fund their own care and have the choice to source care from the open care market or to opt for a Council arranged package of care. Those who choose Council arranged care benefit from the Council's provider rates and our administrative systems. This proposal is to charge a flat rate fee of £3 per week to any person who is deemed able to pay the full cost and who chooses the Council to manage care on their behalf.</p>	<p>There is a choice for the customer to select care from the open market or for the Council to arrange services on their behalf. Customers would always be supported to find appropriate care services privately or through a commissioned service by the Council.</p> <p>In the future under 2016 changes within The Care Act – more individuals with high capital will present to the Council for Care Accounts – this would be an additional administrative duty.</p>	<p>200 customers hold capital over the upper threshold and ask the Council to commission services on their behalf. These people would be required to pay a flat rate administrative fee of £3.00 per week or be supported to purchase their care privately and independently.</p>

5	<p><b>Care4CE Charge Review.</b> Work has been undertaken by independent consultants to determine the true cost of providing internal services through Care4CE. This has demonstrated that current charges for Care4CE services are heavily subsidised. This proposal would be to pass the true cost of the care to the customer where they have the means to pay – customers who did not wish to pay would be supported to alternative provision in the open care market.</p>	<p>To remove subsidy in charges for Care4CE services.</p> <p>It is recommended that this option is introduced alongside implementation of revised market rates for independent sector provision, to ensure consistency and fairness in charging.</p>	<p>Please refer to the Impact Tables set out on Page 15 of the Charging Consultation “Proposals and Impact” document.</p> <p>The impact of this change is as follows:</p> <ul style="list-style-type: none"> <li>• 222 people would not be required to pay any more towards their care because they are either paying their maximum charges or are not able to contribute.</li> <li>• 8 people would see a dramatic increase in Care4CE charges and if required would be supported to alternative care provision privately.</li> <li>• 266 people could choose to continue to receive Care4CE services and pay less than £10 extra per week.</li> <li>• 63 people would see an increase of more than £10 per week and would be offered supported to source alternative care services should they feel their revised charges were unacceptable.</li> </ul>
6	<p><b>Revised Deferred Payment Admin Charge.</b></p> <p>Cheshire East Council currently charges £400 admin charge for a deferred payment agreement, against the cost to the Council of £2,687 per agreement. The proposal to move the admin fee to £2,500 - costed to account for actual costs and additional work brought by the Care Act:</p> <p>This price fairly reflects the cost to the Council of operating deferred payments and accounts for additional work brought about by the Care Act 2014. All customers have the choice, if they own a property and are entering long term care, to request a deferred payment, along with other ways to pay for care which would be clearly explained should someone wish to avoid the Council's costs.</p>	<p>From April 2015 each new deferred agreement includes an increased administrative charge to cover the costs to Cheshire East Council of land registry searches, legal charges being placed, renewed and removed, legal and administrative time as well as to cover the additional administration required by The Care Act in producing six monthly equity statements and overseeing interest charges.</p>	<p>Approximately 5 new deferred arrangements are made each billing period. The proposed revised administration fee is £2,500 which would form part of the deferred charges to be settled at the end of the agreement with the Council from the customers disregarded capital.</p>

7	<p><b>To revise charges for telecare services</b> according to the level of service:</p> <p>Level 1 - for environmental sensors which would attract a non-means tested low flat rate fee of no more than £5.00 per week, which means people receiving this service will be expected to pay the flat rate charge and would not be financially assessed. Charging rules dictate that flat rate charges should not impact on protected income and the Council would be mindful to apply flat rate charges carefully in individual cases.</p> <p>Level 2 - for lifestyle telecare sensors which may require a responder visit if activated. As this service is more costly to provide, it is proposed that people would be financially assessed to determine their weekly contribution within a maximum charge limit.</p> <p>Level 3 - for advanced sensor responses, for people who may require support across a wide area, with ongoing monitoring. As the costs associated with providing this service are greater than that for customers who have lifestyle and environment sensors, it is proposed that people would be financially assessed to determine their contribution.</p> <p>To introduce free telecare services for anyone aged 85 year or over who is living alone in order to encourage take up and to ensure elderly people remain safe in their own homes.</p>	<p>It is recommended that this option is introduced alongside implementation of revised market rates to ensure consistency and fairness in charging.</p> <p>These proposals have been supported by Adult Social Care Overview and Scrutiny Committee.</p>	<ul style="list-style-type: none"> <li>• 420 people currently elect to pay the full cost of their telecare services (£1.14 per week) as they do not wish to undertake a financial assessment of their ability to pay towards their services. These people would move to a flat rate fee.</li> <li>• 1056 people would be required to either pay a flat rate fee per week under this proposal or may need a financial assessment to determine their ability to pay towards the Level 2 or 3 services depending on their needs.</li> <li>• 431 people would currently be determined as continuing to make their weekly contribution at it stands.</li> <li>• The Council currently provides 471 people with telecare services who are aged 85 or over some of whom may live alone and would benefit from free telecare services.</li> </ul>
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8	<p><b>Charging for Carers' Services.</b></p> <p>The Care Act recognises the importance of supporting Carers to maintain their caring role. From April 2015, new rights were introduced for carers, putting them on the same footing as the adults that they care for with new responsibilities for Councils to provide services to Carers.</p> <p>The Council consulted on the proposal to apply a small weekly contribution from the Carer and this was rejected through public consultation.</p> <p>It is recommended that Cabinet supports continuation of the current position of providing Carers Services free of charge.</p>	<p>This option was considered due to the anticipated increase in demand for Carers services. This demand has not materialised in great numbers since April 2015 and a slower up-take in demand is more likely.</p>	<p>The Council estimates there could be up to 12,000 carers who may seek support from personal budgets for carers' services depending upon eligibility.</p> <p>Since April 2015 the Council has received only 3 requests for funding support which cannot be met by existing universal services.</p>
9	<p><b>To Revise the Council's Direct Payment Offer.</b> Direct Payments are a cash amount offered to people in need of community care services as an alternative to the Council arranging care for the person in need. People can choose to take control of their care and support by arranging this themselves and choosing the right care and support for them within the parameters of their support plan. Current practice is to add to the direct payment 'start up' costs to cover initial costs such as; insurance, advertising, recruitment, debarring service checks, as well as to apply 8 weeks contingency (an additional 8 weeks of the customers direct payment for them to hold in case of emergency or the need to change carer), plus any fees associated with operating a managed account where the customer chooses an agency or individual to manage their direct payment for them.</p> <p>This proposal is to remove those additional costs and only apply them where needed.</p>	<p>Current practice can over-allocate Direct Payment funds which are not always needed by every individual and which are then recouped at annual audit.</p> <p>It is recommended that this option is introduced alongside implementation of revised market rates to ensure consistency and fairness in charging.</p>	<p>Cheshire East Council supports 720 people to receive their care through a Direct Payment. There would be no negative impact on existing or new customers as any additional need would be accounted for in the customers assessment of need and covered in the Direct Payment where needed.</p>

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**REPORT SUMMARISING RESPONSES TO  
Public Consultation on  
ADULT SOCIAL CARE SERVICES**

**Preparing for the Care Act in Cheshire East Council**

**No-one will ever be asked to pay more than they  
can reasonably afford for their care services  
subject to their financial assessment**

## **Preparing for the 2014 Care Act: Consultation on the proposals and impact of the Care Act in Cheshire East**

### **Analysis report**

#### **Background**

The purpose of the public consultation was to communicate the changes brought about by the Care Act and to engage with Service User, Carers and the community on specific impacts of the changes coming into force on 1<sup>st</sup> April 2015. The implementation of The Care Act requires Cheshire East Council to review its policy for charging for care services, the deferred payment system and the Direct Payment offer, to accommodate the new legislation and the discretionary elements which the Council has choice over subject to consultation.

The Care Act 2014 is the single largest change to social care policy for a generation. It seeks to bring together a number of existing pieces of legislation and introduces new duties and additional demand to local authorities to ensure that wellbeing, dignity and choice are at the heart of health and social care across the country.

The main issue for the Council in introducing the Care Act is to determine the likely impact of new work and to up-date policies to be compliant with the Law.

#### **Consultation approach**

Consultation on changes to the way the Council charges for care services brought about by the Care Act was carried out between Monday 1<sup>st</sup> December 2014 until Sunday 25<sup>th</sup> January 2015 (an 8 week period)

A number of approaches were used to communicate the changes and engage with service users, carers and the wider community on the impact of these changes:

- A consultation document<sup>1</sup> was produced and published on the Cheshire East Council Website, which outlined the background to these changes, highlighted what they mean for service user in the future and sought to understand the strength of agreement with key policy changes.
- A feedback document accompanied the consultation document, which could be completed online or as a paper copy. In total, 116 paper copy and online questionnaires were completed by a range of stakeholders, including services users, carers and their friends and family. Responses were also received from representatives of an organisation, business or group, including Cheshire Centre for Independent Living (CCIL), Age UK, The Neuromuscular Centre and a domiciliary care provider.
- All Social Care customers were notified of the consultation by letter.
- Information was provided in accessible text.
- A dedicated phone line was available.
- An email account was set up specifically to receive comment and views (two emails were received on the consultation)
- People were able to write into the Council with their views (one letter was received from a local resident)
- A twitter account was set up.
- The Council also received 1 text summary and 1 poem on the subject.



- A series of events were held at a range of locations across the borough:

<b>Date</b>	<b>Location</b>	<b>Number of attendees</b>
4 <sup>th</sup> December 2014	Sandbach Town Hall	28
8 <sup>th</sup> December 2014	Middlewich Community Church	10
9 <sup>th</sup> January 2015	Macclesfield Town Hall	33
12 <sup>th</sup> January 2015	Municipal Building, Crewe	33
12 <sup>th</sup> January 2015	Nantwich Civic Hall	32
19 <sup>th</sup> January 2015	Wilmslow Parish Hall	24

### **Consultation analysis**

Responses to the consultation have been analysed and reported by Cheshire East Council's Business Intelligence Team.

Findings from the consultation feedback questionnaires provide the primary source of analysis for the consultation, whilst more detailed feedback gathered through the consultation events and open comments boxes within the questionnaire have helped to form a fuller, more comprehensive understanding of views and issues.

### **Key findings**

Respondents to the consultation were most likely to agree with the proposals to:

- assess Disability Related Expenditure (DRE) on request by the customer (70% said they agree)
- introduce a small weekly fee for full cost customers who choose to access services arranged by the Council (59% indicated their agreement)
- reduce the charge for Home Care and introduce a 3% overhead cost (56% agree)
- change the rates for Care4CE care services (the Council's internal care provider) so they are in line with the true cost of providing the care (56% agree with the proposal).

Less popular proposals were:

- a small 3% adjustment to the formula used to calculate care charges (32% agree compared to 44%, who expressed disagreement with the proposal)
- providing carers services net of a small flat rate fee (38% agree compared to 37% who disagree)

## Analysis of finding

### 1. Changing the 'charging formula'

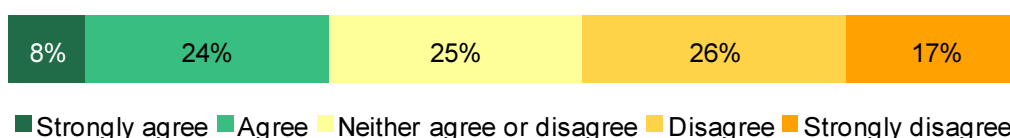
The Council use a formula to assess the extent to which an individual can financially contribute to their care. This takes into account a person's income and any savings or capital they have but protects all living, disability and housing costs.

Currently the Council takes 97% of the remaining amount (known as disposable income) as a contribution towards care services. The proposal is to move the proportion of disposable income which is considered to 100%, which is consistent with many other Councils and our neighbouring authorities.

#### Survey responses

Respondents were asked to what extent they agree or disagree with this proposal. Although almost a third agreed with the approach (32%), a higher proportion said they disagreed (44%). A quarter (25%) had no strong view.

**Figure 1: Agreement that the Council should make a 3% adjustment to the charging formula**



Base for %: 92

#### Detailed views:

##### Survey comments and feedback

- Most expressed concern about the impact on people they felt were the most vulnerable in society and those already hit by benefits changes. There was a view that the increase was unfair and that other living costs (and how they often vary and fluctuate) weren't taken into account by the proposal.

"If people have no disposable income... What funds will people have available to pay for non-FACS-eligible needs e.g. cleaning, shopping, gardeners?"

- The comments highlighted a general feeling that the change would affect users differently, for example there would be a higher impact on those who pay the full cost of their care. The importance of taking individual circumstances into account was stressed by some who felt that a lesser charge, phased or sliding scale approach would be more acceptable.

"A 3% charge across the board is not fair, as it does not take into account individual circumstances"

"A sliding scale between 1% and 3% depending upon the disposable income so that no-one is left with nothing on top of the ordinary living costs"

- Some said they needed more information about the proposal, including details like whether a thorough impact assessment had been carried out to fully understand the impact on

service users, the amount of money the Council would generate as a result of the change and the rationale and associated business case for the adjustment.

- A few generally agree but felt the revenue generated must be reinvested in care.

“Although I agree - I would like to feel that the increased charges are to pay for care rather than support process and policy changes - paperwork is not the answer.”

- Two comments were received relating to the consultation itself – that it was hard to hear at the discussion group they attended and that the use of language was confusing.

### Discussion group participants

- The majority of those who commented felt the increase was unreasonable or too extreme, and disagreed with change. They felt that it left no safety net and that many rely on 3% to pay for other essentials. Some felt they already pay enough for care and support and thought the proposal was unfair.

“Would not see that this as being fair.”

“No ‘wiggle room’ if 100% of disposable income is taken into account.”

- The impact on the individual was thought to be considerable - that it would reduce social interaction and their independence. Some felt it would also impact on others, like families, carers, and even local businesses, who might lose out because people won't be able to purchase as much as they previously had. There was also some concern that the proposal would impact some service users more than others, like those on low incomes, particularly when the combined impact of benefits changes were considered. Some questioned whether the benefit to the Council was worth the change, given the impact on individuals.

“Increase may cause social isolation in the community if someone cannot afford to get about. Concerned about vulnerable people staying in their own home.”

“Taken in isolation, may be marginal but in conjunction with other proposals may cause difficulty.”

- A few were not aware of the current rate and felt that this was too high and should be lowered (to 90%, for example).
- Some wanted more information or had additional questions about the proposal, which included questions about the amount of money generated by the increase and how it would be spent, why the proposal hadn't been introduced earlier and why the Council were trying to save money. A few comments suggested that information should have been sent out before the event, whilst a small number found the concept hard to understand or didn't comprehend the reasons for change.

“Where is the money going? What percentage?”

“...this should have been sent out beforehand, we are having to read it on the hoof and don't have internet access.”

- More information and clarity was requested around the process and what can be included in the financial assessment by a number of participants.

- There was general agreement with the proposal from some groups, although caveats were highlighted, for example as long as money generated is reinvested in adult social care services and the increase was in line with other local authorities. A few suggested that a gradual increase would be more acceptable.

“As long as goal posts aren't changed - care stays the same”

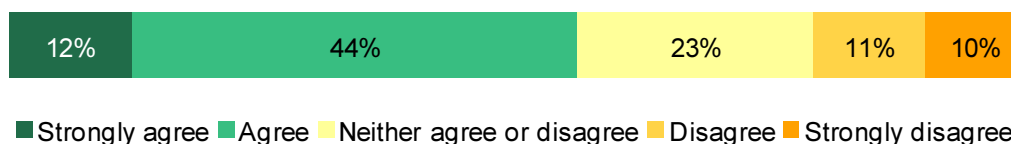
## 2. Changing the cost to customers of home care services

The Council currently charges more to customers who can afford to pay than it pays the care market for home care services. This is because the Council recovers some of the overhead costs incurred in commissioning these services. The Council proposes to reduce the price passed on to customers receiving commissioned home care by bringing what it charges for care closer to the price it pays for the service and adding a small 3% overhead charge.

### Survey responses

Over half (56%) of all those who responded to the consultation agreed with the proposal compared to around a fifth (21%) who said they disagreed.

**Figure 2: Agreement that the Council is right to reduce the charge for home care and to add 3% overhead costs**



Base for %: 91

### Detailed views:

#### Survey comments and feedback

- There were some mixed views about this proposal from those survey respondents who choose to comment. A few agreed with the proposal as they were pleased to see a reduction in charging, particularly as they felt it was fairer to only pay the true cost of providing care. However, some were concerned about the impact on the sustainability and quality of care as they questioned whether Council-set charges would be enough to cover the costs of private care companies and their staff.

“Are the Council's home care charges at an appropriate level to support local companies and their staff to provide the high level of care the vulnerable people in our community deserve?”

- Some wanted more information about the proposal, particularly in relation to financial information about the impact of the change, and a few respondents felt the information available was too vague for them to give an informed view. Some also expressed confusion about the approach, as they saw it as ‘cutting with one hand and increasing with the other’.

“Why cut with one hand and increase with the other. Doing this surely costs money in administration and is of negative or neutral effectiveness.”

- A few did not agree with the introduction of a fee to cover administrative and overhead costs, as they felt this should be covered by council tax or other means and not subsidised by service users.

### Discussion group participants

- Most agreed with the proposal to reduce the charge as they thought this seemed fairer and was positive for service users.
- However, there were concerns relating to the sustainability of charges within private sector and whether this might lead to a reduction in the quality of care in the longer term. Some questioned how this would benefit the Council as they thought there would be a loss of revenue associated with the reduction and were concerned about how this would be made up. Others thought it was a confusing approach and seemed to 'cut one thing and increase another'.

“For people who receive care this is a positive thing, so agree. However there are concerns about the impact on paid care staff as a result of this change.”

“From a carers point of view, it is very good. Struggling to find anything to disagree about. Don't understand what the council will gain from it, it will mean a loss of income for them.”

“Too much jiggery-pokery fiddling around with figures, maybe should just leave things as they are. You have to make the money up from somewhere else.”

- Some had more detailed questions or asked for more information about the reasons behind the proposal, for example how the 3% overhead charge had been determined, the current cost of overheads and information about the impact of the proposal.
- A few felt that the proposed fee was too high and should be capped or were concerned about fees increasing in the future.

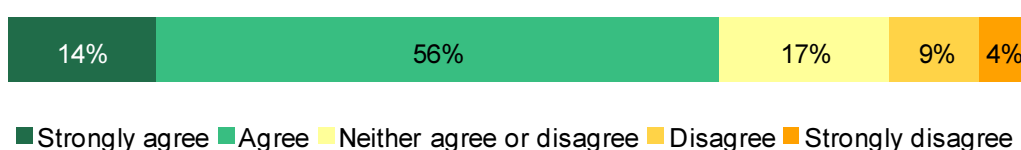
“Overhead costs of 3% seem quite high. Would want to know how this figure has been determined. There should be a cap on the charge so that people are not disadvantaged.”

- A small number of tables were not affected by the change and felt they were unable to comment or had no strong views on the proposal.

### 3. Assessing Disability Related Expenditure on request by the customer

The Council's charging policy assumes anyone receiving disability benefits has disability costs over and above ordinary living costs and applies a £10 or £4 per week disregard to financial assessments for most people living in the community. The Council proposes removing this automatic disregard for new customers and moving to a process where the claim for disability costs is verified against evidence of the disability cost. This is because most disability cost is deemed to be eligible for care and the Council could therefore be paying twice in some circumstances.

**Figure 3: Agreement that the Council should assess Disability Related Expenditure on request by the customer**



Base for %: 90

70% of respondents were in favour of the proposal, with just over one in 10 (13%) saying they disagree.

#### Detailed views:

##### Survey comments and feedback

- Although many of those who commented agree with the proposal, many were concerned about the capacity for the Council to carry out the new process and felt it would outweigh any money and resources saved in the first instance. A few were also worried about what they felt would be an extremely onerous, bureaucratic and possibly distressing process for the customer and their carer.

“Agree that if a customer requests a re-assessment then this should be done. However, for the money saved it is worth it? Question the capacity of the authority to do this!”

- Many emphasised the importance of transparency in the process, highlighting the need to fully explain the rationale behind any decisions made to the customer and ensuring clear and consistent processes and guidelines. An appeals process and the ability to reassess if circumstances change were also important, particularly given that some disability cost can vary depending on the type of disability and individual circumstances.
- However, there were some concerns about the consistency of the process and how assessments would be evidenced. A few respondents felt that the assessment should be carried out by a doctor using medical evidence to ensure that it is based on the true needs of individual.

“Concerns as to how this would be evidenced and what would be classed as a disability cost. Some disability costs are very private and might feel embarrassed admitting them to a stranger. Would need very clear guidelines which could be shared with client in advance.

##### Discussion group participants

- Although many respondents generally agreed with the proposal, a higher number of concerns were raised by the groups in relation to the process itself. Some felt it would be

too onerous, distressing or complex for the customer and their carers, whilst others were concerned about the consistency of the assessments, how they would be evidenced and the real impact this change would have on people with disabilities (i.e. that it would reduce the amount of funding they received).

“Onerous as to having to verify disability costs. Disagree that people should have to evidence their disability costs.”

“Could be embarrassing explaining care needs. They have already been through this with DLA workers. Bottom line CEC taking back the persons benefits.”

“How will it be verified? ...Automatic disregard is simple and easy to administer. Putting a burden on carers/claimant.”

- Participants also raised concerns about the capacity of the Council to implement the proposal and felt this may outweigh the money saved in the long run, making the system too bureaucratic.

“Agreed in principle, however this is a small change and potentially an administrative burden for the council.”

- Some wanted more information or clarity about the proposal, despite some facilitators providing information or answering questions from the groups. These mainly referred to clarification around disregards and what is actually covered by Disability Related Expenditure (DRE), as well as evidence of the kind of impact the proposal will have in practice. One table felt the explanation in the consultation document was confusing.
- Transparency and consistency in the process, as well as clear guidance about what is included in the assessment was also important, although some were concerned about how disability costs could be truly demonstrated in practice.

“Clarity requested around what disability expenditure can be included when assessing the amount to be disregarded e.g. transport support.”

- Some felt it was essential to take an individual approach to the assessments as the cost of disability will depend on the individual and so it makes sense to tailor the process. Two groups felt that DRE should be set at a flat or standard rate.

“...feel this is a sensible idea. All customers are different and should be assessed accordingly.”

“To take into account individual circumstance have flat rate”

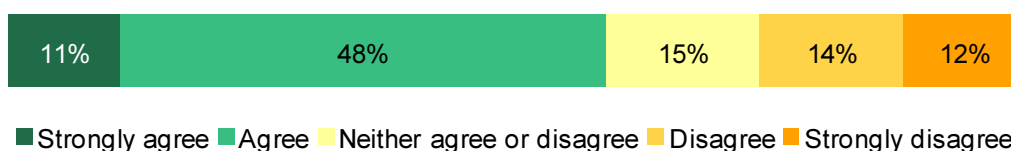
#### 4. Recovering a small weekly fee from those who pay the full cost of their care

People who have capital over £23,250 (£27,000 from 2016 or £118,000 for those in a care home setting) are viewed as able to fund their own care. The Council is required to offer these individuals an assessment to determine their eligibility for care services and where the customer chooses, to commission services on their behalf. Often customers are able to benefit from the Council's good rates. The Council proposes a small flat rate weekly fee of around £3 to those people who are able to pay for their own care which would contribute towards the Council's overhead costs.

##### Survey responses

When asked the extent to which they agree with the proposal, 59% of respondents reported that they 'strongly agree' or 'agree'. Just over a quarter (26%) 'disagree' or 'strongly disagree'.

**Figure 4: Agreement that the Council should recover a small weekly fee from people who able to pay the full cost of their care but access services arranged by the council**



Base for %: 92

##### Detailed views:

##### Survey comments and feedback

- The majority of comments received from respondents were about concerns that more vulnerable people or those who are not able to source care themselves may be put off by the charge and therefore not use the service. For this reason some felt the fee should be waived for those deemed to be in greatest need, like those who are unable to manage their affairs or those who have no friends or relatives who can help them source care.

"Is there a danger that even with such a small charge, some people who require the councils help to source care, will be put off; they are then unable to source care themselves and they deteriorate - putting extra strain on social services and/or health further down the line. Has a thorough impact assessment been conducted?"

- Some felt that overheads and administrative costs should be covered by the tax payer and not the service user.
- A small number generally agreed, depending on details such as the level of the fee and the service received for the price, although there was some concern that the changes adversely impact or are seen to penalise a particular type of service users, particularly those who have saved.



### Discussion group participants

- Most agreed with the proposal and felt that the fee seemed fair, although two groups were concerned that it would adversely impact on particular types of service users, specifically those who lack capacity or how have no friends or family to help them source care.

“£3 per week sounds reasonable, concerns impact on people who lack capacity and have no family or friends to act in their best interest.”

- Some had questions relating to the detail of the proposal, like in what circumstances the Council would pay a lower fee or benefits from good rates from private service providers and whether the weekly rate is charged throughout the year. Some said they found it hard to comment because they weren't in the situation themselves.
- Two tables questioned whether the cost and effort involved in implementing the policy would be worth the money generated by the change or the potential increase in demand from private clients.

“It doesn't seem worth it as the income will be minimal”

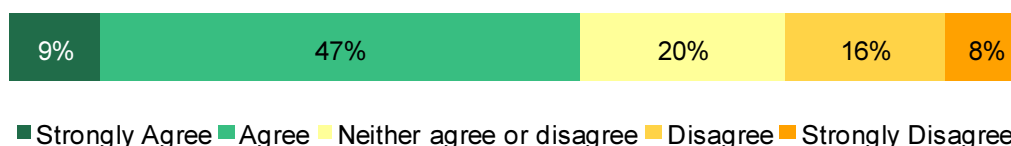
## 5. Reflecting the true cost of providing internal services in Council charges

The cost to the Council of providing services directly through Care4CE (our internal provider of care) has been reviewed and found to be more expensive than care commissioned on behalf of individuals directly from the wider care market. The proposal is to bring the charge for Care4CE services in line with the true cost of providing care.

### Survey responses

Over half of respondents (56%) agree with this proposal compared to almost a quarter (24%) who disagree.

**Figure 5: Agreement that the Council should reflect the true cost of providing internal services in their charges**



Base for %: 89

### Detailed views:

#### Survey comments and feedback

- Many agree with proposal, although they specified caveats to this. For example, as long as the costs of providing the service were made clear, that service users were given a choice about which care provider they chose and had the information to do so, that the cost of providing the service is in line with or lower than the national or market average to ensure that service users aren't subsidising the Council overheads and administrative costs.

“As long as true costs are demonstrated on the paperwork provided by the council to the client.”

- However, a similar amount of comments referred to the need for more information, particularly relating to financial information behind the decision and a better understanding of those people affected as transparency and clarity on the true cost information and charges was important. Some said they were unsure what the internal services referenced in the consultation document referred to.

“A detailed breakdown of all the cost components used to arrive at the cost charged for each service should be made public”

- Concerns were raised about the delivery model of internal services, given that they are considerably more expensive than those available externally and were therefore not seen to be providing value for money. Some were worried the change would see people turn to private providers who are cheaper, reducing uptake and making internal services unsustainable. Respondents thought it would, in turn, lead to a reduction in the quality of care (some held the view that internal services were of a better standard and quality than those provided externally) or a potential loss of internal, respite and day services.

“If internal services are more expensive than external, an investigation should be made as to why. If there is a difference in the quality of service provided then the external service should be improved. If not, measures should be taken to get the same value for money from the internal service.”

- A small number felt that increasing costs for vulnerable people and those who pay the full cost of their care was unfair. Fully considering the impact of this and whether it was truly affordable for those individuals was very important.

### **Discussion group participants**

- Most participants were concerned the proposal would mean that, because of the higher cost of internal compared to private provision, these services would become unsustainable. Care4CE was highly valued by many people and thought to provide care of a higher quality than that available elsewhere. Some highlighted their concern around more specialist services, where private sector alternatives were not available. However, some were surprised by the difference in price between the Council and private providers and questioned whether this was an issue of efficiency.

“This proposal could result in ever increasing costs for these care4CE services as the people watch them reduce over time (because of the higher charges).”

“£56 per hour people felt was far too high. Could not understand how the cost could be calculated. Customers who have used Care4CE felt that service was significantly better than standard agencies.”

“From our example we struggled to find the services outside of the council”

- Concerns about the capacity of private providers to 'pick up the slack' were also raised, particularly given that the cost of services is lower than those provided by the Council. Some thought it might lead to increased pressure on carers, who might have to fill the gap if adequate services were not available.

“Pushing people into private market – but there is no capacity in the markets to pick this up...Pressure is put onto carers due to this. People don't find suitable/good enough care in the private sector.”

- A number of additional questions were asked by some, particularly in relation to where service users would find alternative companies and whether they would be helped to do so, and how the rates and costs have been calculated.
- Some agreed to the proposal in principle but felt it depended on a number of issues, including service charges reflecting the true cost of care, ensuring that information, advice and support was available to help people choose a provider or to be on hand to help if an agency breaks down and whether the quality of care improved as a consequence, where the money generated would be reinvested into care.

“If the standard of care goes up with the cost of care.”

- A few respondents felt that service users shouldn't have to pay more, and that they already pay for administrative fees and overheads through their council tax.

## **6. Recovering costs in providing 'deferred payment' arrangements**

The Council currently offers an interest free loan to people who enter into long term care whilst leaving their property vacant. The customer is required to pay what they can from their weekly income, deferring the rest of the costs to be collected either when the property sells or when the contract with the Council ends.

Cheshire East Council currently charges a one off fee of £400 per deferred case to cover some of its costs. The proposal is to increase this administrative charge to cover the Council's costs in setting up and managing deferred payment arrangements, which has been costed at over £2,500 per case and includes all legal and administrative processes and procedures, staffing and resources.

The Care Act also introduces interest charges on deferred payments for the duration of the agreement – this can be set locally but should not exceed the nationally set maximum to track the market gilt rate specified in the most recent report by the Office of Budget Responsibility (this changes every 6 months and is predicted to be 4% in 2016).

## Survey responses

Views were more mixed on this proposal; although around half (48%) agree with the proposal, over a quarter (26%) disagree. A similar proportion (27%) have no strong view.

**Figure 6: Agreement that the Council is right to recover costs in providing a ‘deferred payment’ arrangement through a revised administrative charge**



Base for %: 90

## Detailed views:

### Survey comments and feedback

- There were mixed views from those who responded to the consultation questionnaire - many felt increase in fee was too severe, yet a similar proportion generally agreed with a caveat. For example, as long as the costs were actually those incurred, that enough money is raised from the sale of the property, that each case is assessed on an individual basis, there are no family living in the home and so on.

“A change from £400 to £2500 is outrageous”

“If the administration has cost the council and there is enough from the sale”

- Some expressed the need for more details in relation to elements like interest charges (whether they are applied over a long period or whether they are time-dependent, for example) and cost information. A number of respondents said they didn't understand the concept.
- A few suggested there should be an option to pay for this service from outside the Council, preferably via an approved list.

“The option to purchase this service from a local approved list of solicitors at a lower cost should be explored. The proposals as they stand provide the service user with no opportunity to exercise choice.”

### Discussion group participants

- Again, participants had mixed views – some felt that the increase in administrative fee was too high an increase from the previous amount and that people were being punished for saving and being prudent. However, many agreed with the proposals in principle, with some caveats, including conditions that ensured interest charged shouldn't be excessive or higher than market rate, the fee should only cover true administrative costs and taken at the end of the contract, and so on.

“Worked all your life and your property is taken off you, but if your neighbour has no property they get it all for free.”

“Disagree about the interest put on the deferred payment as this this will offset the £2500.  
Don’t think it is unreasonable but will the interest not cover the £2500.”

- Many asked for more information or clarification around the issue, including more specific service cost information and details of how the policy would be applied.
- A few offered alternative approaches, like charging pro-rata or looking at each case individually.

## 7. Charging for Telecare services

Telecare is an assistive technology can help people live independently within their community and live in their own home for longer. It can help by reminding you of important things such as medication, making sure you get help when you need it via the use of sensors, providing reassurance for your carers and relatives and helping to keep you safe.

The Council currently provides a range of Telecare equipment and determines the customer’s ability to contribute towards the low weekly charge of £1.14 through a financial assessment. The Council currently charges customers at the same rate for the monitoring of Telecare and the response that may be required to them in an emergency.

It is proposed that the Council introduces three levels of service based on the different needs of the customers:

- **Level 1 – customers who have environmental Telecare sensors only**  
People receiving this service will be expected to pay the flat rate charge and would not be financially assessed.
- **Level 2 – customers who have lifestyle Telecare sensors**  
This may include sensors that identifying whether an individual has fallen or left their property. As customers might require a visit from a responder, this service is often more costly. It is therefore proposed that people would be financially assessed to determine their contribution.
- **Level 3 – customers who have advanced sensors**  
This is a more advanced service that includes using Global Positioning System (GPS) technology to identify an individual’s location. As customers may require support across a wide area and ongoing monitoring if a person is lost and continues to move following an alert, it is proposed that people would be financially assessed to determine their contribution for this service.  
Please note that this is not currently provided by Cheshire East but may be introduced in the future.

### Survey responses

Around half of all respondents (49%) said they agree with the proposal, although almost a third (30%) disagree.

**Figure 7: Agreement that the Council is right to set Telecare charges to reflect the cost of providing emergency response services**



■ Strongly agree ■ Agree ■ Neither agree or disagree ■ Disagree ■ Strongly Disagree

Base for %: 88

### Detailed views:

#### Survey comments and feedback

- The majority said they needed more information, particularly in relation to the basis of current costs, any subsidy received for Telecare services, details on the level of fees to be charged for the new options and so on.

“It depends what that cost would be - some possible costs to the 3 levels suggested in the consultation document would have been helpful.”

- Although there was some general agreement, many felt the level of the service should depend on individual need and income.

“Charges should be set to reflect costs but adjusted according to income.”

- Some were concerned that increase costs would prevent, or put people off, using the Telecare which could lead to a larger impact for a wide range of services in the future, including health and social care. A few respondents were keen to emphasise the services longer-term benefits, such as increased independence for the individual and less reliance on services.

“People may decide not to have tele-care if they feel the cost is too high, which in the long-term could mean higher costs for health and social care.”

- Others suggested that an average cost or flat rate should be implemented across all three levels, or suggested that the increased costs should be phased in gradually.

#### Discussion group participants

- Most agreed with the proposals, and felt they were reasonable. Some said they would be happy with the charges, particularly where levels 2 and 3 would be assessed. However, participants did highlight some caveats, for example if charging was phased or gradually implemented. Others agreed with some elements of the proposal, particularly the flat rate for level 1 service, but felt that the increase for subsequent levels were too large.

“Sounds reasonable for level 1. Higher level may have impact on finances. What are costs for the other 2 levels? ... People with higher needs whom need level 2 or 3 may feel penalised as have to pay more.”

- Many participants wanted more information or had additional questions, particularly relating to the proposed charges for the difference levels and actual costs of providing the services, as well as whether or not Telecare would be taken into account in Disability Related Expenditure.
- Telecare was seen as a vital service by many and considered to be a good value service that promotes independence and keeps people safe. The long term benefits, including a reduction in reliance on health and related services in the future, were highlighted by many,

and concerns that an increase in cost would lead to a reduction in the numbers of people able to use it were raised by a small number of participants.

“Very worried - its about keeping people safe surely? If it prevents people having to go out, it's a good idea to have the available facility. We have telecare and a fall censor so it would increase our charges. We can't answer without knowing the rates that will be charged.

Object strongly, that someone who could need lots of telecare equipment may not have it even though they will then be at risk of becoming very unsafe.”

## 8. Charging for carers' services

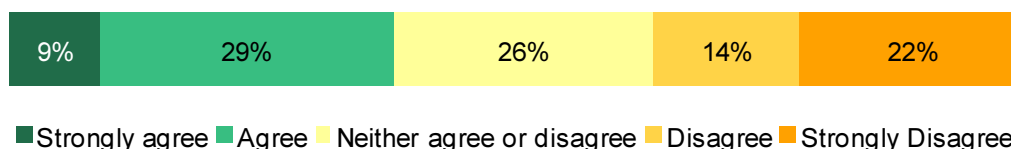
The Care Act introduces new rights for carers, including the ability to request a social care assessment of their need to determine their eligibility for services. Where a carer meets the Council's eligibility criteria, they can be offered assistance to meet those needs through a personal budget Direct Payment.

In order for the Council to meet the increase in demand for carers services it anticipates as a result, it is suggested that a small weekly low flat rate fee contribution is made through a personal budget Direct Payment.

### Survey responses

Views were more split in relation to agreement with this proposal; although a similar proportion of those responding to the consultation agree (38%) as disagree (37%), whilst around one in five (22%) said they strongly disagree.

**Figure 8: Agreement that the Council is right to provide carers services net of a small rate fee**



Base for %: 90

### Detailed views:

#### Survey comments and feedback

- Most comments indicated disagreement with proposals, some very strongly. Carers save the Council money and there was a view that those who need services shouldn't have to pay for them. Some were concerned that the proposal may discourage carers from accessing services and support, or deter them from providing help at all, which would result in increased costs to the Council in the longer term.

“Not morally right to charge carers as this prevents service users needing more assistance from LA health service. Would cost more if put into permanent care. Disgusting to charge a carer.”

“This is an insult!. Carers do save the LA so much, they need to be respected.”

- There was some agreement to the change in principle with caveats, as long as the fee was small, if it was a flat rate and not financially assessed, for example.

“Yes, if you are just referring to a personal budget but no if it includes things like access to the carers centre and the emergency card which should continue to be provided to all as really useful services that are valuable for many and encourage a wide take up.”

- Some wanted more details about the proposals, specifically cost information.

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- Some comments highlighted the need to review carer assessments, which some felt weren't followed up with action.

"The new act must start with reviewing carers assessment - currently no follow up of any action points."

### Discussion group participants

- Many participants strongly disagreed with the proposal, with some stating it would not be 'unfair' and 'an insult'. Those who held this view felt that carers save the Council money by providing free care and should be helped and supported without charge in their role. Some were concerned that introducing a charge would discourage carers from access support services, or continuing in their role as a carer in the future, resulting in increased care costs for the Council in the long run.

"Difficult to get care anyway, this would make it more difficult. Carers do enough already. It's an insult!! Carers do enough!"

- A few agreed with the proposal, although their agreement depended on a variety of things, for example ensuring the fee was small and a flat rate (not a financial assessment), and that support for carers would improve as a result.
- Many said they needed more information, or asked more detailed questions about cost information and the fee rate, what services would be provided and what 'carer payments' could be used for. Some participants who currently have caring responsibilities expressed their dissatisfaction with the quality of current carer support and said they would not be willing to pay for what is being provided at present.
- There was some concern that the proposal would be overcomplicated (one participant mentioned the burdens of managing two direct payments - their own as a carer and the cared for person's), bureaucratic and seemed to be more expensive to implement in administrative costs. Others liked that idea of receiving direct payments as they felt it recognised their role as a carer and the financial implications of this.

"Again difficult to say without knowing what charges would be. What is the charge for? Could have been achieved by reducing the offer of award. Overcomplicating the process unnecessarily."

"Carers do spend a lot of their own personal money on cared for person...Good that role of carer has been recognised – they save local authorities lots of money."

- Ensuring that the costs are fully assessed and explored on an individual basis was important, and not being charged more than was necessary or affordable was seen as key.

## 9. Amending the Direct Payment offer

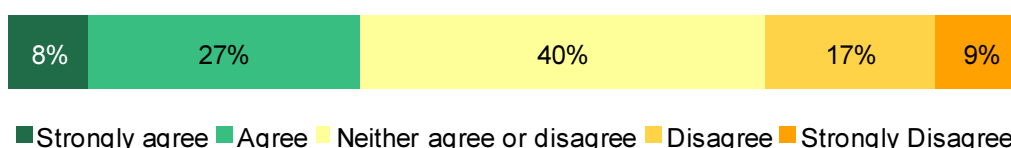
The Council is proposing to improve the offer of a Direct Payment and make the process clearer to customers. As part of this process, it is proposed that:

- all start up grants, contingency funds and additional costs associated with managing a Direct Payment are removed from the up-front offer and become a claim by the customer as part of the disability related expenditure assessment based on the customer's need
- Direct Payment arrangements are better explained and made clearer to the customer
- audit of the Direct Payment account is conducted by the Council initially at 12 weeks and then at random intervals thereafter. This may be more frequent if the customer is experiencing difficulties.

### Survey responses

The majority of respondents (40%) 'neither agree nor disagree' with this proposal. Just over a third (35%) agreed with the proposal whilst around a quarter (26%) said they disagreed.

**Figure 9: Agreement that the Council should amend its Direct Payment offer**



Base for %: 90

### Detailed views:

#### Survey comments and feedback

- Mixed views were reported about this proposal; some agree with the caveats, such as the condition that changes make the system easier and less complex, that the new system would allow flexibility for contingencies and would use simple language and explanations.

"Anything that makes the process easier would be welcome. Not providing contingencies etc. up front would be okay as long as the systems to access them when needed work well and do not delay access."

"Provided the council explains to the customer in simple language the direct payment offer."

- However, a similar proportion emphasised how vital start-up grants are in building contingency funds if individuals are employing workers in order to meet statutory employment duties. Without this there was a concern that safeguarding issues or legal challenge could result. There was also a fear that the proposal won't allow for flexibility and creativity, and that they would make complex system worse, for example having to claim back money from the Council would increase bureaucracy and admin for users and their carers.

"Do not reduce buffers. I have had to use this to keep solvent for each of the last three years."

“Does not allow for contingency or leeway for any flexibility...if you take away the contingency - this allows people to be more in control with freedom and flexibility to be creative...”

- Many feel current system is not fit for purpose and that the Council need to ensure that direct payments are in line with actual expenditure and market costs. A number of respondents felt the Council should audit more regularly to ensure a build-up of funds does not occur, provide more support, clarity and transparency about the system and what is required at beginning, ensure clearer guidelines and more actively promoting direct payments

“Current system is not fit for purpose, as it does not pay market rates”

“Like direct payments but need extra support and review often”

“If the council wishes to reduce the overall level of funds held in DP contingency accounts it could do this by a simple and more efficient administration.”

- Some said they required more information about the proposal, for example details and explanations about motives behind the change and cost information.

#### **Discussion group participants**

- There was general agreement in favour of this proposal from some groups, with caveats; for example, as long as the service user is given enough money to set themselves up, that the top up might be given in some, but not all, circumstances, that the policy is applied fairly and is not just used as a money making exercise, as long as individual payments don't stop and so on. However, the majority of comments related to the current system and how it could be improved.

“Okay with the proposals as long as the customer gets the amount of money they need to set up.”

“Council should ensure this is applied fairly and utilised where needed and not just a method for council to achieve savings.”

- Many valued the start-up grant and emphasised the importance of building up contingency to allow for the payment of costs relating to employer duties when employing help or support through direct payments (such as Police checks, holiday and other statutory pay). Some relayed experiences (both personal and those of friends and family) of having to pay for services out of funds that had built up because payments had been stopped. In these instances, having a 'buffer' and financial flexibility was very important.

“I know lots of people who are not receiving money into their bank accounts and are having to make up the gap themselves and incur bank charges.”

- Linked to this were points raised by many participants relating to failings within the current direct payments system, including complicated and onerous administration for individuals and their carers. Many felt that the Council should provide more clarity and support, and assist direct payment recipients by auditing more regularly.

“Need a review process which offers customers chance to read the reviewed paper work. Frequency of payments – some agencies changing weekly with only 7 days to pay. Money advocates not always flexible to pay various care agencies where this meets customer needs. More flexibility to meet needs.”

- Many emphasised the importance of an approach that focuses on individual need and allows for flexibility, as some recognised that direct payments are not suited to every individual or situation.
- Some participants wanted clarity on what could be purchased by direct payments and what it covers.

## 10. Care top ups

The Council assesses the needs of individual service users' and defines a 'personal budget' to meet them. A person may choose a service provider that is more expensive than the Council's relevant normal rate for someone with their assessed care needs. The difference between the normal rate and the cost of the private care provider is known as a top up payment and is usually paid by a family member as your finances will be required to support your care needs.

The Council is required under the Care Act to put in place arrangements to formalise top up payments through signed agreements and is proposing that top up payments are checked to ensure they are sustainable. This would protect the customer from having to change care provider or move care home if the top up is not affordable and sustainable.

Although no question was asked in the consultation document about agreement with this proposal, the topic was covered by a small number of groups at the consultation events.

### Detailed views:

#### Survey comments and discussion group participants

- Of those participants who commented, there appeared to be general agreement with the proposal, as they did not want people to be moved around if this situation occurred.
- Cheshire Centre for Independent Living emphasised the importance of the Council working alongside the domiciliary market to review costs and benchmark against internal provider services.
- However, the need for more information and clarity was highlighted. For example, how checks for sustainability would be made and assessed, what would happen if an individual's circumstances changed, and so on).

## 11. Other comments

A small number of other comments were received via email, letter and in the form of a poem. The views and issues raised have been included in the analysis along with all other feedback, although the main points raised included:

- Issues relating to the consultation process, specifically that the views of service users ignored and events attended were poorly organised (not running to time, no clear focus and so on)
- Concerns about the closure and removal of some care services and a lack of transparency and clear communication around this
- Feedback about the cost and efficiency of Care4CE and internal care services
- Concerns around the cost and quality of some domiciliary care providers

- The increase in the amount of disposable income taken into account in the charging formula is too high
- More awareness raising activity should be done to increase the public's understanding of how local services are funded
- Full cost residential care clients should be rewarded for saving and paying tax by making them tax exempt whilst they are in care
- Concerns about the increase in Telecare charges
- Issues with help and support provided by third sector organisations around domiciliary care providers and respite care.

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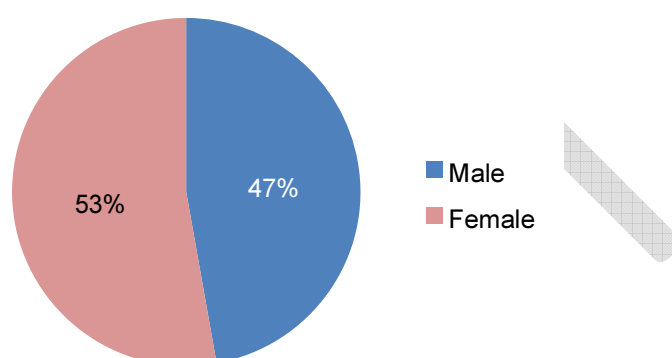
## Demographic Profile of Respondents

Figure 10 and 11 below show the gender and age profile of those who responded to the consultation questionnaire. Slightly more females than males (53% to 47% respectively) completed the survey. Around a third (32%) were aged between 65 and 74, just over a quarter were aged 55 to 64, just under a fifth (18%) were 35-54 and 15% were aged 75 and over. The smallest response was received from those aged under 35.

Almost two-thirds (63%) had not attended a consultation event. 34% of those who responded indicated that they had a limiting long term illness.

**Figure 10: Gender of survey respondents**

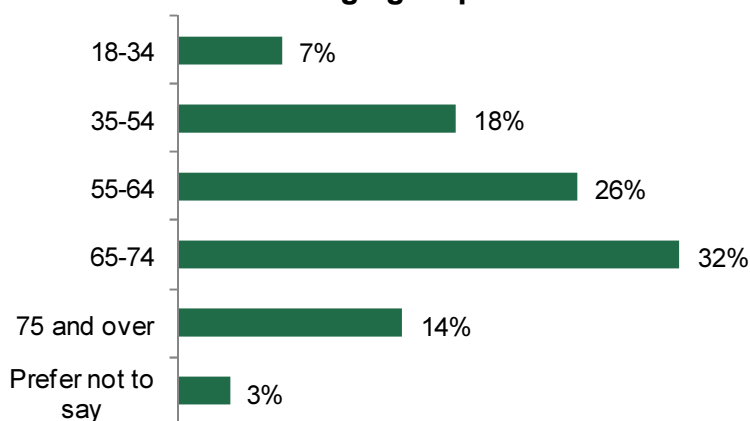
**Gender of respondents**



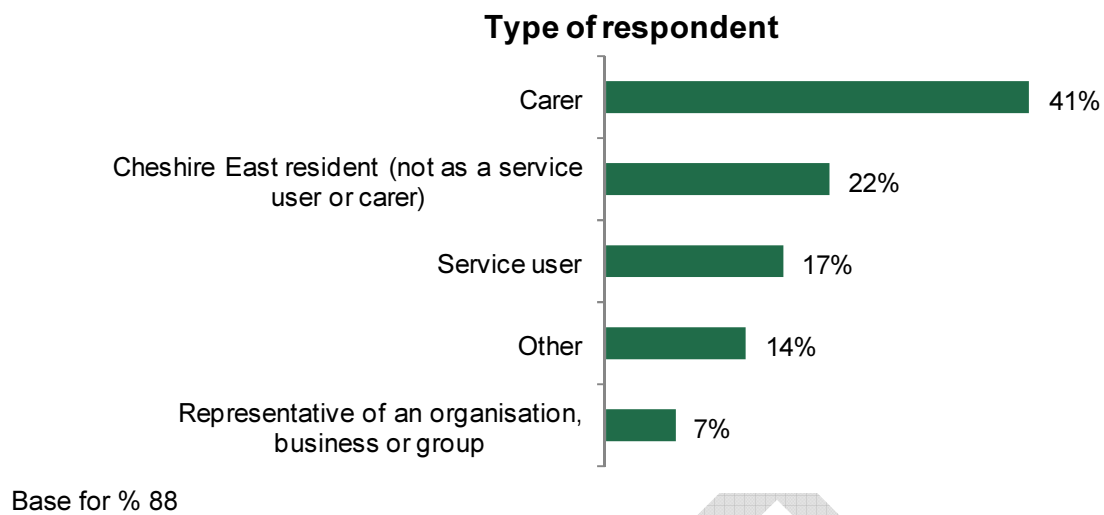
Base for % 89

**Figure 11: Age of survey respondents**

**Age group**



Base for % 90

**Figure 12 Respondent type**

The majority of respondents completed the consultation survey as a carer (41%). 22% were residents of Cheshire East, but were not responding as a service user or carer, and 17% responded as a service user. Most respondents who classed themselves as an 'other' category were a friend or relative of a service user.

<sup>1</sup> 'Preparing for the Care Act in Cheshire East Council' Have your Say consultation document, Adult Social Care Services, Cheshire East Council

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	21 <sup>st</sup> July 2015
<b>Report of:</b>	Executive Director for Economic Growth and Prosperity
<b>Subject/Title:</b>	Development of a Cheshire East Gypsy and Traveller Transit Site
<b>Portfolio Holder:</b>	Cllr Ainsley Arnold, Housing and Planning

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#### 1. Report Summary

- 1.1 Cheshire East Council aims to offer all our residents equity. This paper is part of a process of fulfilling our legal requirements with regards to Gypsy and Traveller provision, whilst supporting all our residents and businesses. **By ensuring we have a transit provision we can alleviate the stress on residents and businesses who have suffered the impact of unauthorised encampments.**
- 1.2 The absence of transit provision in Cheshire East is preventing the Police from using their powers under the Criminal Justice and Public Order Act 1994 ( Section 62) to direct Travellers to a more suitable site. This is resulting in Cheshire East experiencing **unprecedented levels of unauthorised encampments** across the authority, with **81 recorded in 2014**, a significant increase on previously levels recorded.
- 1.3 Putting Cheshire East residents and businesses first, a proactive approach to tackle unauthorised encampments is being taken. On 15<sup>th</sup> April 2015 planning permission was granted to develop Cledford Hall, Middlewich as a transit site, which will allow the police to make full use of their powers and deliver significant benefits to the community including:
  - **Reducing the number of unauthorised encampments in the Borough**
  - **Dealing with unauthorised encampments when they do occur more quickly and effectively.**
  - **Improving health outcomes by providing safe, clean facilities for the Gypsy and Travelling community, including access to other services i.e. Health.**
  - **Reduction in anti-social behaviour resulting in improving relationships with the environment for local communities and businesses.**
- 1.4 Whilst Cledford Hall provides the Council with the opportunity to develop a much needed transit site, it also enables us to bring the listed barn back into use, preserving its heritage and providing not only amenities for the

site, but also offices and meeting room facilities for wider community benefits.

- 1.5 Approval is sought from Cabinet to progress to the construction stage of the project, with the intention to have the transit site ready by August 2016.

## **2. Recommendations**

- 2.1 To approve the progression of the project to enable the scheme to be developed in line with the capital budget identified within the 2014-18 capital programme.
- 2.2 To delegate authority to the Executive Director of Economic Growth and Prosperity, in consultation with the Portfolio Holder for Housing and Planning, to enter into a construction contract with the preferred bidder and make related decisions to deliver the Cledford Hall project.

## **3. Other Options Considered**

- 3.1 Commissioned by the Council, Peter Brett Associates considered a significant number of sites to be used as Gypsy and Traveller transit site. 8 sites were identified for further investigation and of these only one was identified as being feasible for a development as a transit site. The owners of this particular site took the decision to take forward a planning application for a permanent site in their own right, removing the potential for transit provision.
- 3.2 Cledford Hall in Middlewich was identified as having potential if the listed building status of the farm house was addressed. The owners of the site were successful in their application to the Secretary of State to remove the listed building status on the farm house, but the status still remains on the barns.
- 3.3 Cledford Hall became the preferred option when all other options had been exhausted and, with the permission of the owner, a feasibility study and surveys were undertaken to ensure that the site could accommodate the required number of pitches.

## **4. Reasons for Recommendations**

- 4.1 Cabinet approval is necessary to enable the project to progress construction phase of the project enter into a contract with the preferred contractor.
- 4.2 A transit site would allow the police to use their powers under Section 62a-e of the Criminal Justice and Public Order Act 1994. This allows the police to direct the Travellers from the land to a suitable pitch on a transit site within the same local authority area. If the Travellers do not leave when directed to, or if they return to the authority within three months after being directed, they are committing an offence. Thus, a transit site will enable

Cheshire East and the Police to deal with encampments in a more proactive manner.

- 4.3 Experience has shown that the establishment of transit sites significantly reduces unauthorised encampments. Another local authority local to Cheshire East opened a transit site in February 2009 and their encampment numbers have greatly reduced, from 83 in 2005, 66 in 2006 to 4 in 2009 when the transit site opened. This low level has been maintained.
- 4.4 The transit site will provide a safe, clean environment on which Travellers can reside for a short period of time. During their period of residency they will be able to access services for example health services.
- 4.5 The costs associated with unauthorised encampments can be significant not only for Cheshire East who has to deal with those situated on Cheshire East owned land but also local businesses and other public services. The cost of unauthorised encampments on an annual basis could be as high as **£223,720** as outlined in **Appendix 1** which provides the approximate costs incurred during 2014/15 and also the social impacts on both the residential and travelling communities.
- 4.6 There is a legal requirement under the Housing Act 2004, the National Planning Policy Framework 2012 and Planning Policy for Traveller Sites 2012 for Local Authorities to identify accommodation needs for Gypsy and Travellers and Travelling Show people and to establish a five year land supply in order to address these needs.

## 5 Background/Chronology

- 5.1 Following completion of a site identification study for the provision of a transit site, it was evident there was no option but to progress to the procurement of a full and robust feasibility study on the Cledford Hall site to enable us to ascertain if the site could accommodate the required 10 pitches and amenities.
- 5.2 An advert was placed for expressions of interest from the Constructor partners on the North West Construction Hub (NWCH) for the Design & Construction of the Transit Site at Cledford Hall Farm. Mansell Construction Services Limited was appointed for the pre-construction stage of the project under a Letter of Intent to enable a design to be developed and a target cost agreed.
- 5.4 Upon completion of the feasibility study which provided detailed estimated costings, a business case was taken through the Gate 1 Project Management process. The estimated costs showed that the development of the site would be above the average cost for a transit site, which is due to the cost of bringing the listed barns into use, and the ecological mitigation works that are required prior to construction of the pitches.

- 5.5 A planning application was submitted and approval was given on the 15<sup>th</sup> April 2015. Following receipt of planning permission the Cledford Hall site was purchased, utilising a Section 106 contribution. At this stage a detailed business case was also submitted and endorsed through the Gate 2 Project Management process.
- 5.6 The project team are now at the final pre-construction stage, which includes the completion of surveys to assist in the detailed design process.
- 5.7 The costs of the pre-construction works have been provided for under the 2014-15 approved capital budget of £0.5m. The project is now seeking approval of the construction costs, which will enable us to enter into a contract with the preferred contractor.
- 5.8 The provision of a transit site forms part of our commitment to meet the needs identified within the 2014 Gypsy and Traveller Accommodation Assessment (GTAA). The study also identified a need for Residential and Travelling Show people site provision. Cheshire East are working with private owners and exploring further opportunities to bring forward suitable sites to ensure that we meet this need. Following successful planning applications we are close to fulfilling our 2013-2020 requirement to secure 32 residential pitches.

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

- 6.1 Middlewich: Councillor Simon McGrory, Councillor Michael Parsons and Councillor Bernice Walmsley

## **7 Implications of Recommendation**

### **7.1 Policy Implications**

- 7.1.1 The project supports the Council's 3 year Business Plan in a number of ways:

- **Outcome 1** Our local communities are strong and supportive – Unauthorised encampments can have a significant negative impact on our communities. Providing a secure and safe location for our Gypsy and Traveller communities to reside whilst travelling through the area can reduce the impact and contribute towards the creation of cohesive communities.
- **Outcome 3** People have the life skills and education they need to thrive – The provision of a transit site will provide a safe location with facilities for children reducing the potential risks of residing on an unauthorised encampment.
- **Outcome 4** Cheshire East is a green and sustainable place- Unauthorised encampments can have a detrimental impact on the

environment which incur clean-up costs. A transit site will ensure that Travellers can be directed to more appropriate provision.

- **Outcome 5** People Live Well and for Longer – Due to the transient lifestyle, Travellers do not always have access to amenities and health facilities, which can impact on their health. A transit site will enable Travellers to access facilities even for a short period of time, which could have a beneficial impact on their health.

## 7.2 Legal Implications

7.2.1 The legal comments are embodied in the report.

## 7.3 Financial Implications

7.3.1 There are both capital and revenue implications related to the scheme and these are outlined below. The overall budget for development of the site is £3.4m. This includes pre construction activity and fees. The £2.8m construction costs include c£1.8m for the site and pitches, and c£1m for the restoration of the listed barn. Funding is being sought from Homes and Communities Agency (HCA), which will reduce the level of required capital funding required.

7.3.2 There are £35,000 revenue costs related to ongoing maintenance and site management costs (subject to rental income). These cost would be further offset any cost for dealing illegal encampments, and are being considered further as part of the the 2016/17 business planning process.

<b>Capital:</b>		<b>£000</b>
Approved Capital Budget	2014/15	515
	2015/18	2,843
<b>Total</b>		<b>3,358</b>
Financed by:		
HCA grant (Subject to HCA approval)		900
Capital Receipts/Prudential Borrowing		2,458
<b>Total</b>		<b>3,358</b>

7.3.3 The estimated construction costs include the following.

<b>Construction costs</b>	<b>£000</b>
Preliminaries and Site preparation	597
10No. Pitches, access and site works	763
Restoration of barn for amenities & offices	777
Fees and Charges	120
Contingency	550
<b>Total</b>	<b>2,807</b>

- 7.3.4 The terms of appointment of the contractor are on a Design and Construct basis under a contract with tendered rates for Overheads and Profit – these are submitted as part of the Framework – with all other costs on an ‘open book’ partnering arrangement with the contractor seeking competitive quotes for each work package.

#### **7.4 Equality Implications**

- 7.4.1 An Equality Impact Assessment has been carried out on the scheme that has considered equality issues.

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

- 7.5.1 The site is located in a rural position on the outskirts of Middlewich and has both commercial and residential premises in close proximity. Through the site design process the project team have taken care to ensure that the boundary treatment does not detract from its surroundings.

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

- 7.6.1 Following completion of the project there will be a requirement to ensure that there is adequate site management in place.

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

- 7.7.1 The site will provide a safe environment for those Travellers passing through the area to reside. They will have access to amenities including clean drinking water and washing facilities. In addition they will be able to access appropriate health services if required.

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

- 7.8.1 No further implications have been identified.

### **8 Risk Management**

- 8.1 Failure to provide transit provision could result in further increases in unauthorised encampments across the authority impacting negatively on local residents and businesses, and incurring further costs.
- 8.2 The Protected Species mitigation measures need to be carried out prior to September, any delays will result in the mitigation window being missed and the construction commencement will be delayed for a further 9 months. The project team are in the process of applying to Natural England for a Protected Species Licence, if this is refused it will place the scheme at significant risk.

- 8.3 There is a risk of unforeseen works when surveys are undertaken on the listed barns that could increase the costs, however a small contingency sum has been incorporated into the budget to cover this eventuality.
- 8.4 An application has been made to the Homes and Communities Agency for grant funding towards the cost of the scheme. There is a risk that this will be refused or the maximum grant of £900,000 is not received.

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

9.1 *The following documents are available on the Cheshire East website:*

- *Gypsy and Traveller Accommodation Assessment*
- *Site Identification study*

If required a full copy of the Feasibility study can be provided.

## **10 Contact Information**

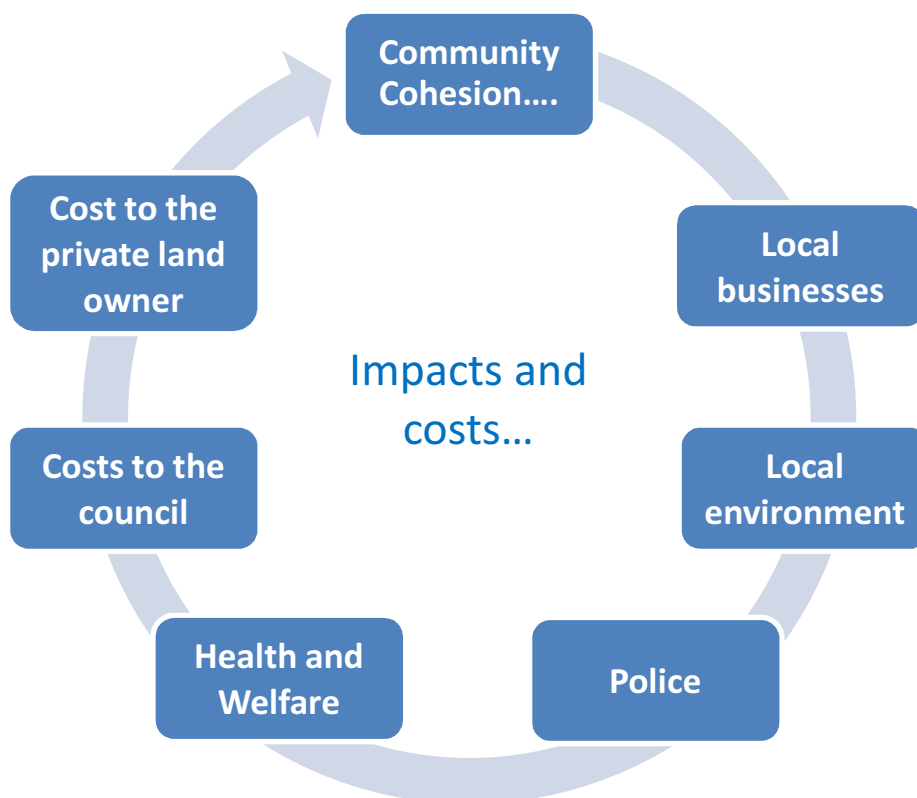
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## Appendix 1: Social and economic effects of unauthorised encampments



	Impacts (social and economic)	Costs (based on 2014/15)
<b>Local Businesses</b>	<p>Local businesses feel the impact of unauthorised encampments in a number of ways, so costs are quantifiable:-</p> <ul style="list-style-type: none"> <li>• Impact on business reputation</li> <li>• Loss of business</li> <li>• Cost to evict Travellers (court and bailiffs)</li> <li>• Health and Safety for both staff accessing the premises and the Travellers who could be at risk of accidents involving Heavy Goods Vehicles</li> <li>• Clean up costs</li> </ul>	<p>Estimated average cost £2,000 per encampment (this is dependent of length of stay):</p> <p><b>£22,000</b></p>
<b>Private Land owners</b>	<p>Private landowners have the responsibility of taking the appropriate action to evict Travellers this includes court and bailiff costs and clean-up costs following encampments.</p>	<p><b>£55,600</b></p>
<b>Local Environment</b>	<p>Damage can be caused to the local environment during and following encampments. Some Travellers will camp on playing fields which are used by the general public for leisure activities. Vehicles can churn</p>	

	up playing fields and It is essential that any human waste is cleaned up.	
	Estimated clean-up costs on previous encampments on school land equated to £10,000 but there were none in 2014/15	
<b>Police</b>	In the majority of cases the police are called upon to deal with unauthorised encampments. This comes at a cost.	<b>£42,000</b>
<b>Health and Wellbeing</b>	Not only are there implications for the residential community but Travellers are not able to access amenities on unauthorised encampments which can impact on their health and wellbeing. Travellers will often access A&E services as they are not able to register with a local doctor.	
<b>Council Services</b>	Unauthorised encampments impact on a number of council services, which have cost implications. We employ a full time Gypsy and Traveller Liaison Officer and contribute towards the Sub Regional Gypsy and Traveller Coordinator which equates to <b>£55,622</b> . In addition to these costs during 2014/15 Cheshire East incurred a further <b>£48,498</b> in relation to legal, clean-up and other associated costs.	<b>£ 104,120</b>
<b>Community Cohesion</b>	Unauthorised encampments can result in community tensions which can lead to negative publicity articulated via local papers which have the ability to impact on the reputation of the Local Authority.  Negative publicity around the Gypsy and Traveller community can result in significant opposition towards the development of permanent residential sites. It is a requirement for Local Authorities to allocate land through the Local Plan process for the provision of sites, which can become quite contentious.	
<b>Total</b>		<b>£ 223,720</b>

## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	21 <sup>st</sup> July 2015
<b>Report of:</b>	Caroline Simpson: Executive Director of Economic Growth and Prosperity
<b>Subject/Title:</b>	Skills & Growth Company - ASDV
<b>Portfolio Holder:</b>	Cllr Don Stockton, Regeneration and Assets

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#### 1. Report Summary

- 1.1. Total government investment in employment and skills provision in Cheshire East could be as much as £100 million annually, excluding HE, although less than 1% of this investment is currently channelled through the council. Considering this investment, combined with both the changing landscape of skills policy and the opportunity for economic growth, it is timely to evaluate how best the Council's skills and growth services are delivered to ensure we are best placed to **create employment opportunities for all** and to **attract and grow business, creating high quality employment**.
- 1.2. It is also crucial to consider how the council, through the development of a ready-made vehicle providing integrated end-to-end services, can influence and support government investment for employment and skills in the context of devolved decision-making powers.
- 1.3. This report proposes a full review of the Council's skills and growth services, with a view to creating an arms-length Alternative Service Delivery Vehicle (ASDV) that will improve services to residents and businesses, grow income and reinvest profits. It is considered that, linked with Cheshire East's strong economic potential, a Council-owned company can improve the labour market function and business productivity, maximise growth in high value employment and enable more residents to access jobs, reducing long-term unemployment and NEETs.
- 1.4. By bringing employers closer to training and skills providers at a local level, we can realise economies of scale, address skills shortages and develop employment opportunities, ensuring **every resident has the opportunity to work**, and **every business has the opportunity to thrive**.
- 1.5. The borough is already home to a highly skilled workforce, strong labour demand, employment rates that are significantly above regional and national averages, and low (and falling) levels of unemployment. However there remain pockets of deprivation and high levels of unemployment in defined areas where

we need to deliver targeted intervention programmes. We need to build on our strengths by establishing a collaborative and integrated skills and growth gateway to tackle long-term unemployment and increase the productivity of our businesses.

- 1.6. Cabinet approval is sought to proceed with a review of the skills and growth services in the Council with a view to establishing a council owned company. A detailed business case and options appraisal will be completed for consideration by relevant Portfolio Holders.

## **2. Recommendations**

Cabinet is recommended to:

- 2.1. Approve a service review and options appraisal to deliver an integrated Skills & Growth vehicle.
- 2.2. Give delegated authority to the Portfolio Holder for Regeneration and Assets, in consultation with other relevant Portfolio Holders, the Head of Legal Services and the Chief Operating Officer, to implement the outcome of the options appraisal including but not limited to the creation of an skills and growth company, authority to enter into all necessary governance arrangements and arrangements with other Council owned and controlled companies subject to a detailed business case being endorsed by both TEG and EMB in accordance with the Council's Constitution.
- 2.3. Such authority also to include entering into all necessary contractual arrangements including but not limited to operating agreements, buy back agreements leases, licences and guarantees, and all TUPE provisions, together with undertaking the necessary staff engagement.
- 2.4. Give delegated authority to the Chief Operating Officer as Section 151 Officer and Head of Legal Services and Monitoring Officer to undertake all necessary and consequential action arising from the above recommendations including but not limited to entering into any necessary documentation.

## **3. Other Options Considered**

- 3.1. A full options appraisal will be completed to establish the most suitable delivery arrangements for skills and growth services, which may subsequently result in the development of a detailed business case for change.

## **4. Reasons for Recommendations**

- 4.1. To tackle long-term unemployment and increase productivity of our business base there is a need to take a fresh approach to skills and growth, ensuring an integrated and effective service aligned with the needs of our employers, designed to ensure the best employment and skills opportunities are available

for all our residents, and geared towards maximising our strengths for high growth employment opportunities in science, energy, technology, and engineering.

4.2. A high-level appraisal of skills and growth delivery has identified a number of key goals, which collectively minimise labour market failure and enhance growth:

- To ensure local people have the skills to access the benefits of growth in Cheshire East through upskilling, reskilling and supported employment
- To further support and accelerate growth by better enabling employers, particularly those in high value sectors (Science, Energy and Technology), to access the skills their businesses need
- To further reduce unemployment, particularly among young people
- To highlight labour market failures and opportunities, enabling providers to respond
- To stimulate the demand for jobs and advanced/higher level skills from residents and employers, maximising investment in human capital
- To reduce demand on council services, maximising efficiencies
- To increase the productivity of the workforce and attract new investment

4.3. The aim of the review is to set out an action plan for the future provision of services, securing continuous improvement while having regard to economy, efficiency and effectiveness. The outcomes are:

- **To create employment opportunities for all** – developing skills, supported employment, creating jobs, attracting investment and ensuring opportunities, particularly for young and old people
- **To attract and grow business, creating high quality employment** – the level to which the Council can maximise business rates, attract investment, provide opportunities for our young people to access jobs, apprenticeships and reduce NEETs

## 5. Background/Chronology

5.1. The Council has recognised the need to change the way services are provided in the future in order to create opportunities for innovation and provide service efficiencies delivered using a 'best-fit' approach.

5.2. At the meeting of Cheshire East Council on 4 February 2013 it was agreed that the Council should proceed to becoming a strategic commissioning organisation where a small core of commissioners under the strategic direction of the Executive, identify and prioritise local needs, develop the outcomes that

people require and then commission the services most appropriate to the delivery of those outcomes.

- 5.3. The basis of this decision was recognition that the landscape under which local public services are designed, purchased and delivered is changing rapidly under new Government policy and legislation. In order to align this with public services locally, the Council is changing the way it operates to become a strategic commissioning body.
- 5.4. Economic growth is a top priority for the Council. A strong economy and labour market is a crucial aspect of our growth strategy, making Cheshire East a more prosperous place and reducing dependency, benefitting business, residents and the Council itself.
- 5.5. The economy is recovering after one of the most challenging recessions in living memory. Although this is the case, productivity continues to lag behind most Western nations. Our competitive advantage will depend on creating the best conditions for businesses to thrive, innovate and move into higher value markets and for employees to engage in fulfilling and productive work.
- 5.6. Research recently carried out by Organisation for Economic Co-operation and Development (OECD) concludes skills and mobilisation of the workforce is the number one factor for driving growth in the UK. Furthermore, there is growing evidence of a shift in the labour market fuelling growth in high-skilled jobs and new higher technical roles.
- 5.7. Government's investment in employment and skills provision in Cheshire East could be as much as £100 million annually, excluding higher education, although less than 1% of this investment is currently channelled through the Council.
- 5.8. Cheshire and Warrington has the fifth fastest growing economy in the region, with the pace of growth outstripping most northern cities. Cheshire East is largely driving this growth through its high skills base, new business starts, low unemployment and strengths in science, engineering and technology. Arguably, Cheshire East in its own right is identified as one of the strongest economies in the country.
- 5.9. That said, much of the economic growth over the recent growth period (1998-2008) was in the public sector (70%) and there was a decline in manufacturing (-36%) over the same period.
- 5.10. Going forwards growth needs to be private sector led, which needs to be stimulated and facilitated. It is expected over 2000 private sector jobs a year will be created through to 2030 and the productivity of our businesses needs to remain strong with a focus on high value, highly skilled jobs. This can only be

achieved by taking a fresh approach to the Council's skills and growth services to ensure the labour market is fully functioning and businesses are investing.

5.11. Sustainable recovery for the long term is driven by the skills and talent of people. There must be a robust and clear delivery framework to underpin skills and growth, rooted in the needs of local residents and businesses, and focused on integrated service delivery under eight strategic imperatives:

Strategic Imperatives

- tackle long term unemployment and NEETS
- ensure young people are work ready
- ensure education provision meets employer needs
- foster high value skills for high growth business
- lead high growth sectors – science, energy and technology
- unlock strategic sites and maximise business rates
- ensure all businesses have the support they need to succeed
- maximise and attract investment

5.12. An inclusive review of all skills and growth services is to be undertaken to consider appropriate functions and resources necessary to deliver the outcomes, including;

- **Skills, training and advisory services** (e.g. Youth Advisory Service, YOTs, NEETs, Life Long Learning, 14+ Skills, Adult educational needs)
- **Employment services** (e.g. Apprenticeships, placements and links with national and local delivery partners (e.g., Job Centre Plus, Total People)
- **Business Growth** (e.g. Business Engagement, Inward investment, high growth business, business rates, Strategic Employment sites) + links with chambers and local business groups/networks, developers and investors
- **High growth programmes** (e.g. Science, Energy, Technology)

5.13. The role and relationship of government departments will be carefully considered including Department of Work and Pensions (DWP), Business Innovation and Skills (BIS), Department of Communities and Local Government (DCLG) and the Treasury; as will the role of local delivery partners and policy groups.

5.14. With increasing weight being given to the devolution agenda and the growing momentum of the Northern Powerhouse it is also crucial to consider how the Council is best placed to influence government policy, with a view to influencing more strongly employment and skills delivery at a local level.

5.15. Governance arrangements for delivery of an integrated skills and growth service will be key and needs to be representative of the market in which it

operates. It should be empowered and agile to take full advantage of funding and other opportunities available, rather than being constrained by rules and regulations that hold it back. To this end, consideration should be given to freedoms and flexibilities a company model might need when compared to other council-owned companies, and consider more widely our role and relationship with strategic partners.

5.16. A delivery plan to complete the service review and implement its recommendations is proposed that maximises the opportunities associated with policy changes and funding availability. Below are the key milestones;

Milestones:

- Cabinet endorsement to proceed (21/07/15)
- Detailed Business Case considered by TEG/EMB (August)
- Portfolio Holder(s) approval to implement recommended option (August)
- New delivery arrangements in place (01/10/15)
- New delivery vehicle fully operational (latest 01/01/16)

5.17. It is proposed shadow governance arrangements will operate ahead of any company being operational should these be required. Further information will be set out in the detailed business case.

5.18. The proposals outlined will ensure that any plans for change are robust and developed in accordance with the council's policies and procedures, having undergone the necessary approval regime.

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

6.1. All wards will be affected

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

7.1.1. The Council has developed a three year plan with two specific outcomes which relate to Skills and Growth:

**Outcome 2:** Cheshire East has a strong and resilient economy

**Outcome 3:** People have the life skills and education they need to thrive.

7.1.2. The Council seeks to support economic growth within the borough and therefore needs to provide effective and efficient services that both maximise the life chances of its residents and create a pool of talented labour, which can capture the massive investments and developments that are planned for the region.



7.1.3. Providing employment and training opportunities for all our residents will give them the best start possible in life. Having such home grown talent will ensure that schemes such as HS2, Jodrell Bank, and the Alderley Park Biohub recruit locally rather than having to 'import' expertise from elsewhere. It will also encourage inward investment in our growth areas.

## **7.2. Legal Implications**

7.2.1. The legal implications are included in the main body of this report and further legal implications will be considered in due course with the Portfolio Holder for Regeneration and Assets when the options appraisal is concluded. .

## **7.3. Financial Implications**

7.3.1. The services under consideration currently have a gross budget of £4.5m. They include six core services:

- 14+ Skills
- Youth Advisory Services
- Young Offending Service
- Learning Development
- Business Engagement and Inward Investment
- Major Projects

7.3.2. Financial projections cost of investment funding and other financial implications will be incorporated in the detailed business case.

## **7.4. Equality Implications**

7.4.1. The detailed business case to be considered by through the councils approval processes will include a detailed Equality Impact Assessment exploring any implications.

7.4.2. Given that the aim of this work is to improved the range and quality of services supporting employment and skills development it is expected that any impacts will be positive and will focus on the more socially deprived members of our community.

## **7.5. Rural Community Implications**

7.5.1. Given that the aim of this work is to improved the range and quality of services supporting employment and skills development it is expected that any impacts will be positive.

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

7.6.1. The HR implications will be clearly identified in the detailed business case to be considered. Given the options under consideration these could possibly include some restructuring or TUPE transfer.

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

It is expected improving skills and employment opportunities of our residents will have a positive impact on health outcomes. Further consideration will be given as part of the detailed business case.

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

7.8.1. There are none envisaged at this stage.

### **8. Risk Management**

8.1. The key risks will be identified once the most suitable option has been determined. These will then be assessed and managed by the project board.

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

### **10. Contact Information**

Contact details for this report are as follows:

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	21 <sup>st</sup> July 2015
<b>Report of:</b>	Executive Director of Economic Growth and Prosperity
<b>Subject/Title:</b>	Strategic Asset Management Plan
<b>Portfolio Holder:</b>	Cllr Don Stockton, Regeneration and Assets

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#### 1.0 Report Summary

- 1.1. Cheshire East Council has ambitious growth plans and is taking a proactive approach to the strategic use of its assets. There are plans (subject to revision) to create at least 31,000 jobs and 36,000 new homes by 2030 with major new infrastructure projects in development.
- 1.2. In addition, the Council is undertaking some major schemes to enhance public services such as developing a Lifestyle concept and creating Community Hubs. . These innovative projects will provide the opportunity for the integration of the services that citizens need in relation to their lifestyle all in one place. This is exemplified in the £15m Crewe Lifestyle project which is currently in the construction phase and proceeding at pace.
- 1.3. Cheshire East Council has a land and property portfolio worth over £485m; a net asset management budget of £17m and an annual capital building programme of approx. £15m - £20m. The Council is one of the largest business rates payers in the Borough and there is a priority that the asset review reduces this liability, to enable funds to be diverted back into front line services. As a Council, we have already reduced our business rates liability over the past 18 months , through a strategic review of the estate and land building disposal, by over £500k ( 17% ) , and the accelerated rationalisation programme will challenge this even further.
- 1.4. It is essential that the council continues to drive value for money into its use of assets, and provides innovative solutions to reducing our total spend on the running costs of buildings and holding costs of properties, reducing our rates liability, whilst at the same time providing the platform for economic growth.
- 1.5. This asset rationalisation, creating future development opportunities aligns to the Council's strategic objectives, in particular outcome 2 – *Cheshire East has a strong and resilient economy*. Through the newly created Regeneration and growth team, assets will be used to increase business rates into the Borough, creating inward investment and growth opportunities. The asset rationalisation will also make a significant

contribution to finding suitable housing sites for the Borough

- 1.6. The Council's other major initiative is the creation of the development Company Engine of the North which has a significant role in rationalising the council's estate, and bring strategic sites to the market to encourage economic growth. The council will continue to use this innovative joint venture, reviewing its current structure to provide a model which has sufficient capacity to drive forward and deliver the challenging agenda of asset rationalisation and asset release.
- 1.7. The task of aligning the assets cannot be achieved without a clearly defined strategy and delivery plan in respect of the 2,350+ assets the council currently owns. The current Strategic Asset Management Plan (SAMP) was produced shortly after the creation of Cheshire East as a unitary authority in 2009 and is now in need of thorough revision in order to reflect the changed circumstances in which the authority is now operating.
- 1.8. Independent consultants Montagu Evans were commissioned in May 2014 to deliver this fully refreshed strategy and delivery plan and this is now presented for Cabinet's approval and subsequent implementation.

## **2.0 Recommendations**

Cabinet is asked to agree:

- 2.1 That the new Strategic Asset Management and Delivery Plan be approved.
- 2.2 That officers be authorised to implement the plan subject to the need to get member authority for key and other major decisions.

## **3.0 Reasons for Recommendations**

- 3.1 The political and financial landscape in which the council operates has changed significantly since Local Government Reorganisation in 2009. The SAMP written at that time was intended to cover the period 2009-2014 and would therefore be due for a rewrite even without those changes in circumstance.
- 3.2 The new SAMP reflects both those external changes and the changes in the Council's own priorities and desired outcomes. Specifically it incorporates the following elements:
  - Context
  - Assets and Influences
  - Strategic Action Plan
  - Performance and Review
- 3.3 Unless a new SAMP is adopted there is a risk that Services will be working to an outdated plan that potentially conflicts with some of the council's current

aims and objectives causing confusion, inefficiencies and failed delivery of other change activity.

- 3.4 There are other element of the Assets change initiative, such as developing a new delivery model, which are dependent and cannot be properly achieved without the clear vision, strategy and plan that the SAMP brings.

#### **4.0 Wards Affected**

- 4.1 All wards

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

- 5.1 All Members

#### **6.0 Policy Implications**

- 6.1 The SAMP implementation contains a number of elements that have corporate policy implications. These are discussed more fully in the document itself but are summarised below:

- Increase the Council capital receipts programme to support investment
- Reduce the Council Business rates costs whilst at the same time increasing third party Business rates into the Council.
- Reduction in leased estate
- Embedding flexible working practices
- Improved customer contact
- The councils Energy framework
- Energy efficiency savings
- Developing sustainable buildings
- Supporting town centre activity

- 6.2 The project is identified in the Councils Three Year plan as part of the major change programme to re-define the council's role in the commissioning and delivery of services.

- 6.3 The Council seeks to support economic growth within the area and as a consequence needs to have an assets strategy and services which support and assist those who wish to invest in the area and which stimulates intelligent use of local assets which puts residents first.

#### **7.0 Financial Implications (authorised by the Chief Operating Officer)**

- 7.1 The Council currently owns over 2,350 assets with a net book value of £485m. These include 512 operational assets and 1800+ land assets, both large and small. The council also has a challenging capital receipts programme of £25m for 2015/16 which will be driven from the asset rationalisation programme.

- 7.2 The SAMP will be delivered within existing resources, however will seek to reduce the revenue spend on running and holding costs. The SAMP will also set out the strategy for delivery of the capital receipts programme and inform future medium term financial planning, in that regard.

## **8.0 Legal Implications (authorised by the Head of Legal Services)**

- 8.1 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous wellbeing powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.
- 8.2 The General Disposal Consent 2003 authorises the disposal of land for 7 years or more at less than best consideration if the undervalue is £2million or less, if the undervalue is higher than £2million consent to the disposal is required from the Secretary of State.
- 8.3 The Council has the power to grant a lease of the land pursuant to s123 of The Local Government Act 1972 subject to any disposal for 7 years or more being at the best consideration that can reasonably be obtained.
- 8.4 Notwithstanding the above powers the Council has a fiduciary duty to the taxpayers and must fulfil this duty in a way which is accountable to local people.
- 8.5 All disposals must comply with the European Commission's State aid rules. When disposing of land at less than best consideration the Council is providing a subsidy to the occupier of the land. In such cases the Council must ensure that the nature and the amount of the subsidy complies with State aid rules, failure to comply means that the aid is unlawful and may result in the benefit being recovered with interest from the recipient. If the occupier receives less than approximately £143007.41 (at 21/6/15 exchange rates (200,000 Euros) ) in state aid over a 3 year period then the De Minimis Regulation will apply (small amounts of aid are unlikely to distort competition).
- 8.6 Acquisitions will also be subject to similar means of accountability to include best value being obtained. State Aid considerations may fall to be considered, and in some transactions the complexity may involve procurement legislation, and application of the contract procedure rules, for due diligence information/material, depending on each particular set of circumstances.
- 8.7 Relevant consideration will have to be given for each transaction to the level of authority required under the Constitution. As the need arises, moving forwards, appropriate legal advice will be given tailored for the specific transactions falling to be considered.
- 8.8 The variety of assets owned by the council is large, ranging from grass verges and allotments to corporate office buildings. The ownership details are similarly complex and include both leasehold and freehold titles. The legal

implications of the SAMP are therefore significant and will require appropriate resourcing to deliver the implementation plan. Legal services will therefore be fully represented on the team responsible for that delivery.

## **9.0 Risk Management**

- 9.2 This work is one workstream within the over-arching Assets Change project. As such the risks for this project are detailed within the overarching risk log which is owned and managed by the project delivery team. The team has established appropriate mitigating actions and monitors each risk on a regular basis in accordance with the Council's project management methodology.
- 9.4 Corporate risks are those that have the potential to cause corporate concern. Where necessary any project risks that fall into this category will be identified from the project risk register and escalated to the corporate Risk Management Group for consideration, monitoring and inclusion on the Corporate Risk Register. The Corporate Leadership Board ensures that actions and recommendations within the Corporate Risk Register are implemented.
- 9.5 The Audit and Governance Committee is responsible for keeping under review the effectiveness of the risk management, control and governance arrangements. Audit and Governance Committee receives a quarterly update on the Corporate Risk Register and considers any changes to the corporate risks and their ratings. Cabinet also receives quarterly monitoring reports and an annual report on the Corporate Risk Management.

## **11.0 Access to Information**

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

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# STRATEGIC ASSET MANAGEMENT PLAN

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# FOREWORD

The past 10 years have seen unprecedented changes to service delivery in Local Government, with significant reductions in support grant. Property is the second largest cost to staffing costs, and thus, future efficiency savings must use assets as a driver for change, challenging the need for assets in modern service delivery.

The current land and property assets held by the Council are diverse. They include offices, leisure centres, libraries, residential accommodation, cultural venues and land among many other uses. Assets are held for operational, investment and strategic reasons or a combination. Many of our assets are an important part of our Borough's economic and social fabric however, as we move forward in identifying new collaborative ways of service delivery, it is important to challenge the concept of "working without walls", and identify where services are best placed to be delivered.

We want to use our assets as an enabler for economic growth, by adopting a more strategic approach across the whole public sector. Our property assets need to be geared to meet the Council's objectives and support the community services needed in a sustainable and cost effective manner now and in the future. The delivery of the strategy will:

- Generate more capital receipts which will then be invested in future projects for the social economic and environmental wellbeing of our communities
- Release underused land and buildings to stimulate growth, regeneration, new housing and jobs
- Reduce running costs and improve the environmental credentials of our buildings
- Deliver more integrated and customer-focused services by encouraging services to co-locate and service providers to collaborate.

Cheshire East's Strategic Asset Management Plan sets out the strategic vision, core values and objectives that form the context of how we expect our land and property portfolio to be developed for the period 2015 - 2018 and beyond. It has been informed by a wide range of data sources, as well as through consultation with Council Officers who use land and property assets to deliver Council services.

In common with other local authorities, the Council's portfolio has emerged in an ad hoc manner over a number of years. This is particularly the case given the creation of a new Unitary Authority in 2009. It is therefore appropriate that the purpose of some of the assets that are owned, occupied or controlled by the Council are reviewed in the light of the Council's corporate objectives, priorities and service needs. This Asset Strategy has been created to support and complement the Council's evolving operating model and associated service delivery aspirations moving forward.

The Strategy will help the Council to make decisions about divestment from operational property where, for example, alternative value for money solutions could be secured, and where regeneration opportunities are not compromised. If operational property must remain within the Council's ownership and control, the Asset Strategy will help identify opportunities to make best use of its assets to optimise operational costs and drive out revenue and capital cost savings. It will also help to shape acquisitions and investment in land and property for the future.

The Asset Strategy will also support decisions related to non-operational property where, for example, assets may be retained if there is a strategic importance in doing so or where financial performance is clearly strong. The Strategy will help to define surplus assets for disposal and reinvestment opportunities, in projects that support an efficient and functionally flexible estate.

The Strategic Asset Management Plan will be a key corporate policy. It will help inform the Council's business planning, alongside shaping other corporate policies, linked to service lines. As a strategic document it does not resolve all of the Council's land and property considerations, but identifies what steps may be needed to take the path toward better, more effective decision making on property matters.



Michael Jones  
Leader Of Cheshire East Council

# EXECUTIVE SUMMARY

Cheshire East's Strategic Asset Management Plan (SAMP) sets out the strategic vision, core values, objectives and actions for the Council's land and property for the period 2015 - 2018. The context for the SAMP is:

- The Council has 511 operational land and property assets, including offices, leisure centres, libraries, residential accommodation, and cultural venues among many other uses. It also has 1,846 separate land holdings and owns a significant investment portfolio as well as a Farms Estate
- Assets are held for operational, investment and strategic reasons - or a combination of these.
- In 2012/2013 the total portfolio (including education) had a net book value of £492 million.
- Public spending is expected to reduce at least until 2018/19. Based on recent budget reductions spending will fall by 33% in real terms (Local Government Association 2014). For Cheshire East, the total budget for the period 2013/2014 to 2015/2016 is forecast to be reduced by £22.2m. The Council is seeking innovative ways to deliver services, including effective use of land and property assets to meet service needs and the net budget target.
- Significant reshaping of the Council's land and property assets has already occurred since 2009: a substantial reduction in Council office accommodation (from 32 premises to 8); energy savings amounting to £800,000 per annum; and disposal of surplus assets amounting to over £20m since 2011.

A number of priorities in the Council's Three Year Plan relate to property and its use. At a strategic level, the council is moving towards delivering more integrated and customer-focused services by encouraging services to co-locate and service providers to collaborate. Collaborate asset management will be a strong focus for the strategy. The Council is to embrace this principle, engaging with our partners (both public and community sector) in a series of key cross cutting initiatives which will affect decisions about its use of land and property assets. These initiatives include:

1. **A Commissioning Council** – resulting in ways of delivering services more effectively
2. **An emerging Energy Framework** – targeting energy cost reductions or to provide income
3. **Customer Contact** – initiative to enhance ways of communicating with customers
4. **Flexible working** – reflecting a move toward more modern ways of working
5. **Community Hubs** - a flexible approach to meeting community service needs
6. **Arms-Length Companies** – wholly owned companies set up by the Council to drive forward service efficiencies.
7. **Regeneration** - using assets to support regeneration, especially in town centres

From reviewing current and likely future influences, the SAMP prescribes a series of property specific and strategic actions to shape the Council's estate over the next few years, including:

- *Strengthen communication and partnering arrangements with key strategic stakeholder and public sector bodies to identify opportunities to use assets more effectively.*
- *Reviewing its property decision making structure.*
- *Working alongside the Council's wholly owned companies to ensure its assets are used effectively.*
- *Reviewing the council land assets.*
- *Reviewing surplus asset and operational assets, continuing the roll out of the Community Hub initiative and devolution of assets where appropriate.*
- *Reviewing the Council's investment portfolio for its effectiveness and return profile.*
- *Developing a high level in-house protocol for assets which are considered surplus to requirements and dispose of them in an efficient and effective manner, contributing to the economic growth agenda.*
- *Improvement in its property data management in accordance with its Corporate Landlord principles of property management so that informed decision can be made.*
- *Taking steps toward a more sustainable asset portfolio carrying out feasibility studies to assess energy saving and income generating opportunities.*
- *Responding to changes in legislation, regulations and guidance which may impact on its management of property.*

The identified actions are set against achievable timeframes with responsibility allocated to the key Council Directorates - Chief Operating Officer, Strategic Commissioning and Growth and Prosperity.

The SAMP also sets out a framework for reviewing its content, actions and performance - and benchmarked where appropriate against criteria relevant to the desired outcomes.

# STRATEGIC ASSET MANAGEMENT PLAN

This Strategic Asset Management Plan (SAMP) is structured as follows:

- **Section 1** sets out the context for the Strategic Asset Management Plan. It outlines the scale and scope of the Council's assets, Government policy on procedures and best practice, as well as statutory responsibilities. It also explains the Council's corporate plan, vision and core values as well as describing what the Council is seeking to do.
- **Section 2** examines the Council's current property assets and how future needs and influences will shape the Council's land and property portfolio, and what gaps in the portfolio may exist. Nine core groupings are used to describe the Council's assets - corporate, children's services, social care and independent living, community services, environmental services, visitor economy and culture, investment, land and farms. It provides an overview of the assets, plus the individual property categories that are linked to these groupings.
- **Section 3** sets out the strategic action plan to deliver the SAMP, in light of the previous section. Strategic actions are firstly identified, followed by a framework for action on a category by category basis, and what outcomes are expected.
- **Section 4** proposes a framework for assessing and reviewing the performance of the SAMP, and how it may be revised to meet changing needs.



# 1. CONTEXT FOR THE ACTION PLAN

## CHESHIRE EAST COUNCIL IN CONTEXT

Cheshire East Unitary Authority was formed in 2009 from Macclesfield, Congleton, Crewe and Nantwich Borough Councils as well as the functions of Cheshire County Council. With an estimated population of around 370,000 it is the 12<sup>th</sup> largest authority in the UK. The population is forecast to increase by 6% by 2029.

It is also a large Borough, covering some 1,150 sq km (19<sup>th</sup> largest of 326). This has implications on the range and type of assets the Council holds, especially in terms of service delivery and meeting the needs of residents and businesses. While it is a large area, a substantial proportion of the Borough is designated as greenbelt. The major centres are Crewe (pop. 70,240) and Macclesfield (pop. 51,090), with other large towns including Congleton, Wilmslow, Knutsford, Nantwich, Alderley Edge and Holmes Chapel. There are also a multitude of smaller population centres and villages set within the rural hinterland.

The Borough benefits from a strong, strategic communication infrastructure. The M6 and M56 thread through the Borough. Crewe Rail Station is a major interchange for national services, and the Borough will also benefit from the delivery of a new HS2 station to the south of Crewe. The north of the Borough also lies immediately adjacent to Manchester. Cheshire is also acknowledged to be a significant growth hotspot outside of London.

There are though strong contrasts; for example rural and urban areas, as well as areas of comparative affluence and deprivation. These factors too have a bearing on how the Council organises its services and its associated land and property assets.

## FINANCIAL PERSPECTIVE

The National Audit office states that the Government will reduce its funding to local authorities by an estimated 28% in real terms between 2010-11 and 2014-15. Further planned cuts will bring the total reduction to 37% by 2015-16. Despite growth in the UK economy, government projections show continuing funding cuts for local authorities well into the next Parliament. On the same trajectory of cuts that have been experienced to date, over the period to 2019/20 (and excluding ring-fenced public health expenditure) spending will fall by 21% in cash terms or 33% in real terms (Local Government Association 2014). This sets a context of fiscal responsibility for Councils.

Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,000 sq km for its 370,000 residents, with a total budget of around £750m per annum. The Third Quarter Budget Review for Cheshire East (Q3, 2014) explains that the Council's financial performance has continued to improve compared to previous financial years. Improvements in financial planning, governance and stewardship are having a clear impact on the Council's ability to manage its budget and create greater confidence in the medium term plans.

While the Council is considered to be financially stable, the drive to reduce Local Authority expenditure will continue to place downward pressure on budgets. For Cheshire East, the total budget for the period 2013/2014 to 2015/2016 is forecast to be reduced by £22.2m. This reduction points toward the Council seeking innovative ways to deliver services, including effective use of land and property assets to meet service needs and the net budget target.

## PORTFOLIO OVERVIEW

Cheshire East Council owns a diverse range of land and property assets. In January 2015 the Council had 512 operational assets (freehold and leasehold), excluding education assets. In 2013/2014 the total portfolio (including education) had a net book value of £492 million.

The Council also owns a very extensive land holding (non-operational) estate, comprising 1,846 land holdings (January 2015). These land holdings are located throughout the Borough. The scale of this land asset base and the diverse location and nature of these interests presents considerable challenges for the Council.

### Cheshire East Council: Summary Breakdown of Operational Assets

Allotments	19	Looked after Children	3
Business Generation Centres	3	Markets	6
Business Parks, Centres & Offices	1	Museums & Galleries	2
Cemetery & Crematoria	10	Nurseries	1
Children's Centres	12	Nursing Homes & Residential	3
Closed Land Fill Site	4	Offices	8
Community Centre & Public Halls	6	Parking Services	112
Community Parks & Open Spaces	30	Public Convenience	15
Countryside Recreation & Management	22	Public Transport	4
Day Care Centres	11	Special Education	2
Depots	7	Sport and Recreational Facility Indoor	10
Family Support Services	3	Sport and Recreational Facility Outdoor	140
Farms	20	Supported Accommodation	6
Heritage	2	Theatres and Entertainment	1
Homelessness	1	Tourism & Visitor Economy	2
Household Waste Collection	11	Traveller Sites	1
Industrial Unit Blocks	10	Youth Centres	6
Libraries	18		
<b>Total Number of Assets: 512</b>			

The Council also owns a wide range of assets used for commercial purposes (203 assets) including an investment portfolio. Other assets are surplus to requirements and awaiting disposal (as at January 2015).

### Summary Breakdown of Commercial (Non Operational) Assets\*

For Sale	11
Investment Agricultural Land	39
Investment Commercial Retail and Office	24
Investment Community Sport & Youth Facilities	23
Investment Garages	16
Investment Residential	29
Surplus	36

\*Excludes 24 interim managed assets. 1 asset held by Engine of the North

The Council operates a Corporate Landlord model, where all assets are held corporately. Appendix A provides a comprehensive list of assets, grouped under the key Council service areas – Chief Operating Officer, Strategic Commissioning and Economic Growth and Prosperity.

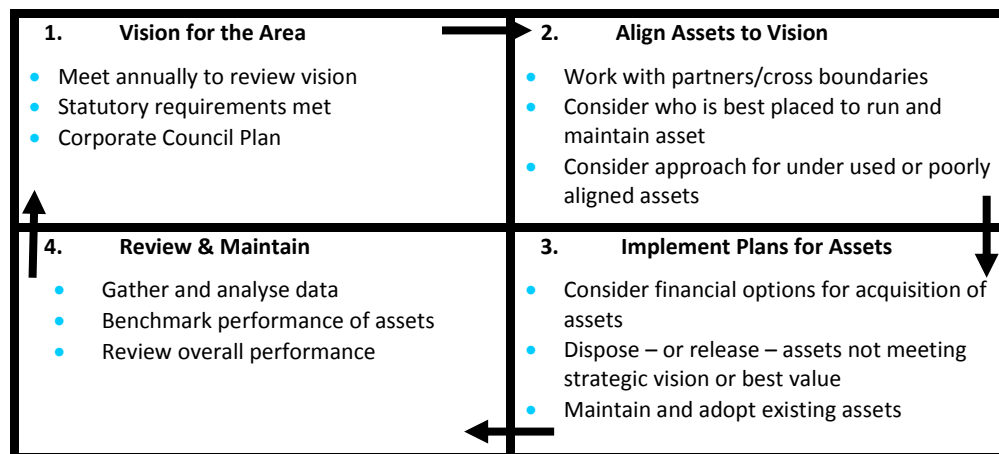
The scale of the portfolio, ambition of the Council and government policy has already resulted in significant reshaping of the Borough's land and property assets, though this has principally focused on the rationalisation of the corporate ('Back office') assets, most notably has been the very significant reduction in Council office accommodation – from 32 premises to 8. For the retained estate, the Council has also embarked in a series of other initiatives, including energy reduction and implementation of more efficient heating and lighting systems, resulting in savings amounting to £800,000 per annum from 25 key assets.

The next stage of Asset review will focus on how we can challenge future service delivery assets and land ownings of the Council to deliver more efficient services to our communities and to drive economic growth. We will also be concentrating on further rationalization of assets, with a challenging target of reducing Business rates by £1m for the year 2015/16. During 2011/12 – 2013/2014 disposal of surplus assets had realised in excess of £20m for the Council; however, further reviews should help accelerate this programme with a target of £25 m for 2015/16 financial year.

## STRATEGIC ASSET MANAGEMENT PLANNING

There has been considerable published advice and guidance on how the public sector should manage its property assets more effectively. The National Audit Commission produced a report in 2000 (*Hot Property – Getting the Best from the Local Authority Assets*) and further guidance in 2009 (*Room for Improvement – Strategic Asset Management in Local Government*). The RICS have also provided several excellent documents with regards strategic asset management, including guidelines for the Public Sector (*RICS Public Sector Property Asset Management Guidelines, 2nd Edition, 2012*). Central Government is also pursuing the One Public Estate Programme – designed to facilitate and enable local authorities to work successfully with central government and local agencies on public property and land issues through sharing and collaboration.

Councils have been required to take steps along the path towards better asset management since the late 1990's. One of those key requirements is the need to produce an Asset Management Plan (AMP). As a relatively newly merged authority, Cheshire East Council first prepared an Asset Management Strategy for the years 2009 – 2014 and then again for the period 2011-2014. The asset management process should be driven by the Borough Community Strategy and Council's corporate plan. Above all, assets held by the Council - and the way in which services are delivered – can be a substantial driver of change.



## CHESHIRE EAST COUNCIL THREE YEAR PLAN 2013 – 2016

The Three Year Plan sets out our purpose, what sort of a Council we want to be and our values. Five outcomes – or objectives – are articulated:

**Outcome 1** – Our local communities are strong and supportive individuals and families are self-reliant and take personal responsibility for their quality of life. Communities are cohesive with a strong sense of neighbourliness. There is a genuine civic pride and mutual respect.

**Outcome 2** – Cheshire East has a strong and resilient economy. Cheshire East is known as a good place to do business – we attract inward investment, there is access to high quality workforce and our business and visitor economy grow to create prosperity for all.

**Outcome 3** – People have the life skills and education they need to thrive. Children and young people get a good start in life and are prepared for the world of work. Everyone is equipped to live independent, self-sufficient lives and to realise their particular talents and abilities.

**Outcome 4** – Cheshire East is a green and sustainable place. Cheshire East's rural and urban character is protected and enhanced through sensitive development, environmental management, transport and waste disposal policies.

**Outcome 5** – People live well and for longer. Local people have healthy lifestyles and access to good cultural, leisure and recreational facilities. Care services focus on prevention, early intervention and physical and mental wellbeing.

A number of priorities related to property – indirectly or directly – are included in the Three Year Plan:

- Local economic development.
- Development of affordable and sustainable local models of care for vulnerable children and adults.
- Focussing services on early intervention and prevention.
- Securing housing that is locally led, community based and that meets local needs.
- Redefining the Council's role in core place based services.
- Service efficiencies/redefining the corporate core.
- Workforce planning.

There are therefore clear links between the use of property and achieving the Three Year Plan priorities and outcomes.



## WHY THE COUNCIL HAS AN ASSET STRATEGY?

Strategic asset management ensures that the land and buildings of the Council are structured in the best community and corporate interest. They align the asset base with the Council's corporate goals and initiatives, and examine where future influences may reshape requirements. The Council's property resources must be used to optimise the benefit to services in an efficient and effective manner, unless they are held for investment purposes (where financial return is important) or are of strategic importance – say in relation to regeneration initiatives. Importantly, this asset management plan is about having a strategic approach to assets, and sets the context for the preparation of more detailed service asset management plans.

The benefits of a Strategic Asset Management Plan for Cheshire East's land and property is that it will:

- Promote collaborative working – both internally and with other possible partners
- Assist in shaping service review and delivery
- Ensure the assets reflect the needs of its residents and businesses.
- Align to our corporate vision and organisational outcomes.
- Be holistic and co-ordinated.
- Ensure the portfolio is developed, reviewed and shaped in a sustainable way to meet future needs.
- Provide a positive impact on the Council's economic growth agenda
- Meets guidelines and best practice advice
- Reduce its revenue costs of holding assets
- Create capital receipts which will be invested in schemes to promote economic growth and wellbeing.

It concerns itself with non-financial and financial matters and is involved with the planning and organisation for the future.

## SCOPE OF THE ASSET MANAGEMENT PLAN

The SAMP covers all land and property assets, except education assets. Whilst education assets are a significant part of the Council's property ownership, they have been excluded from the SAMP, as these assets are managed in a highly devolved way by school governing bodies. There is therefore restricted scope for a strategic review of these assets.

This asset review also touches on a series of wholly owned companies, set up by Cheshire East Council. These companies have been set up to deliver Council services or in some cases – and especially the Engine of the North; the Council's property development company – to make best use of the Council's land and property portfolio.

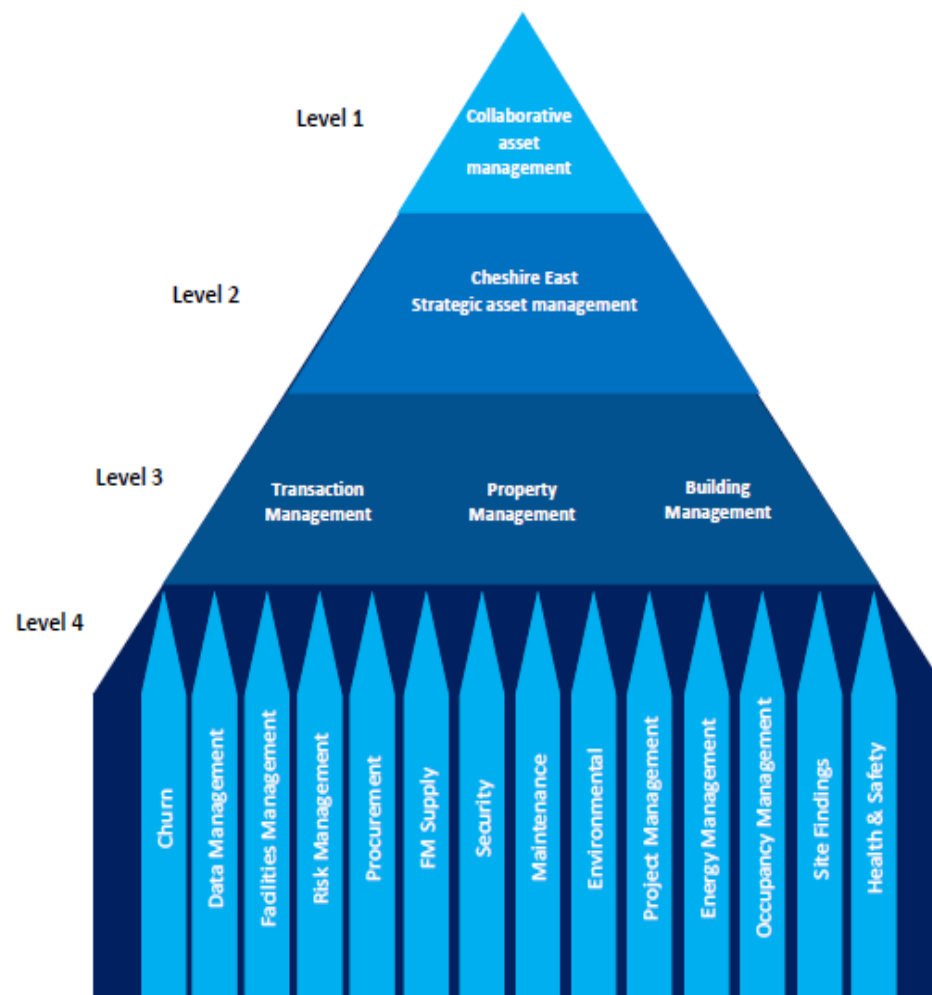
The review of the Council's assets also highlights that in a number of areas there are limitations to the data presently available. Thus, a key action relates to completing information gaps to further improve decision making in the future.

## 2. COUNCIL'S ASSETS AND INFLUENCES

The Council's current property asset portfolio needs to be considered in the context of present and likely future influences on the demand for property and land. These influences will inform the shape of the Council's property portfolio, and initiatives needed to achieve this in years to come.

In developing the asset management plan and having regard to the influences, the Council will progress through several levels:

- Level 1** Public sector organisations in Cheshire East – strategic alignment and direction and managing assets collaboratively.
- Level 2** Cheshire East Council doing strategic asset management across its own asset base
- Level 3** Portfolio management – delivery critical
- Level 4** Day to day management



Broadly, the Council's portfolio can be described as containing assets in the groupings of:

- Land
- Investment
- Operational

These groupings provide an overall structure for the Council's portfolio. Further segmentation of the Operational grouping allows for a finer grained examination of the influences affecting assets through the following categories:

1. Land
2. Investment
3. Corporate
4. Children's Services
5. Social Care and Independent Living
6. Community Services
7. Environmental Services
8. Visitor Economy and Culture
9. Farms

At a strategic level, the Council is engaged in a series of key cross cutting initiatives. These key initiatives are outlined in the adjacent table – they may have a direct or indirect impact on the use, operation and cost of property. This might be for example through changes to service delivery, and therefore the future use of land and property to support those services. These cross cutting initiatives are also reflected in commentary on specific asset categories.

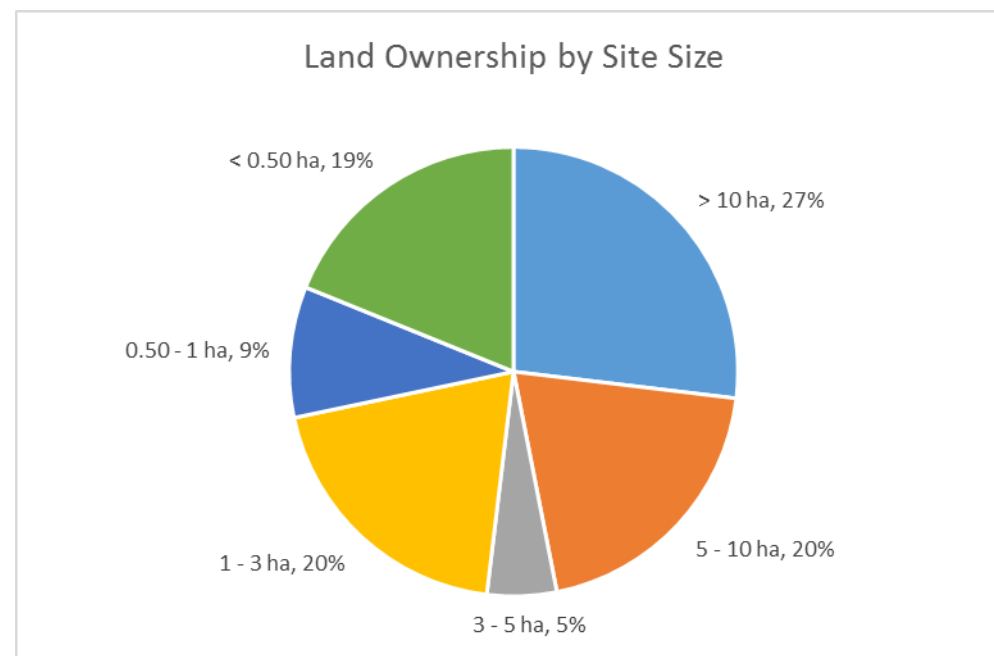
Cross Cutting Theme	Initiative	Expected Outcomes
<b>The Council as a Commissioning Authority</b>	<ul style="list-style-type: none"> <li>▪ Continue to investigate ways in which services may be provided more effectively and efficiently through third parties and commercial market.</li> </ul>	<p>More effective delivery of services.</p> <p>Cost savings/ reduction of business rates</p> <p>Use of external expertise.</p>
<b>Energy Framework</b>	<ul style="list-style-type: none"> <li>▪ Finalise and endorse Energy Framework.</li> <li>▪ Confirm preferred properties for energy strategy.</li> <li>▪ Implement projects based on deliverability and financial benefits.</li> </ul>	<p>Income from projects.</p> <p>Reduced energy costs.</p>
<b>Corporate Landlord</b>	<ul style="list-style-type: none"> <li>▪ Continue to develop Corporate Landlord approach and property knowledge through improved data management relating to assets.</li> </ul>	<p>Better data collection and analysis leading to clearer decision making on property matters and asset rationalisation</p>
<b>Customer Contact Operation</b>	<ul style="list-style-type: none"> <li>▪ Early review of how Council engages with its customers.</li> <li>▪ Complete review and effect agreed initiatives.</li> </ul>	<p>Enhanced modes of customer liaison.</p> <p>Possible reduction in need for building space to deliver services</p> <p>Reduced operational estate / rates savings .</p>
<b>Flexible Working</b>	<ul style="list-style-type: none"> <li>▪ Drive to implement a greater degree of flexible working for Council staff, where appropriate</li> </ul>	<p>More efficient working practices and reduction in the need for Council office space/ less space / reduction of rates</p>
<b>Community Hubs</b>	<ul style="list-style-type: none"> <li>▪ Partnership working to deliver flexible approach to community services delivery</li> </ul>	<p>More effective delivery of services and use of assets.</p>
<b>Arms' Length Companies</b>	<ul style="list-style-type: none"> <li>▪ Continued roll out of Council owned arms' length companies to manage services where proven case to do so.</li> </ul>	<p>Increased opportunities to expand operations beyond Council's geographical boundaries.</p> <p>Greater autonomy to run Council services.</p>
<b>Regeneration</b>	<ul style="list-style-type: none"> <li>▪ Focus on delivering town centre regeneration, in Crewe and elsewhere in the area.</li> </ul>	<p>Stronger town centres</p> <p>Possible use of Council assets to support scheme delivery</p>

## LAND

There are 1,846 pieces of land held by Cheshire East Council. The land is held for a wide variety of purposes, including highway strips and public open space. Overall, they vary in size from a few square metres to larger plots.

### Relevant Asset Influences

- There is a general view that management of the Council's land holding is time consuming and costly, alongside there being no particularly clear strategy on which decisions about its retention (or otherwise) are made against. With pressure on the Council's budget a suitable strategy could reduce management and maintenance costs while any land disposals could financially benefit the Council.
- In some cases, the reason – or reasons - for holding the land may require clarification - for example, whether it contributes to public open space needs.
- There is considerable pressure for housing land in East Cheshire, which could potentially be met through the possible release of land, if deemed suitable for residential development.
- There may be opportunities for some land holdings to be devolved to other parties – again reducing both management implications and costs for the Council.
- Land is a valuable and scarce commodity. Effective cross department working in the Council may help identify if any land ownerships could have benefits for supporting other Council objectives – for example, land might be held in a town centre for future regeneration purposes.



*Based on known site areas for land assets*

## INVESTMENT

The Council owns a number of properties which are geared toward investment (both business generation and financial). Properties which fall into this category include:

- Business Generation Centres
- Business Park Centres and Offices
- Industrial Units
- Investment Properties
- Surplus / For Sale

Investment properties account for 132 properties. Separate to this the Council also owns 10 industrial unit assets. As at January 2015, a further 47 of Cheshire East's land and property assets were either for sale or declared surplus to use.

### Cheshire East: Summary of Investment Properties

'Investment' Type	No. of Assets
Residential	29
Garage	16
Sport and Youth	23
Retail and Office	24
Agriculture	39

### Relevant Asset Influences

- Business generation centres provide a small operating profit (Overview and Scrutiny review - March 2011). They are though perhaps unlikely to appeal to high growth/high value businesses, and may not be meeting business fostering objectives laid out by the Council. There may also be cases where the service could be provided by specialist private commercial enterprises.

- The Council retains the freehold of Crewe Business Park and management of the landscaping of common footpaths and marketing suites. Service charge arrangements will be an important consideration in light of this arrangement, and the Council is currently retendering its management service arrangements.
- The Council has a significant holding of industrial units. These are of varying quality, and it is not clear that they are suited to meet high growth/high value business needs and may be more suited as an investment asset. The overall categorisation and performance of this property use - financial and otherwise – needs to be evaluated.
- The Council owns a considerable number of properties that are categorised as investment assets. There is a very broad mix of assets contained in this portfolio – including retail, office, garages, and agriculture. Increasing pressure on Council budgets means that a well-managed and financially positive investment portfolio needs to be in place for the Council, and this requires a detailed review of the assets held in this category and their contribution to an investment portfolio. For example, the Council owns around 220 single garage units, but the income received compared to management costs may not make this a very profitable asset. Other assets in this category may be used more for community purposes rather than investment needs.
- Where assets held no longer meet operational, investment or strategic needs, then the ability to dispose of such assets and reuse receipts for other purposes is important, and demonstrates effective and efficient use of assets by the Council.

## CORPORATE

The Council's corporate estate comprises offices used to accommodate Council staff required to deliver Council services. The Council's primary offices are:

- Westfields, Crewe Municipal Buildings, Cledford House, Delamere House, Macclesfield Town Hall, and Sandbach House, with the Council currently in the process of vacating Dalton House and Riverside.

The four principal offices are Crewe Municipal Buildings, Delamere House, Macclesfield Town Hall and Westfields. A total of 2,145 staff operate from these premises, and a 10:8 desking model has been put in place at these four principal corporate buildings. The total operating cost of the 8 offices for 2013/14 was £2.01m, accounting for energy use, cleaning, maintenance, rent and service charges. Over recent years the Council has reduced its corporate office footprint from 32 buildings to 8.

### Cheshire East Council: Corporate Buildings: Summary Information

Property	Gross Internal Area (sq m)	Total Operating Cost (£)	Assigned Staff (number)	Workstations (Number)
<i>Dalton House, Middlewich</i>	1,375	250,529	122	129
<i>Delamere House, Crewe</i>	6,138	340,345	747	599
<i>Cledford House, Middlewich</i>	1,358	72,646	108	83
<i>Macclesfield Town Hall</i>	10,109	540,543	535	432
<i>Municipal Buildings Crewe</i>	4,234	206,285	190	148
<i>Sandbach House, Sandbach</i>	341	24,269	31	4
<i>Suite 2A Riverside, Congleton</i>	775	206,414	49	66
<i>Westfields, Sandbach</i>	4,067	372,154	363	295

- Total operating cost based on 2013/14 information
- Assigned staff based on figures as at Sept 2014: not full time equivalents
- Number of staff at Sandbach House is assumed

### Relevant Asset Influences

- A continued need to reduce costs associated with managing the corporate estate. This includes ensuring that where contracts are secured from suppliers they provide value for money.
- Two offices – Dalton House (Middlewich) and Riverside (Congleton) – are leased by the Council. These represent significant liabilities given the rent that is paid. The intention is to reduce overall accommodation costs through decanting from these buildings by summer 2015. As a result of workforce reorganisation, Sandbach House may also become surplus to needs in the midterm.
- The Council is currently investigating ways to embed flexible working practices. These practices will look to further reduce the work space to employee ratio. In turn, this will reduce the amount of floorspace needed to meet operational requirements, though accepting that some flexibility in workspace needs may be appropriate given that employee numbers may vary in future years.
- A customer contact review is being undertaken which will lead to modernised customer contact systems and frontline delivery models (including a digital delivery strategy). The intention is to make Council services more readily accessible and direct customers to the right service sector. Modernising ICT systems – including their capacity to manage the needs of new systems – will be an important support function if the agile working strategy is to be successful and a digital led customer contact and front line delivery model is to be adopted.
- The Council's emerging Energy Framework will look to use Council properties to generate an income and / or savings. All possible energy options will be considered. Westfields and Macclesfield Town Hall buildings have been identified as potentially suitable for feasibility studies as they fall within Council's highest five energy consumption assets.
- Continued energy efficiency and consumption savings. The Council has already put in place a number of energy efficiency saving initiatives which have reduced overall running costs.
- The energy performance of buildings directive continues to place a requirement for public building to display energy certificates for buildings over 1,000 sq m. Those deemed to have a poor energy performance will require a range of measures to improve their performance.
- The Council's objective will also be to operate from more sustainable buildings – particularly where there are identifiable savings and positive outcomes.
- The Council's corporate offices also perform a wider role in supporting town centre activity and footfall. Some of these assets might also play a physical part in regenerating town centre locations.

## CHILDREN'S SERVICES

Children's Services rely in part on property to provide services. These assets include:

- Children's Centres
- Family Support Services
- Looked After Children Centres
- Nurseries
- Youth Centres

The assets are spread widely across the Borough. There are possible links between individual services provided in this grouping and the need for property to support those services. In recent years there has been a reduction in the number of assets supporting this sector – for example, the closure of Youth Justice Centres.

### Relevant Asset Influences

- There is a key move towards service delivery in the community and promotion of self-sufficiency. This strategy would be to provide more services in the community and reduce building need and therefore costs related to the existing asset base. Core 'hub services' will be retained in the most deprived areas, for example, Crewe.
- In redefining the property need to meet service requirements, an opportunistic approach may be best suited, say for example sharing space with other service providers. The broad based Community Hubs Initiative may also provide avenues which align with Children's Services' property needs. The Community Hub model is intended to be flexible, to reflect specific needs of an area and service requirements and has potential to result in a reduction in the need for property to deliver Children's Services through the introduction of flexible service approaches. Six Community Hubs pilots – Wilmslow, Knutsford, Macclesfield, Congleton, Nantwich, and Crewe – are being progressed by the Council to date. The initiative will continue to be developed through participation with key community stakeholders and other service providers.

- Any future changes to the composition of the assets supporting the provision of services in this grouping will need to be cognisant of the large geographical scale of the Borough and the ability of the community to access such services.
- Cheshire East is moving to a Commissioning Council model. This may provide for further commercial input to managing services and estates – for example, a privately run nursery service.
- To reshape assets used to deliver Children's services will require a stronger service review in order that opportunities such as the Community Hub initiative can be developed and act as the foundation to deliver change.

## SOCIAL CARE AND INDEPENDENT LIVING

These services provided by the Council mainly draw on property use in relation to accommodation (day, temporary, permanent). Categories which fall under this heading including:

- Day Care Services
- Supported Accommodation
- Nursing and Residential Homes

There are 20 assets contained in this grouping. The majority are Day Care Centres. Assets in this grouping are located across the Borough.

### Relevant Asset Influences

- There is a significant sharp rise in residents aged 65+ forecast by 2029. This will increase demand for support and care throughout Cheshire East. To prepare for this rising demand and to enable targeting of resources where there is the greatest need, Adult Social Care and Independent Living services are continuing the personalisation agenda. Integration with health partners will be key to this and programmes such as Pioneer, Caring Together and Connecting Care will have a significant impact on how and where health and social care staff work, which will in turn have implications for asset management.
- The Care Act which comes into effect in April 2015 emphasises choice and control in care and support. Greater personal choice and independence for service users, carers and their families will impact on the services we commission which may be very different in the future and have a very different geographical footprint. Community based care could operate on a micro-economy scale, using initiatives such as shared lives or casserole clubs where communities open their homes and their lives to people who need help and support.

- The growing number of older people in Cheshire will also require a more accessible public infrastructure to support their needs. The availability of public conveniences, accessible transport such as railway platforms and reductions in barriers to mobility such as kerbs and busy roads all play a part in helping people live well and for longer. So even though the traditional requirement for assets from which to run services may be declining, the need to invest in the whole built environment may increase.
- Where possible opportunities for co-location of services are being considered. For example, the Crewe Lifestyle centre will include day care services. Conversely mobile assets may also play their part in reaching the more rural areas such as an independent living bus. Again this will have an impact on the strategic asset management plan as fleet management requires a depot. An example of this is already present in Knutsford where collaborative working with the NHS has taken place and is now linked to a joint land and property deal.
- Cheshire East is moving to a Commissioning Council model. This may provide for further commercial input to managing services and reduction in the Council's property needs. Ultimately the Council's progression toward a Commissioning Council will determine the extent to which assets will be needed to support services.
- Future changes to the provision of services in this grouping will need to be cognisant of the large geographical scale of the Borough and the ability of the community to access such services, albeit that these services may not necessarily be property based.
- The Council has a statutory responsibility for the Homeless, and has recently prepared and published a Homelessness Strategy. This strategy identifies over 50 actions which are intended to reduce and prevent homelessness. The strategy includes addressing affordability, setting out protocols and pathways for people leaving institutions, as well as those with complex needs and health problems. In terms of property, the strategy will ensure there are a range of home choices available to those affected (or potentially affected) by homelessness, including by working with private sector partners and using the Council's hostel facility at Roe Street, Macclesfield.
- The Strategic Housing Service are currently undertaking a review of Temporary Accommodation across Cheshire East to ensure that the provision is fit for purpose and meets the diverse needs of the authority.



## COMMUNITY SERVICES

Community Services cover a broad spectrum of services with a range of land and property assets used to support this service offer. The property categories include:

- Allotments
- Community Centres and Public Halls
- Libraries
- Parking
- Public Conveniences
- Markets
- Traveller Sites
- Cemeteries and Crematoria - services delivered by Orbitas; a wholly owned company
- Sport and Recreational Services (Indoor/Outdoor) - services delivered by ESAR; a Leisure Trust

A large and diverse range of assets, totalling some 341 assets. The vast majority of these assets are Sport and Recreational services (150 sites) and Parking Services (car parks – 112).

### Relevant Asset Influences

- Since 2011 there has been a Transfer and Devolution strategy in place for a number of community based assets. This transfer strategy has seen libraries, allotments, community centres, markets and other community based assets being transferred to Town Councils and appropriate community stakeholder groups. Six allotments (of 19) have for example been transferred in this way. This transfer programme will continue where it is deemed suitable.
- The Community Hubs Initiative may dovetail with the future use of community centres and public halls. This would see, where appropriate, shared use of accommodation to deliver a range of Council and community services. Though not a designated Community Hub, the delivery of the Crewe Lifestyle Centre will be a strong example of how co-located services can be provided; the Lifestyle Centre includes sports facilities, a new library as well as space for other Council services.
- There are sixteen public conveniences located throughout the Borough (one of which has been transferred to a parish/town council). In some places there is a very high concentration – in others no public conveniences at all.

- The Library Strategy was updated in 2014. This provides a commitment to retain libraries, but also to deliver savings (£1m by 2015/2016). Space saving initiatives may be one way to contribute to the goal. This strategy also recognises there is a changing education and learning environment and that there is a need to broaden the role and appeal of libraries.
- The emerging Energy Framework highlights the leisure buildings in Wilmslow, Macclesfield and Nantwich as suitable for feasibility studies to examine its potential for implementation.
- Parking services provide a significant community service alongside generating a large income for the Council. Future outcomes for this category will need to ensure there is a balance between providing car parking, an income stream to the Council, enabling regeneration (where appropriate) as well as other factors such as accessibility and supporting town centre retailing activity.
- Providing sites for travellers is a statutory requirement. A recent assessment – Cheshire Gypsy Traveller and Travelling Show People Accommodation Assessment (2014) – points towards the requirement to provide an additional transit site in Cheshire East to meet their needs.
- Sport and recreation services have been transferred to a Leisure Trust (ESAR). Managing costs of providing services and maintaining buildings will continue to be a key issue, particularly given the high cost of providing indoor facilities. Equally important will be how cost apportionment is managed and agreed between the Council and ESAR.
- Sport and recreational facilities account for a significant amount of the Council's budget - £3.81m in 2013/14. The need, where appropriate, to improve sport and recreational facilities may present opportunities to rationalise the estates in order to provide modern, attractive services – such as the Crewe Lifestyle Centre - while delivering longer term cost savings.
- The draft Parks Strategy (2015) looks toward ensuring that investment is made where appropriate. Continuing to secure external funding contributions will be important if investment programmes for improvement of Sport and Recreational facilities are to be met. This includes public open space; spaces which often fall under the outdoor recreation category. There may be opportunities for the re-use of some land in order for receipts to be channelled toward improving parks and open spaces.

## ENVIRONMENTAL SERVICES

Assets falling under Environmental Services include:

- Closed Landfill Sites
- Household Waste Collection
- Depots
- Community Parks and Open Spaces
- Public Transport

There are 56 assets in this grouping; the majority (30) are Community Parks and Open Spaces.

### Relevant Asset Influences

- ANSA, a Council owned arms' length company, has been set up to manage Environmental Services. ANSA are, for example, responsible for managing the maintenance of community parks and open spaces and household waste collection.
- There has been a Council strategy to move away from disposing of its own waste within authority area. This will lead to the closure of all landfill sites, with a target date of 2016 to achieve this. Macclesfield land fill site closed in 2014.
- There is potential for sustainable waste management solutions to be secured through local authority partners, where they have capacity for managing waste. For example, an interim contract is in place with Staffordshire Council for use of a land fill site in their area.

- As part of delivering the Council's waste strategy to 2030 there is a need for a new hub depot facility that will provide better environmental performance and allow the Council to cease the landfilling of wastes through transfer to existing energy-from-waste plants outside the Borough.
- Community parks and open spaces enable people to live well. A draft Parks Strategy has been progressed with a key thrust to 'invest to maintain'. It is acknowledged though that improvements to these assets might be facilitated by release of some open space for development. Where new community or open space is provided it will need to be appropriately managed and properly funded in order to be well maintained.
- The Council owns 2 bus stations (Macclesfield and Knutsford) together with 2 shopmobility sites in Crewe and Macclesfield.

## VISITOR ECONOMY AND CULTURE

The Council holds a number of assets which are principally related to the visitor economy and culture. These include:

- Heritage
- Theatres and Entertainment
- Tourism and Visitor Economy
- Museums and Galleries
- Countryside Recreation and Management

29 assets fall into this grouping, with the vast majority (22) being Countryside Recreation and Management.

### Relevant Asset Influences

- While a number of buildings are not described specifically as Heritage assets, they may still perform a dual function – for example, Macclesfield Town Hall. Equally, the Macclesfield Town Centre Strategy and Silk Quarter Initiative recognise the importance of heritage to supporting a diversified town centre.
- Tatton Park is a key tourist attraction. The Council lease Tatton Park from the National Trust. Tatton Park Enterprises – a Council owned arms' length company – has been set up to manage catering services relating to the Council's lease for Tatton Park. The Tatton Park Business Plan 2014-2018 is in place and sets out a series of initiatives to shape and grow the business in future years, while reducing the Council's revenue cost.
- The Lyceum Theatre in Crewe is let, on a fifteen year lease, to HQ who manage the venue. The theatre is set within Crewe Town Centre Regeneration Area, but provides a significant cultural asset for the town.
- The museums and galleries held by the Council are considered to be important community and cultural facilities. The Council also looks to support other museum based initiatives, though this may not be directly through the use of land or property.

- Although there are no immediate plans to expand the Tourist Information Centre facilities in the Borough, those at Macclesfield and Congleton Town Halls are important components in supporting Cheshire East's visitor economy strategy, town centres and cultural diversity.
- The rural agenda is an increasingly important aspect of Council policy and decision making. The countryside enables people to live well. There is also continued promotion of access to the countryside. The countryside is also an important facet of the visitor economy strategy for the area and promoting Cheshire East's 'Quality of Place'.
- There may be opportunities to work with local stakeholders and community groups to enhance the quality and offer available at museums and galleries.

## FARMS

The Council owns 20 farm estates, accounting for 66 tenanted farms and some 5,104 acres encompassing a mixed portfolio of rural property that has been developed to provide opportunities to farming at an entry level. The farms estate property portfolio management and service delivery are provided by Cheshire Farms Shared Service, which operates across both Cheshire East and Cheshire West's farms estates and other rural properties. The Council categorises Farms as part of its operational portfolio.

### Relevant Asset Influences

- A business plan has been in place since 2012. The key principle of the plan is to improve the quality of the service offer by reorganising the estate structure to create more economically sustainable business opportunities, investing in a smaller number of farms and retaining a similar overall total area of land. As an outcome the plan identified capital receipts, initially valued at £13.53 million, fully funding the £3.38 million associated investment and delivery costs. -
- Farmland held by the Council is a very significant holding, and the ownership could possibly have benefits for other Council objectives. This might for example involve:
  - Housing Delivery
  - Infrastructure delivery
  - Waste Management
  - Energy Strategy
  - Skills and education.

Beyond ensuring the core farm business is profitable and viable there is the opportunity for co-ordinated cross Council working with Cheshire East's farm manager to identify what wider land and property synergies might exist and how these can be exploited.

- Farmland is an important landscape characteristic and helps support a strong sense and quality of place for East Cheshire.
- Given that farmland can provide a range of purposes, there might be opportunities to invest further in the Council's Farm Estate, with the initial basis being as an operational asset.

## 3. STRATEGIC ACTION PLAN

The prescribed actions contained in this section are split into two areas:

- **A – Key strategic actions** – linked to wider land and property management and operational activities, reflecting higher level activities.
  
- **B – Specific actions for individual property categories.** These are a response to the property influences identified. In some cases – and as would be expected – more detailed actions will be drawn out of individual service and property category reviews. Actions are also linked to Council directorates responsible for undertaking the actions – Strategic Commissioning, Economic Growth and Prosperity or Chief Operating Officer. Cross reference is also made in each action heading to the relevant section in Council Assets and Influences. This information is displayed in the heading of each action as follows:

## STRATEGIC ACTIONS

There Council considers it essential that the Asset Management plan have key actions which concentrate on economic growth and prosperity , creating capital receipts and reducing revenue costs. The key priority areas of the plan are therefore :

- Disposing of Surplus Assets
- Reducing Business rate
- Implementing continuous review of assets through the Strategic Asset Management Planning process – Organisation, Roles and Responsibilities
- Collaborative working with Other Stakeholders
- Improving Data Management
- Ensuring Statutory compliance with Legal Requirements, Regulation and Guidance on all retained assets
- Sustainability

### DISPOSING OF SURPLUS ASSETS

The Council recognises that actions undertaken in respect of the outcome of this SAMP will result in further surplus assets. While though some assets may be deemed surplus to their original needs, they may fulfil other requirements and corporate objectives. This might be for example in relation to holding assets for strategic purposes as they have the potential to provide the Council with ownership and influence in the delivery of town centre regeneration schemes. Thus surplus assets should, prior to disposal, be considered as to whether they might serve other strategic, operational or investment needs.

Where it is determined that an asset no longer contributes to the Council's objectives and is surplus to all requirements, the Council will dispose of it. Appropriate marketing strategies will be used; these will depend on the nature, size and value of the asset and the market interest it is likely to receive. Property sales of surplus assets may be accelerated by:

- Advertising available properties on its own web site
- Use web based marketing tools such as Co Star and Site Match
- Using auction houses.

For the SAMP to be effective, key delivery responsibilities need to be defined. The Action Plan already

- Where appropriate, packaging up assets together as a single lot.

Capital receipts and revenue savings could be maximised through development of surplus assets for alternative use via the Council's wholly owned property development company – East Cheshire Engine of the North.

The Council also needs to ensure the full costs of holding surplus assets – or decanting from existing buildings is properly factored into budgets.

**Action: the Council will develop a high level in house protocol for assets which are considered surplus. The Council will seek to achieve a Capital receipts target of £25m for 2015/16 .**

### REDUCING BUSINESS RATES

Through Strategic review of all land and asset, the council will seek to significantly reduce its Business rates liability.

**Action/outcome : the Council will carry out a strategic review creating a rationalisation programme which will seek to save £1m business rates in 2015/16**

### IMPLEMENTING STRATEGIC ASSET MANAGEMENT PLANNING - ORGANISATION, ROLES AND RESPONSIBILITIES

The organisation of the Council in its relation to dealing with land and property assets is important. The issues of organisation relate to:

- How the Council reaches decisions on property matters
- Effective decision making
- The need for cross department working on property matters

This will be important where the reshaping of the property portfolio – and services linked to the use of

identifies the key Council directorates responsible for driving forward the actions. Any future property actions too will also need to be linked to clear roles and responsibilities.

**Action: The Council will review its property decision making structure, creating a Corporate Property Board which will challenge and test the need to retain assets .**

## COLLABORATIVE WORKING WITH OTHER STAKEHOLDERS

Other community stakeholders have property requirements. Shared resources and facilities can result in significant savings. Shared facilities also benefit the community, minimising the need to travel through creating active and vibrant multi-service hubs. The development of Community Hubs is a core example of working proactively with community stakeholders to bring about better outcomes. The Council will continue to pursue other co-partner strategies by identifying:

- Ways to better align service delivery, including from property
- Opportunities to share space or buildings where appropriate
- Benefits for the community where such initiatives present themselves

The Council already has a number of 'partners' it closely works alongside. They include:

- Town and Parish Councils in the Cheshire East boundary
- Local Health providers and commissioners
- Fire & Rescue Service
- North West Ambulance Service
- Transport operating companies and commissioners
- Cheshire Police
- Developers, landowners and investors
- Neighbouring authorities

**Action: The Council will look to strengthen communication channels and forums with key strategic stakeholder and public sector bodies so as to better assist in identifying opportunities to work together with resultant property efficiencies one of the key aims. It will create a Public Sector Property Board which will assist in strategic discussions regarding future service delivery .**

those properties – may result in changing internal service connections. This might perhaps lead to current internal property decision making processes being modified, say perhaps through setting up a specific Council board to deal with property matters and confirming lead departments in delivering the SAMPs objectives where they are cross departmental.

## IMPROVING DATA MANAGEMENT

Good data management is a vital tool in managing the Council's portfolio, assessing its performance and creating the evidence base to support effective decision making. In preparing this asset management plan it is acknowledged that there are limitations in the property data available: in some parts it is incomplete and challenging to assimilate. The Council already has a substantial platform to enable better property data management through its Atrium property management system. The Council also adheres to the Corporate Landlord model and CIPFA data management standards.

Further steps will be put in place to improve property data management. This will be through:

- Reviewing the categorisation of assets to ensure appropriate classification of use and function. Certain assets may not sit comfortably within the current definition of the prime use – for example investment assets which are principally supporting a community use.
- Maintaining up to date and co-ordinated information on properties: expenditure, income, planned capital, net returns. At present property information is held by different departments, and there is no single, universal point or place of up to date knowledge.
- Ensuring key information gaps are filled. The more complete the key data held, the better property decisions can be made and performance more accurately measured on a property by property basis.
- Standardising property identification – using the Atrium Unique Reference Numbers (URN) as a way of coding expenditure and income information across the Council.
- Consistent and meaningful approaches to surveys and valuations, and ensuring that these are up to date and cover all relevant parts of the Council's portfolio .
- Reviewing rates, transactions charges and management fees on a regular basis.

**Action: the Council will continue to improve its property data management and ensure that a more consistent approach to its collation and recording is undertaken through a central point. This will continue to accord with its Corporate Landlord principles of property management.**

## ENSURING STATUTORY COMPLIANCE.

Through regular reviews the Council will continue to ensure that it meets its legal and regulatory requirements in respect of the assets it holds, and draws on guidance and best practice in its use and management as appropriate.

An immediate consideration for the Council will be to examine the scope to meet The Code of Recommended Practice for Local Authorities on Data Transparency Dec 2013, and particularly Part 3 which details the extent and scope of property information that ideally should be made publicly available.

***Action: The Council will continue to respond to changes in legislation, regulations and guidance which may impact on its management of property. This will include examining how it may make property information more readily available to the public***

## SUSTAINABILITY

The Council places a high emphasis on sustainable outcomes, including for its own assets. The Council will continue to examine and investigate ways in which its land and property can be made more sustainable.

***Action: The Council will take steps toward a more sustainable asset portfolio by pursuing an ongoing strategy which:***

- ***Considers opportunities to deliver more sustainable building outcomes where there are identifiable savings and positive outcomes can be achieved generally.***
- ***Prepares and adopts a sustainable design and specification code where the Council is delivering its own new assets.***



## KEY STRATEGIC ACTIONS

### DELIVERING A SIGNIFICANT CAPITAL RECEIPTS PROGRAMME (£25m 2015/16) TO ASSIST FUTURE INVESTMENT IN SERVICES

Action: the Council will develop a high level in house protocol for assets which are considered surplus. The Council will seek to achieve a Capital receipts target of £25m for 2015/16.

### INCREASING INWARD INVESTMENT OPPORTUNITIES - REDUCES EXISTING RATES LIABILITIES AND INCREASES BUSINESS RATES INTO BOROUGH

Action/outcome: the Council will carry out a strategic review creating a rationalisation programme which will seek to save £1m business rates in 2015/16.

### IMPLEMENTING STRATEGIC ASSET MANAGEMENT PLANNING - ORGANISATION, ROLES AND RESPONSIBILITIES

Action: The Council will review its property decision making structure, creating a Corporate Property Board which will challenge and test the need to retain assets.

### COLLABORATIVE WORKING WITH OTHER STAKEHOLDERS

Action: The Council will look to strengthen communication channels and forums with key strategic stakeholder and public sector bodies so as to better assist in identifying opportunities to work together with resultant property efficiencies one of the key aims. It will create a Public Sector Property Board which will assist in strategic discussions regarding future service delivery.

### IMPROVING DATA MANAGEMENT

Action: the Council will continue to improve its property data management and ensure that a more consistent approach to its collation and recording is undertaken through a central point. This will continue to accord with its Corporate Landlord principles of property management.

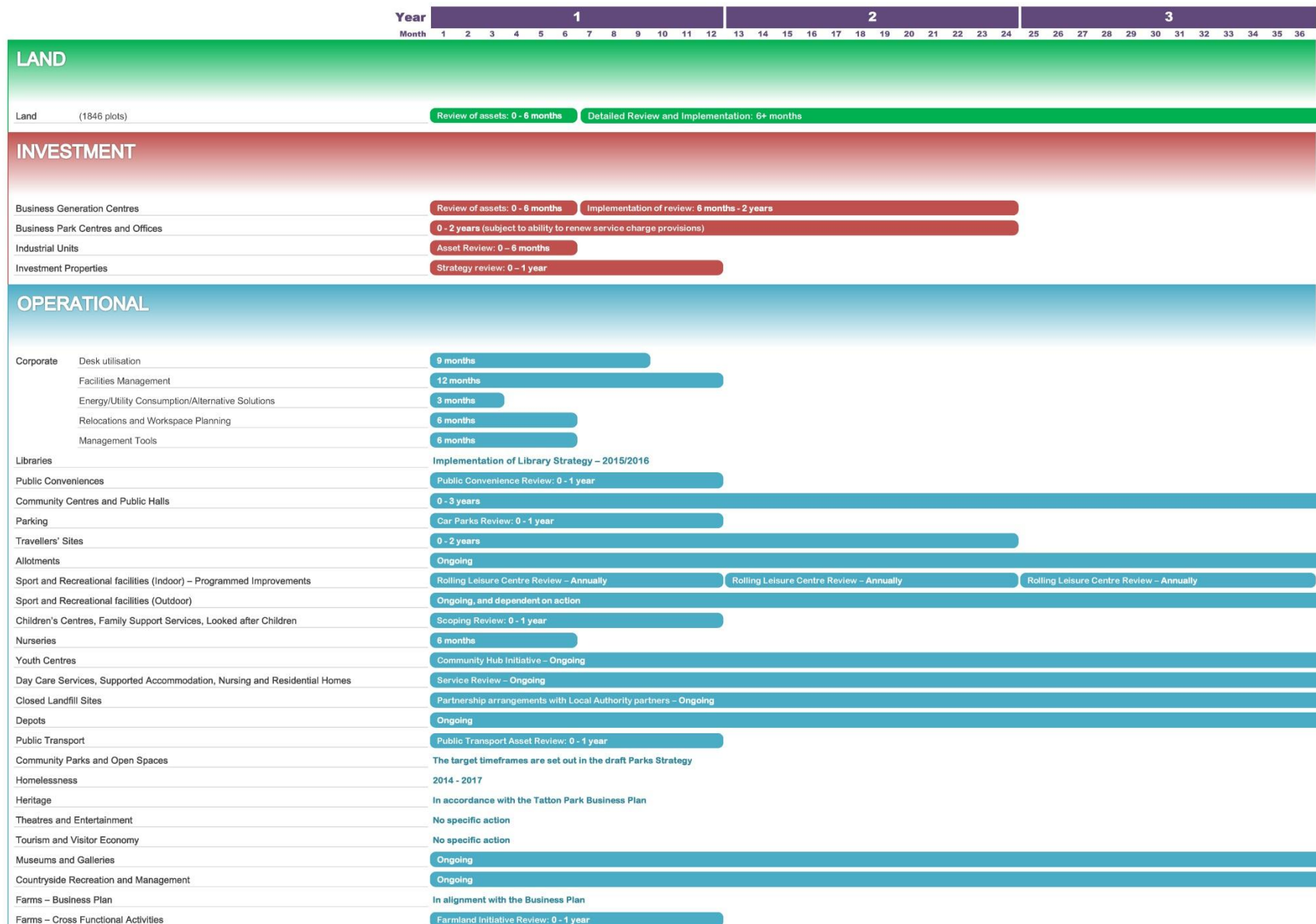
### ENSURING STATUTORY COMPLIANCE

Action: The Council will continue to respond to changes in legislation, regulations and guidance which may impact on its management of property. This will include examining how it may make property information more readily available to the public.

### SUSTAINABILITY

Action: The Council will take steps toward a more sustainable asset portfolio by pursuing an ongoing strategy which:

- Considers opportunities to deliver more sustainable building outcomes where there are identifiable savings and positive outcomes can be achieved generally.
- Prepares and adopts a sustainable design and specification code where the Council is delivering its own new assets.



## 4. PERFORMANCE AND REVIEW

### ASSESSING THE PERFORMANCE OF THE PLAN

An important aspect of creating an effective property portfolio – and the decisions to achieve that - rest upon the use of performance measures (or Key Performance Indicators - KPIs) and potential benchmarks. For some key actions performance measures have already been introduced, such as for staff desk ratios. For others, the Council will develop appropriate performance measures based on the outcome of reviews. The Council will develop benchmarks which reflect the purpose the asset is held – for example, this might relate to operational, economic development or property investment:

#### Economic Development:

- Potential for additional new commercial floorspace
- Number of potential new jobs to be created
- Number of potential new housing units
- Value for money (i.e. jobs or homes created per £ spent)
- Value of capital receipts
- Value of reduced Business rates

#### Operational:

- Space planning benchmarks
- Customer Satisfaction
- Value for money: evidence of savings
- Cost of building accommodation per sq ft
- Cost of building accommodation per visit
- Cost of cleaning, maintenance and energy use

#### Investment:

Industry standard KPIs can be used to evaluate the performance of the investment portfolio. IPD (International Property Databank) for example, provide monthly and annual datasets for most mainstream property sectors and provide a benchmark for acceptable **investment returns**.

### REVIEWING THE STRATEGIC ASSET MANAGEMENT PLAN

Best practice advocates that Strategic Asset Management Plans should be reviewed regularly. The framework described in Section 2 above provide the foundation for how this review process operates.

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	21 <sup>st</sup> July 2015
<b>Report of:</b>	Peter Bates, Chief Operating Officer
<b>Subject/Title:</b>	Winter Service Fleet
<b>Portfolio Holder:</b>	Cllr David Brown, Highways

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#### 1.0 Report Summary

- 1.1 The Winter Service remains one of the Council's most visible front line services that significantly enhance the safety of our roads during adverse weather events. The proposed change to fleet management follows the Council's innovative partnership approach, and demonstrates the agility in the Highway Service Contract to deliver greater value for money.
- 1.2 The Highway Winter Service treats approximately 40% of the total highway network throughout the winter period to ensure the residents and businesses of Cheshire East can continue to utilise the transport network even during extreme weather events. The level of service provision is in accordance with the Council's adopted winter service policy. The strategy employed is to ensure that, where practicable, the full length of the priority routes receive treatment before the predicted conditions occur.
- 1.3 To achieve this, the service uses the Council's dedicated gritting fleet of 20 bulk gritters to treat 17 pre-defined gritting routes leaving 3 spare gritters to provide resilience for the service. The current fleet is in a poor condition and whilst some vehicles can be made roadworthy through a major summer overhaul, there remains a high likelihood that a significant portion of the fleet will require substantial ongoing repairs to remain operational.
- 1.4 The Council, as part of becoming a commissioning authority has transferred the fleet management function as part of a range of services to ANSA. The reason behind this is to ensure the New Delivery Vehicles have sufficient control to deliver the required outcomes for the improvement of the service.
- 1.5 Given the Council's success in other service areas which have transferred the responsibility for fleet management, it is considered to be an appropriate time for the Council to give further consideration to the Authority's previous stance on whether ownership of the winter service fleet should remain with the Council or whether this should become a matter for the service provider.

- 1.6 The Highway Service Contract (HSC) specifically states that the Employer (CEC) retains ownership of the fleet and therefore for this to change, within the service period of the current contract, would require a formal amendment to the contract.
- 1.7 The highway service provider, Ringway Jacobs, have proposed that if the management of the fleet was to be transferred into the contract they would procure a full replacement fleet for Cheshire East Council and using this procurement route would enable the Council to benefit from the relationships Ringway Jacobs, and the wider Eurovia Group, have with the suppliers of this specialist equipment. The benefit this provides is to ensure that the best market rates are obtained for this procurement exercise and also to ensure that the vehicle specifications align to the required industry standards based on their current procurement experiences.

## **2.0 Recommendation**

- 2.1 It is recommended that members support the option of transferring the winter service fleet into the Highway Services Contract, including allowing the Service Provider to lead on the procurement of a new fleet subject to confirmation of obtaining best value for money compared to alternative options, with the final decision delegated to the Chief Operating Officer in consultation with the Finance Portfolio Holder.

## **3.0 Reasons for Recommendation**

- 3.1 An early decision to allow the Service Provider to procure a new fleet would eliminate the need for the existing fleet to receive a summer maintenance overhaul – saving the Council £470k.
- 3.2 In addition there would be in-season maintenance costs during the 2015/16 season, based on the previous season's costs this is likely to be in the region of £330k.
- 3.3 Ringway Jacobs have prepared a financing package based on the purchase and maintenance of an entire replacement fleet (including spare vehicles – 20 vehicles in all) over a 7 year period. The annual cost of financing this through the Highway Services Contract would range from £416,286 in year one down to £352,920 in year seven. An annual average cost of approximately £385k. It is considered that replacing the fleet in this way would provide better value for money than either continuing with the existing fleet (at significant annual cost in terms of major repairs) or via the Council procuring a new fleet.
- 3.4 The Procurement team have reviewed available frameworks to provide comparative costings if the Council were to procure a replacement winter fleet in keeping with the current arrangements. The costs from the framework include supplying gritters to the same base specification allowing a direct comparison to be made against the costs submitted by Ringway Jacobs. It would appear that the purchase costs through the framework could be up to 16% higher than can be achieved by Ringway Jacobs and their partners through their supply chain relationships.

3.5 The new fleet would provide a much greater degree of reliability and therefore improve service delivery for Cheshire East residents.

3.6 The transfer of responsibility for the management of the fleet is more in keeping with the Council's current strategy for service delivery. The expertise and knowledge of plant management and specification requirements would sit appropriately with the service provider

#### **4.0 Wards Affected**

4.1 All Wards are affected by the proposal.

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

5.1 All Ward Members are affected by the proposal.

#### **6.0 Policy Implications**

6.1 The decision will have an influence on the service contribution to the delivery of the Cheshire East Council Three Year Plan outcomes:

- Outcome 2: Cheshire East has a strong and resilient economy

6.2 The adoption of the recommendation would result in improvements in the winter service provision and lead to less disruption to the transport network benefiting businesses and residents alike.

#### **7.0 Financial Implications**

7.1. For the forthcoming season and on the basis that a new fleet would be delivered by 1 January 2016, it would be proposed that for the first three months of the season the entire operational fleet (17 gritters) would be hired. Providing an order has been placed for the new fleet, the potential suppliers have given assurance that a hired fleet could be secured in the region of £700 per vehicle per week (£155k for 13 weeks). This arrangement would allow us to dispose of our existing fleet in advance of the winter and avoid the summer overhaul costs.

7.2. Based on knowledge gained following a previous disposal exercise the fleet of existing gritters is likely to generate a capital receipt of approximately £100k at auction.

7.3. Another area of consideration is that the Ringway Jacobs contract concludes in October 2018 and the financing arrangements will need to be novated into the contract of the new service provider, should Ringway Jacobs not succeed in a new tender. As a consequence this may need to include termination costs for the financial arrangements Ringway Jacobs will have in place.

7.4. This approach would obviate the need to undertake a summer maintenance overhaul and in-season maintenance costs thereby avoiding spend of approximately £540k for the 2015/16 season.

## **8.0 Legal Implications**

- 8.1 For the recommendation to be adopted the HSC will require amendment to incorporate the change. The current HSC states that the Council retains ownership of the fleet. Although the scope of the contract is being expanded the likelihood of challenge is minimal because the contract value is not increasing.
- 8.2 The amendment should include a requirement that RJ novate the fleet, through CEC, to any new provider of Highway Services when the HSC terminates.

## **9.0 Risk Management**

- 9.1 The major risk lies in the scenario whereby the Service Provider is put into liquidation in, or just prior to the winter period, and its plant and materials are impounded by the Liquidator leaving the Council with no fleet to provide a winter service. This is a situation faced by many Councils with external contractors that provide winter service. The general view across authorities is that the risk to the continuation of any activities within highway service is so slight that special provision is not necessary for winter service.

## **10.0 Background and Options**

- 10.1 The two main options available to the Council:-
  - I. Retain the status quo position. The current fleet will require extensive maintenance to continue operating throughout the 2015/16 season. In 2014/15 the fleet was reduced to 11 front line gritters out of the required fleet of 17, with 6 additional vehicles having to be hired in for the entire winter season. The cost to the Council for purchase of a replacement fleet could be up to 16% higher than the rates which can be achieved through the HSC.
  - II. Amend the current HSC to extend the service delivery requirements for the Service Provider to include the management and provision of the winter fleet. This enables the service provider to take sole control of decisions regarding the condition of the fleet and transfers full responsibility for the service performance. Future Highway Services contracts would be prepared on the same basis.
- 10.2 Allowing RJ to purchase the replacement fleet through its own procurement procedures would provide the benefit of reduced in season maintenance costs. A new fleet would include for maintenance over the 7 year finance arrangements providing the Council with financial certainty going forward.
- 10.3 The reliability of a new fleet would also allow the consideration of the need for 3 permanent spares to be retained. As a consequence it would be possible to consider the reduction to one spare and thereby reducing the fleet and delivering a further savings.



- 10.4 If authorisation is given for RJ to proceed with the procurement it has been indicated that they would call on Eurovia, who form part of their wider group, to secure the vehicles on their behalf. Eurovia procure vehicles and plant on a national scale and, through their purchasing power and relationships with suppliers, can secure best value rates that would be passed on to the authority.

**11.0 Access to Information**

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

Name: Paul Traynor  
Designation: Strategic Commissioning Manager - Highways  
Tel No: 01260 371055  
Email: [paul.traynor@cheshireeast.gov.uk](mailto:paul.traynor@cheshireeast.gov.uk)

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	21 <sup>st</sup> July 2015
<b>Report of:</b>	Chief Operating Officer (Section 151 Officer)
<b>Subject/Title:</b>	2014/15 Final Outturn Review of Performance
<b>Portfolio Holders:</b>	Cllr. Peter Groves, Finance and Assets Cllr. J Paul Findlow, Performance

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#### 1.0 Report Summary

- 1.1. This report sets out the Council's continuing improved performance for 2014/15, and highlights the latest progress towards achieving the Council's Residents First Outcomes as described in the Council's three year plan 2013 to 2016. Permanent savings of £5m in management costs have been achieved from 2013/14 to 2014/15.
- 1.2. The Final Outturn shows how the Council is continuing to build on the position for last year. The 2013/14 Accounts were signed off by the Council's external auditors, without qualification, and demonstrated that the overall financial health, performance, resilience and value for money at Cheshire East Council is strong despite taking £50m out of its cost base from 2011/12, and freezing Council Tax for the fourth consecutive year. The Council Tax freeze has been maintained for 2015/16.
- 1.3. Savings have been consistently achieved through efficiency, removing any duplication of effort, making reductions in management costs, and a planned programme of asset disposals. This approach has protected funding provided to front line services. The Council's strong financial position reflects its enhanced governance, innovative delivery arrangements and effective stewardship of public money.
- 1.4. At the end of 2014/15 the Council's reserves strategy remains effective with an underspend of £0.7m being produced. This represents only a 0.3% variance from a budget of £253.8m.
- 1.5. Cheshire East is the third largest Council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Annual spending is more than £750m, with a balanced net budget for 2014/15 of £253.8m. The complexity of customer demands and the size of the organisation make it very important to manage performance and control expenditure to ensure the best outcomes for residents and businesses.
- 1.6. The Council's response to these issues has seen the development of Alternative Service Delivery Vehicles in 2013 and 2014. This will result in the Council publishing its first set of Group Accounts for 2014/15 to

consolidate the accounts of the Council with the accounts of the wholly or partly owned companies of the Council.

- 1.7. In addition to its strong financial performance the Council can also reflect on a large number of operational successes throughout 2014/15. Some highlights include:

- § Creating a wholly owned company to provide Transport Services and benefit from a more commercial approach.
- § Significant investment to develop the local economy including roads and broadband infrastructure.
- § Pushing ahead with construction of Crewe Lifestyle Centre.
- § Moving forward the University Technical College scheme.
- § Exploring options to develop Macclesfield Town Centre.
- § Continuing to have over 93% of Schools classified as Good or Outstanding.
- § Creation of an Alternative Service Delivery Vehicle to provide a range of professional services such as Building Control and Structural Appraisal.
- § Maintaining the highest recycling rates in the North West.
- § Implementation of the Care Act.
- § Achieving a record number of adopters and being recognised for a national award.

- 1.8. The attached report, **Annex 1**, sets out further details of how the Council has performed in 2014/15. It is structured into three sections:

**Section 1 Summary of Council Performance** - brings together the positive impact that service performance, the change management programme and financial performance have had on the 5 Residents First Outcomes in the year.

**Section 2 Financial Stability** - provides an update on the Council's overall financial position. It demonstrates how spending in 2014/15 has been funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

**Section 3 Workforce Development** - provides a summary of the key issues relating to the Council's workforce development plan.

## 2.0 Recommendations

- 2.1 Cabinet is asked to consider and comment on the final outturn review of 2014/15 performance, in relation to the following issues:

- the summary of performance against the Council's 5 Residents First Outcomes (**Section 1**);
- the service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (**Section 2**);

- the delivery of the overall capital programme (**Section 2, paragraphs 196 to 207 and Appendix 4**);
- fully funded supplementary capital estimates and virements up to £250,000 in accordance with Finance Procedure Rules (**Appendix 5**);
- reductions to Capital Budgets (**Appendix 8**);
- treasury management investments and performance (**Appendix 9**);
- the Council's invoiced debt position (**Appendix 11**);
- use of earmarked reserves (**Appendix 12**);
- the workforce development and staffing update (**Section 3**).

2.2 Cabinet is asked to approve:

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

2.3 Cabinet is asked to recommend that Council approve:

- fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Finance Procedure Rules (**Appendix 7**);
- the creation of earmarked reserves of £4.9m as set out in **Appendix 12**.

### 3.0 Reasons for Recommendations

- 3.1 The overall process for managing the Council's budget, promoting value for money and complying with its Finance Procedure Rules, ensures that any changes that become necessary during the year are properly authorised. This report sets out those areas where any further approvals are now required.

### 4.0 Wards Affected

- 4.1 All

### 5.0 Local Ward Members

- 5.1 All

### 6.0 Policy Implications

- 6.1 Performance management supports delivery of all Council policies. The final outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2016/19 medium term financial strategy.

## **7.0 Implications for Rural Communities**

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

## **8.0 Financial Implications**

- 8.1 The Council's financial resources are aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively and that business planning and financial decision making are made in the right context of performance – to achieve better outcomes from an appropriate cost base.

## **9.0 Legal Implications**

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

## **10.0 Risk Management**

- 10.1 Performance and risk management are part of the management processes of the Authority. Risks are captured both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders. Risks identified in this report will be used to inform the Corporate Risk Register.
- 10.2 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2014/15 budget - and the level of general reserves – were revised throughout the year and factored into the 2015/16 financial scenario, budget and reserves strategy that was approved by Council in February 2015.

## **11.0 Background and Options**

- 11.1 The Council's quarterly reporting structure provides forecasts of a potential year-end outturn. This report highlights achievements against outcomes and provides confirmation that the Council's finances are well managed and controlled.
- 11.2 Portfolio Holders and the Corporate Leadership Board have focussed on managing finances during the year to avoid any impact on the Council's general reserves at year end. At the financial year end, the Council's reserves strategy remains effective with a small underspend of £0.7m (0.3%) against a budget of £253.8m.

## **12.0 Access to Information**

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

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# **Final Outturn Review of Performance 2014/15**

**July 2015**

# Introduction

Overall performance, financial health and resilience of Cheshire East Council is strong. It is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of more than £750m. The Council continues to strive for further improvements, putting residents first in the provision of over 500 services delivering more for less.

A commitment across the public sector to contribute to reducing the high levels of national debt has meant local government is going through a period of unprecedented change and financial challenge. Cheshire East Council's response continues to be based on innovation and creativity. The Council continues to be relentless in its pursuit of greater efficiency and productivity, and minimising bureaucracy to enable it to deliver a high level of sustainable, quality services for a lower overall cost. This is reflected in Council Tax being frozen for the fifth consecutive year in 2015/16.

Our commissioning intentions to develop better ways to achieve the Council's five stated outcomes by using a mix of delivery mechanisms is continuing to gain momentum. The Council's philosophy is about much more than simply reducing costs through arranging cheaper provision or about traditional outsourcing. In 2013/14 the Council completed significant reviews of management structures to divert spending to front line services.

At final outturn the Council's reserves strategy remains effective, with an underspend of £0.7m (0.3%) against a budget of £253.8m. This is an improvement of £0.5m since the three quarter year review.

To support openness and transparency the report has three main sections, to provide background and context, and then twelve supporting appendices with detailed information about allocation and management of public money during 2014/15.

**Section 1** provides a summary of Council performance and brings together service achievement highlights against the five Residents First Outcomes in the Council's three year plan.

**Section 2** provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2014/15 has been funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

**Section 3** provides a summary of the issues relating to the Council's workforce development plan.

- **Appendix 1** shows the Three Year Council Plan.
- **Appendix 2** explains budget changes since the Third Quarter Review.
- **Appendix 3** shows the latest position for Corporate Grants.
- **Appendix 4** shows revised Capital Programme expenditure.
- **Appendix 5** lists approved Supplementary Capital Estimates and Virements up to £250,000.
- **Appendix 6** lists approved Supplementary Capital Estimates and Virements over £250,000 and up to £1m for Cabinet approval.
- **Appendix 7** lists approved Supplementary Capital Estimates and Virements over £1m for Council approval.
- **Appendix 8** lists Capital Budget reductions.
- **Appendix 9** provides details of Treasury Management investments.
- **Appendix 10** lists requests for allocation of additional Grant funding.
- **Appendix 11** analyses the position on Outstanding Debt.
- **Appendix 12** lists details of Earmarked Reserves.

**Peter Bates** CPFA CIPD MBA  
Chief Operating Officer (Section 151 Officer)

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This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, anyone can provide feedback to the information contained here.

**Anyone wanting to comment can contact the Council at:**  
[shapingourservices@cheshireeast.gov.uk](mailto:shapingourservices@cheshireeast.gov.uk)

## 2014/15 Final Revenue Outturn Summary

2014/15 Final Outturn (GROSS Revenue Budget £638.3m)	Revised Budget (NET) £m	Final Outturn Position £m	Over / (Underspend) £m	Change from TQR £m	For further information please see the following sections
Children & Families	46.0	45.8	-0.2	-0.2	Section 1 - Paragraphs 87 - 92
Adult Social Care & Independent Living	94.5	94.3	-0.2	-0.3	Section 1 - Paragraphs 153 - 154
Public Health & Wellbeing	2.2	2.3	0.1	0.0	Section 1 - Paragraphs 127, 155 - 156
Environmental	28.4	28.8	0.4	-0.2	Section 1 - Paragraphs 111 - 112
Highways	10.7	10.9	0.2	-0.1	Section 1 - Paragraph 65
Communities	10.1	9.3	-0.8	-1.3	Section 1 - Paragraphs 28 - 31
Economic Growth & Prosperity	24.7	25.2	0.5	-0.1	Section 1 - Paragraphs 72 - 77
Chief Operating Officer	41.3	37.9	-3.4	-2.0	Section 1 - Paragraphs 160 - 166
<b>Total Services Net Budget</b>	<b>257.9</b>	<b>254.5</b>	<b>-3.4</b>	<b>-4.2</b>	
<b>CENTRAL BUDGETS</b>					
Specific Grants	-18.6	-21.4	-2.8	-3.3	Section 2 - Paragraphs 173 - 178
Capital Financing	12.4	12.4	0.0	0.5	Section 2 - Paragraphs 208 - 215
Contingencies / Central budgets	2.1	2.0	-0.1	0.9	Section 2 - Paragraphs 216 - 218
Add to Investment Reserve	0.0	1.0	1.0	1.0	Section 2 - Paragraph 227
Add to Financing Reserve	0.0	1.2	1.2	1.2	Section 2 - Paragraph 227
Add to Business Rates Retention Reserve	0.0	3.2	3.2	3.2	Section 2 - Paragraph 176
Add to Service Manager Carry Forward Reserve	0.0	0.2	0.2	0.2	Section 2 - Paragraph 228
<b>Total Central Budgets</b>	<b>-4.1</b>	<b>-1.4</b>	<b>2.7</b>	<b>3.7</b>	
<b>TOTAL NET BUDGET</b>	<b>253.8</b>	<b>253.1</b>	<b>-0.7</b>	<b>-0.5</b>	
Planned Contribution					
2014/15					
Actual Variance					
Quarter 4					
Impact on reserves					
Final Outturn					
£m					
Impact on Reserves	-5.8 *		0.7	-5.1	
* increased from £5.3m by Council approved in-year transfers to earmarked reserves					
General Reserves Balance					
2014/15					
Budget					
£m					
Final Outturn					
£m					
Opening Balance April 2014	19.3	Actual	19.8		
2014/15 Impact on Reserves (see above)	-5.3	Forecast	-5.1		Section 2 - Paragraphs 222 - 225
Closing Balance March 2015	14.0	Forecast	14.7		

# Overview of Performance ~ Putting Residents First

## ACHIEVING THE COUNCIL'S FIVE OUTCOMES

Cheshire East Council provides more than 500 services, supporting over 370,000 residents, and over 17,500 businesses.

Cheshire East has again been recognised as the Best Place to Live in the Northwest

### 1 ~ Our local communities are strong and supportive

- § Continuing to be an enforcing Council through:
  - Successful prosecution of people committing benefit fraud;
  - Working with police to effectively use CCTV and Anti-Social Behaviour Orders;
  - Tackling youth crime.
- § Lowest primary school absence level compared to similar councils and a significant reduction in secondary school absences.
- § Introducing targeted clean up campaigns in local town centres.
- § Providing over £1.5m of grants to the community for a variety of uses from provision of training and information leaflets through to helping restore Nantwich Aqueduct.
- § Creating a wholly owned company to provide Transport Services and benefit from a more commercial approach.

### 2 ~ Cheshire East has a strong and resilient economy

- § Significant investment to develop the local economy including roads and broadband infrastructure.
- § Pushing ahead with construction of Crewe Lifestyle Centre.
- § Moving forward the University Technical College scheme.
- § Exploring options to develop Macclesfield Town Centre.
- § Successfully promoting apprenticeships.

### 3 ~ People have the life skills and education they need in order to thrive

- § Continuing to have over 93% of Schools classified as Good or Outstanding.
- § Successful focus on reducing NEETs.
- § Improving feedback methods for clients.
- § Protecting schools funding.

### 4 ~ Cheshire East is a green and sustainable place

- § Driving forward the production of an updated Local Plan.
- § Progress in determining major planning applications but scope to improve the position for minor and other applications.
- § Creation of an alternative service delivery vehicle to provide a range of professional services such as Building Control and Structural Appraisal.
- § Maintaining the highest recycling rates in the North West.
- § Pushing forward the Waste Strategy, reducing landfill and exploring options around food waste.
- § Introducing cheaper energy deals for every resident that takes part in the scheme.

### 5 ~ People live well and for longer

- § Maintaining a range of services, and working with Health partners, to help people stay independent through technology, adaptations etc.
- § Implementation of the Care Act including taking responsibility for the care needs of Adult prisoners.
- § Recognising the issues faced by carers
- § Achieving a record number of adopters and being recognised for a national award.
- § Promoting and improving leisure facilities.

## FINANCIAL STABILITY

**Cheshire East Council is achieving outcomes based on sound financial management. In 2014/15 the Council operated on an annual budget of more than £750m.**

- At Outturn an overall **underspend of £0.7m** is being reported compared to budget.
- The underspend represents only 0.3% of the Council's **net revenue budget of £253.8m**. This follows the Mid Year Review and Third Quarter Review which had already demonstrated significantly better budget management compared with previous years.
- **Service Budgets** – an underspend of £3.4m is reported.
- **Central Budgets** – the service underspend has created flexibility to fund additional sustainable investment and financing for future schemes.
- The Council is among the top third of Unitary Councils in terms of **Council Tax collection**. Over 99% of Council Tax and Business Rates are collected within three years.
- **Council Tax was frozen** for the fourth consecutive year in 2014/15. This freeze has been maintained in 2015/16.
- Additional **Investment income** and lower external interest charges have contributed to a £1.8m underspend on capital financing to be reserved for funding future capital expenditure. The average rate earned on investments (0.57%) is higher than the London Inter Bank 3 month rate.
- **General Reserves** - the robust reserves strategy assesses risk at the beginning of the year, and protects the Council against potential overspending. The underspend has had the effect of increasing general reserves above the risk assessed level at £14.7m.
- **Capital Programme** - although well within budget, the Council has completed spending in excess of £100m for the first time. Again there has been no requirement for additional external borrowing this financial year.
- Outstanding **Debt** (excluding local taxation) – is £3.9m. This is an increase of £0.2m from third quarter, but is significantly lower than the year end positions for the past two years. Debt over 6 months old stands at £2.2m (around 4% of total debt raised annually) and this is completely covered by provisions to meet potential write-offs.

# 1. Summary of Council Performance

## Introduction

1. Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km<sup>2</sup> for over 370,000 residents. The budget to deliver these services in the period April 2014 to March 2015 is over £750m, which is raised from a combination of local taxes, national taxes (in the form of Government Grants) and payments direct from service users. In terms of spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

Spending Power per Head Comparisons 2014/15			
	Cheshire East	Rural East Riding of Yorkshire	Urban Liverpool
	£	£	£
Grants	316	389	896
Council Tax	450	386	251
Total	766	775	1,147

2. The Council's Three Year plan, which was agreed by Council on 28th February 2013, has five Residents First Outcomes that will focus service delivery in the medium term (see **Appendix 1**). This section of the report highlights progress towards achieving each of the five outcomes, in addition to inward-facing work undertaken during 2014/15 to support the delivery of a responsible, effective and efficient organisation.
3. This report reflects activity that has taken place mostly in the period April 2014 to March 2015 including progress against the Council's change programme. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

## 1 ~ Our local communities are strong and supportive

### Mutual Respect & Personal Responsibility

4. We have been tough on fraudsters, achieving 18 prosecutions against people who between them had claimed over £300,000 of benefits that they weren't entitled to.
5. Our closed-circuit television (CCTV) service dealt with over 3,000 incidents, many of which have assisted in arrests being made for offences ranging from burglary and shoplifting to drunkenness and car crime. This contribution has helped people to feel safer whilst tackling incidents of anti-social behaviour (ASB).
6. Our ASB team, working closely with the police, are dealing with 35 new ASB Cases, making it 154 for the whole year. We sent out 1,129 youth notifications this year, resulting in 993 warning letters being issued to young people. These have been very successful; with only 3.8% of young people going on to need any further intervention from us. Only two young people were made subject to an anti-social behaviour order (ASBO), which is testament to the early intervention approach that we have taken to tackle causes rather than symptoms.
7. Incidents involving one individual were reduced to nil when we introduced a Criminal Behaviour Order (CBO). The positive prohibition on the CBO centred on alcohol engagement and the individual is now in full time rehabilitation and doing really well.
8. The work of the Youth Management Board is reducing the number of first time entrants to the youth justice system to an all-time low. Compared to national figures, Cheshire East is ahead of the downward curve due to the excellent early intervention of the multi-agency Youth Engagement Team preventing youth crime.



9. Persistent absentees in Cheshire East primary schools have fallen significantly since 2011 from 4.3% to 1.8%, 1 percentage point below the 2014 national average. Cheshire East is ranked first when compared to statistical neighbours. Persistent absence in secondary schools has also fallen significantly since 2011 by 4.4 percentage points from 9.5% to 5.1%. Cheshire East is ranked 4th when compared to its statistical neighbours.
  10. Work has continued with schools to improve attendance and reduce persistent absences. In quarter four a full analysis took place with all schools around coding for alternative provision to ensure they are compliant with national regulations. This exercise identified a group of schools where further work is required to take place in 2015/16.
  11. Working with our local clean teams we have held fantastic spring cleaning operations in our key market towns. As we put residents first, it was really heartening to see residents getting involved in improving areas where they live and working alongside Ansa – Cheshire East’s operating company for streetscape services - to make these improvements a reality. Volunteers identified areas that would benefit from tidying, and discussed their findings with us and Ansa, covering issues such as overgrown hedges, grass verges encroaching onto footpaths, dirty or obscured signs, litter, and areas in need of a general tidy-up. We also planted thousands of bulbs which have provided a glorious burst of colour and attracted many compliments from residents.
- Communities**
12. The Council's Community Grants Scheme granted over £225,000 of funding to 129 organisations, contributing towards over £1.5m worth of projects and community activities. Projects include:
    - Training of advisers, information leaflets, use of a new computer system and training for volunteers at a local debt advice service
    - Installation of disabled toilet facilities at a bowling club to reduce a round trip of over 200 meters and accommodate less able-bodied members to join
  13. The Giveback Scheme awarded £632,000 to over 80 organisations from the faith sector, young people’s sections of uniformed organisations and older people’s groups. This enabled over £3m worth of large community projects to take place. Projects include:
    - Refurbishment of a church's outside toilet block to include shower and laundry services for use by the homeless and socially isolated
    - Purchase of specialist flight simulation equipment for a new air cadets’ building which will hugely enrich the experiences of the young cadets in the group
  14. The Residents First Fund enabled a number of larger scale projects to take place across the Borough with grant funding totalling £593,000 awarded to 35 organisations. Projects include:
    - Repair and restoration of Nantwich Aqueduct
    - Youth training programme at a community radio station
    - Replacement heating system and toilet facilities for a group supporting people with Autism
  15. 2014/15 saw £66,000 awarded to Town and Parish Councils and Community Organisations to restore and refurbish local War Memorials in Commemoration of the First World War. 24 Organisations received funding with work continuing throughout the commemoration period to bring the memorials back to their former glory to mark this important event, both for now and for future generations to appreciate.
  16. The First World War continues to be commemorated through the Cheshire East Reflects programme. Wreath laying ceremonies have taken place in Crewe, Congleton, Macclesfield and at Tatton Park.

17. We have supported community-led centres to extend their offer to local people. For example, Barnies in Crewe is now online and running clubs for older people whilst helping young people get jobs. Light House Centre in Crewe, also now online, have enhanced their homeless service, and their new kitchen means they now provide family meal sessions.
18. We successfully awarded £90,000 from central government to deliver services differently in neighbourhoods, which will increase the number of services on local estates and increase attendance from troubled and vulnerable families in Macclesfield.
19. Friends of Banbury Park Group submitted a £15,000 'WREN' (Waste Recycling Environmental Limited) application to bring green gym equipment in to the local park, setting up a afterschool homework club, tackling social isolation by running shared reading for the over 50's group and utilising the local volunteer-ran library to hold a series of activities.
20. Friends of South Park (S:Park) Macclesfield submitted a £48k WREN application to contribute to £217,000 worth of sports facilities to go in to the local park, and are increasing the number of social events operating in the park with a range of activities to suit all ages.
21. During the year the number of volunteer hours in community sports activity increased to over 7,200, over 1,200 more than the target. It included support to events by local sports groups and the successful hosting of the Commonwealth games baton Relay during its visit to Cheshire East.
22. Countryside volunteer days stood at 1,138 in 2014/15. Volunteers continue to be as present and critical to helping us deliver services but do require supervision, learning and training, which can be a limiting factor in growing volunteer numbers. 130 volunteers are registered with the Public Rights of Way team to carry out minor vegetative cutting-back and way marking. 135 volunteers are registered with Tatton Park across the Gardens, Mansion, Farm and Estates.
23. The first schools writing competition was completed and prizes will be given out in June 2015. A second competition will be launched in September 2015. Two secondees from Education have now started working with the team to improve links between schools and the programme.
24. Two archival collections are being digitised through Cheshire Archives service and will be made available to the public during summer 2015. Work is ongoing to develop the programme into 2015 and beyond including a major project to culminate in events throughout the Borough in 2018. Over 15,000 people have now engaged with the programme.
25. Cheshire East recorded a total of 1.54m library visitors during the year, and Sandbach Library received a welcome facelift to bring its 1960s glass front into the 21st Century with a new exterior.
26. The Joint Cheshire Emergency Planning Team worked with partners throughout 2014/15 to increase public awareness of what to do in the event of a large scale emergency. This took the form of deploying Emergency Pocket Leaflets (to fit in wallets, purses or pockets) and displaying banners at major events such as the Cheshire Show as well as Fire Station Open Days in Crewe and Middlewich. These events have seen over 700 leaflets handed out to residents, helping them to prepare for, and respond safely to, major incidents such as severe weather and flooding.
27. On 1 January 2015, another Alternative Service Delivery Vehicle (ASDV), Transport Service Solutions Ltd, 'went live'. The new company will continue to co-ordinate and deliver our public transport, home-to-school and social care transport, fulfilling our contractual and statutory responsibilities. By becoming an ASDV, it will now have freedom to develop new business through an entrepreneurial approach to service delivery. Transport Service Solutions is the seventh new company to be set up in a drive to put residents first as part of our ongoing revolution in the way we deliver our services.

28. Services within Communities have an outturn underspend of £0.8m at the end of 2014/15, against a £10.1m budget.
  29. Local Community Services has a favourable variance of £1.4m, of which £1m is for the Benefits Service. This has been managed through improved subsidy recovery on housing benefits and an increase in income from housing benefits overpayments. The Revenues service has a favourable variance of £0.2m, the majority of which comes from an increase in court cost income. There are also small underspends for Libraries and Customer Services.
  30. Regulatory Services & Health, Local Area Working and Consumer Protection and Investigations services have underspends totalling £0.3m. These are due to managed delays in filling vacancies and small savings in supplies and services.
  31. Overall these underspends are offset by a pressure of £0.9m for the car parking service. A review of enforcement has been completed but this did not alleviate a £0.4m pressure. There is also a pressure of £0.5m for car parking pay and display. £0.4m of this is relates to the shortfall in pay and display income and £0.1m is for additional gritting costs. Cabinet have agreed to produce a Car Parking Strategy. Part of this will be assessing whether our pricing policy is effective and proportionate. At this point, prices remain the same.
- Civic Pride**
32. The Council worked throughout 2014/15 towards achieving the successful and efficient delivery of local and national elections in May 2015, with completion and maintenance of the Electoral Register and the implementation of new legislative requirements.
  33. A new Town Council for Macclesfield was elected in May 2015. Moving forward into 2015/16 and beyond, this will further enable locally led decision-making and service delivery and advice from the Town Council will help to inform the Cheshire East Council decision-making processes.
  34. The number of Council website visits reached 5.2million during 2014/15, ahead of our target of 4 million. The number of visits made via a mobile device has increased and is currently consistent at 45% of the visits.
  35. We successfully launched our App which is available on both Apple and Android phones. We set ourselves the goal of achieving 1,000 downloads in the first three months and beat that by some distance with 1,294 downloads.
  36. We have promoted the App to residents using traditional techniques, such as flyers and business cards, as well as using social media, with boosted Facebook and Twitter posts. Our first boosted post reached more than 21,000 residents.
  37. By the end of March 2015, @CheshireEast had over 10,500 Twitter followers, an increase of over 3,500 since April 2014.
- 2 ~ Cheshire East has a strong and resilient economy**
- Business and Visitor Economy**
38. Macclesfield Heritage and Culture Strategy is being delivered. A Strategy Partnership Group has been established to oversee delivery. Meetings with major funding bodies are ongoing to promote the role of the Strategy and it has been well received. A programme of events for Summer 2015 has been developed by the group and promotional material is being put in place.
  39. The Council is supporting the Silk Heritage Trust in delivering a transition programme and provided £45,000 to match fund a further £50,000 from Heritage Lottery Fund. This will help the trust become more sustainable and better positioned to take advantage of future opportunities.

40. The vacant shop figure within Cheshire East was calculated at 9.7% in 2014 which is a reduction of 0.28% on the 2013 figure. This compared favourably to the national vacancy rate of 13.3% and the North West vacancy rate of 17.4%. Congleton and Middlewich experienced above the national average vacancy rate and measures are being examined to improve this position. Shop vacancy rates are calculated on an annual basis from data collected during September and October each year.
41. The consultation draft of the Crewe Town Centre Regeneration Delivery Framework was completed in preparation for the Council's Cabinet meeting in April.
42. Considerable progress was made in the construction of the Council's first Lifestyle Centre in Crewe. Due to open in Spring 2016, the Centre will see the hosting of a range of services under one roof including, leisure, library, adult social care and children's support services, who together will aim to both improve the health and wellbeing of local residents in the area and to help the move towards the regeneration of Crewe Town Centre.
43. Heads of Terms were exchanged on the acquisition of the Royal Arcade site in Crewe, which will provide the basis for a major town centre regeneration scheme and, in the short-term, represents a revenue income stream for the Council.
44. Work to establish the University Technical College continued, with recruitment for the Principal Designate taking place in quarter four. The consultation exercise was successful in engaging with young people and their families. Ongoing work relating to the site is progressing positively.
45. Phase 1 of the Shop Front Improvement Scheme in Macclesfield town centre is complete, with plans for phase two under development. The Council has had hugely positive feedback from local landlords and businesses who took part in the scheme: *"Through their investment in the shop-front scheme, the Council has demonstrated its support for the existing businesses and properties in Macclesfield town centre and the results have been instant".*
46. The Council has reaffirmed its commitment to Macclesfield through committing additional capital funding to the town centre. We are now exploring the potential to accelerate delivery of a leisure scheme for Macclesfield town centre, consisting of a cinema and restaurants. A Macclesfield Town Centre Vision Stakeholder Panel has been established to engage with local residents and businesses on the future of regeneration in town centre.
47. The Business Engagement service has had 1-2-1 meetings with over sixty of the area's high growth Small to Medium-sized Enterprises ('SMEs') to understand their barriers to growth and where appropriate refer to specialist business support programmes. There are over forty companies undergoing 12 hours of free business support to help them identify new markets, reduce costs and secure access to finance. To raise the profile of business support products available the service has co-ordinated events to improve access to finance, identify new markets and improve the efficiency of the manufacturing process.
48. The service has made significant progress in engaging with existing companies and attracting new companies to the area. To date, account plans have been developed for thirty-nine of Cheshire East's top 100 investors. This has generated a number of significant projects including McCann's proposal to invest in their Prestbury Campus and Assurant's growth plans in Crewe. The service has been successful in securing £2.3m of Regional Growth Fund on behalf of companies making major investments.

49. The service manages strategic investment projects, including co-ordinating the relationship with Bentley Automotive who announced their plans to invest in a design and engineering function in Crewe. The £40m investment will create 300 new high-value jobs and will be facilitated by the sale of Cheshire East owned assets. To develop the service and expand resource Cheshire East has an 'in principal' agreement with the Manchester Growth Company to extend their diagnostic and access to finance resources to the area. In the medium-term there is the potential to leverage European Funds to further extend the services available.

50. New data confirms there were 15.4 million tourist days in Cheshire East in 2013, up from 14.7 million the previous year (2012 Scottish Tourism Economic Activity Model figures).

### **Workforce**

51. Comparison for the academic years 2012/13 and 2013/14 show that 16-18 year-old apprenticeship starts have increased from 873 to 986. However, 19-24 year-old starts have reduced from 1,169 to 1,071 and 25+ starts have reduced from 1,421 to 864. This is likely to be as a result of changes to the funding methodology.

52. Latest NOMIS (a service provided by the Office for National Statistics) figures for Jan 2014 to December 2014 show that the number of adults with NVQ3 or above has increased to 57.3%.

### **Infrastructure**

53. The 'Connecting Cheshire' Project has now passed over 66,000 homes and businesses with fibre broadband, taking overall coverage to 94%. The first phase of the project will complete by summer 2015 and will surpass the national target of providing 95% coverage by 2017.

54. The Fibre Guys campaign continued to gather momentum, with a regular programme of community switch-on events, a Fibre for Breakfast week during February; this included local press and radio advertising, engagement events using a fibre 'goody bag' including a 'Superfast Fruit and Fibre' cereal sample and a mobile AdVan touring the area. A joint project with Junior Recycling Officers in primary schools challenged to make Fibre Guy models using recycled materials provided a unique way to engage with families. At the end of March take-up had risen to almost 18%.

55. The Superfast Business Support programme has supported over 730 businesses to improve their digital knowledge, with 28 businesses reporting improved gross value added (GVA) performance and 14 jobs created following the support.

56. Planning work on the phase 2 infrastructure deployment will begin summer 2015. The intention is for the deployment to run back to back with the completion of phase 1. The aim is to cover an additional 10,000 premises with superfast broadband connectivity by summer 2017. Once the planning work has been completed details of which communities will benefit will be released.

57. The Women in Business programme is due to complete delivery at the end of April, and is anticipated to have engaged with 308 women, provided in-depth support to 54 and created 6 peer mentors to continue supporting other female entrepreneurs and business owners.

58. The Strategic Infrastructure Team continues to plan, develop and deliver major highway and transport infrastructure improvements, in conjunction with partner organisations. Current Delivery Schemes include:

- Crewe Green Link Road – A new railway bridge was installed over the Easter weekend. The construction of the 0.7 mile

- road will reduce congestion in and around the town and is due to open to traffic in autumn 2015.
- Basford West Spine Road – work is well advanced on a new road to provide access to Basford East and West development areas. The new road is due to open to traffic in autumn 2015.
  - A500 at Junction 16 (in partnership with Highways England) – alleviating congestion on the approach to Junction 16 by widening the carriageway. Delays have occurred in the construction with a new opening date of June 2015.
  - M6 junction improvements (Highways England scheme) – work has commenced on improvements at Junctions 16 and 17 to ease access to and from the motorway. These are due to complete in mid-2015.
  - A556 Knutsford to Bowden (Highways England scheme) – a new 4.5 mile dual carriageway between M6 junction 19 (near Knutsford) and the M56 junction 7 (near Bowdon). Construction started in November 2014 and the scheme is due to complete in winter 2016/17.
  - A6 to Manchester Airport Relief Road (in partnership with Stockport Metropolitan Borough Council) – the scheme is will provide 10km of new dual carriageway to improve access across south east Manchester and east Cheshire area. Construction began in March 2015 and the new road is expected to be open in late 2017.
59. The Council is developing an ambitious pipeline of highway and transport infrastructure schemes for future delivery. The schemes under development including:
- Poynton Relief Road – preferred route established
  - Congleton Link Road – preferred route established
  - Middlewich Eastern Bypass
  - Crewe Bus Station – option appraisal underway
  - Sydney Road Railway Bridge
  - Crewe Green Roundabout
  - Leighton West Spine Road
  - King Street Public Realm Scheme (Knutsford)
  - Congleton Public Realm Scheme
  - M6 Junction 16-19 SMART Motorway (Highways England scheme)
60. A new pro-forma has been introduced to ensure planning application consultation responses consider the wider planning balance when formulating a highway / transport recommendation. The introduction of a new performance management tool is also improving response times to consultations. This will be further enhanced with the introduction of Standing Advice by removing direct consultation on applications with minor highway implications.
61. In October 2014 there was a strong recommendation from Sir David Higgins, Chairman of HS2, that Crewe should be a North West hub for HS2 with delivery brought forward to 2027. A full integrated station would provide 360 degree connectivity to North Wales, Liverpool and Merseyside, routes to Scotland, Greater Manchester and beyond into the Northern Powerhouse and south to Stoke, Staffordshire and on to the East Midlands and Birmingham and finally into Shropshire and Mid Wales becoming an even greater node of the national rail network linked to London and all the UK's major Airports. During quarter four the Council worked in partnership with Network Rail and Government to explore options to improve the current station and determine the next stage of the project.
62. A series of transport strategy documents have been started for Cheshire East, including input to the Cheshire & Warrington Sub Regional Transport Strategy (Phase 1), beginning a refresh of the Cheshire East Local Transport Plan, as well as continuing the drafting of more detailed documents including a Cycling Strategy and Rail Strategy.

63. Cheshire East was successful in securing £453,000 from the Department for Transport's Total Transport Pilot Fund. The pilot will fund the cost of undertaking feasibility studies and other groundwork to identify what scope there is for integration across passenger transport services commissioned by the public sector (e.g. home to school transport, local bus support and non-emergency patient transport).

64. Support is being provided to develop proposals for inclusion of public art in the Basford West scheme to ensure best possible outcomes for residents in the new residential aspect of the scheme.

65. Highways has an overall overspend of £0.2m against a net budget of £10.7m, after further increasing the earmarked client reserve by £120,000 to fund potential financial commitments arising in the event of a severe winter. The overall variance mainly relates to an overspend against Street Lighting Energy due to the under-recording of the baseline inventory data and the change in carbon reduction strategy from night-time dimming to LED technology, which will now be rolled out in 2015/16. This has been offset, and is an improvement on third quarter review, by a lower than anticipated costs on the Cheshire East Highways contract and slightly improved position on other fees and charges.

#### **Inward Investment**

66. The Inward Investment service has an active pipeline of interest from companies looking to establish an operation in the area. HPL Prototype (a design and engineering company) has agreed Heads of Terms on a site in Nantwich with AV Support (an aerospace systems supplier) committed to relocating to Alderley Park. The number of reactive investment enquires stands at 255 for the year, exceeding our target of 200.

67. The service has made strong progress in developing their relationship with UK Trade & Investment and hosted visits from an international delegation of food and drink sector and life sciences specialists. To promote the area, the service has commissioned a range of marketing materials to capture the area's sector strengths and key assets. The service delivered a range of events to promote the area including co-ordinating an event for over 150 representatives from the commercial property sector and a supplement in The Times newspaper.

68. Estimated inward investment with Cheshire East for filming has increased from £0.6m and 61 filming days in 2012 to £2m and 130 filming days in 2014.

#### **Responsible Business**

69. Business satisfaction with local authority regulation services remains strong at 97% at year-end, ahead of our annual target of 95%.

70. 100% of high risk inspections for food standards were completed in 2014/15, and the Council also completed 100% of all scheduled high risk animal health inspections.

71. We increased the number of food premises that are scored against the Food Hygiene Rating System to 2,535 an increase of 7% on 2013/14. Of these, 93% of premises scored 3 or above (maximum of 5). We are continuing to focus our efforts on those low scoring premises to improve compliance.

72. The final outturn for the Economic Growth and Prosperity service is a £0.5m overspend against a £24.7m net revenue budget. This includes the £14.8m transport budget.

73. The final outturn for the Transport service is a £0.7m overspend, against a £14.8m net budget. This is a worsening of the position by £0.9m since third quarter. Work has been done to review savings targets, but the main area of pressure which continues to increase is Special Educational Needs (SEN) transport. In addition the underspend on Core Transport, which was expected to be used to offset the overspend in Children's Transport, did not materialise as anticipated.
74. The Council's Planning functions faced significant challenges in 2014/15, which created financial pressures anticipated at around a net £1.7m at third quarter review. This improved significantly in the last quarter with the overall overspend reducing to £1.1m in 2014/15. The service will continue to face significant challenges and funds were earmarked in the 2015/16 Medium Term Financial Strategy to recognise this issue.
75. Strategic Infrastructure Service including Transport had a net £0.2m underspend, which principally is due to further savings against Public Transport contract.
76. Assets had a £0.7m underspend across the Service; £0.3m arising from a favourable pay variance offset by a shortfall in income against non-operational buildings. There is also a favourable outturn forecast against the Farms Estate of £0.2m.
77. The Investment Service final outturn was a £0.3m underspend, in line with third quarter review, with the favourable variance principally due to a delay in recruiting to vacant posts across the Service.

### **3 ~ People have the life skills & education they need in order to thrive**

#### **Securing the Best Start in Life**

78. Work to improve achievement in the early years was ongoing in quarter four, including a conference around effective learning,

with a focus on boys. Also, 100% of schools attended training on moderating judgements for the Early Years Foundation Stage Profile (EYFSP). Visits to schools around the EYFSP continue on a rolling programme.

79. Take up of the 2-year-old offer continues to increase. There were 848 children in provision in quarter four compared with 764 in the previous quarter. Overall, 70.6% of the eligible population are placed. Intensive support is provided to both parents and childcare providers to ensure maximum take up.

#### **Highest Achievements for All Learners**

80. Cheshire East continues to maintain a high profile of schools judged as good or outstanding, with over 93% good or outstanding. Recent inspections for secondary schools has seen the percentage rise from 76% in last quarter to 86% with two Inspections moving up from 'Requires Improvement' to 'Good'.

#### **Achieve Aspirations**

81. Through the Crewe Pledge, four cohorts of the employment readiness programme have run for 82 pupils from Crewe Schools.
82. The Youth Service continues to work closely with vulnerable individuals to support them into suitable education, employment and training. The number of young people who are not in education, employment or training (NEET) continues to improve and the percentage of NEET young people as at the end of March 2015 was 3% (331 young people).
83. Figures from DfE show that 99% of Year 11 leavers in 2014 had an offer of education or training.



## Inclusion

84. Developments continue to take place to improve the attainment of cared for children and to ensure they remain in education and training. Specific programmes to mentor those most vulnerable post-16 are proving highly effective.
85. The local offer for children with SEN has increased access to good quality local provision. In quarter four, the local offer was published and launched through a number of events to raise awareness, including the launch event for the Children and Young People's Plan. Publicity materials, co-produced with professionals and the parent carer group, were used to publicise and raise awareness of the local offer amongst local residents and professionals.
86. Work has continued to ensure that information is current and meets the needs of residents. New services are added along with updates to existing services on a daily basis, and training sessions have taken place to allow some Council services to update and maintain their own information in the online directory. In addition to various online feedback mechanisms for the local offer and the Cheshire East directory (e.g. online forms, and the ability to leave feedback for individual services), parent questionnaires were also sent out to gather feedback. This feedback is being used to shape future developments, for example an improved search functionality.
87. The overall financial outturn for Children's Services of just under £0.2m underspent on a net budget of £46m reflects the position reported throughout the year. Unit prices have been driven down through successful negotiation which has mitigated increased costs which have arisen from a rise in children in care numbers to 350 (at year-end). This has included a small number of secure placements, which have been accommodated within the budget affordability. The service has embraced the discipline of business improvement reviews, realising a range of service efficiencies. Good vacancy management and other one-off

remedial measures have been taken to balance the books overall.

88. The budget is likely to remain under pressure to achieve savings targets in 2015/16. There remains an ongoing difficulty in recruiting permanent staff to the professional social worker establishment (with the result being expenditure on more expensive agency staffing in order to maintain the safety of the service), pressure created by more children identified as needing protection from harm and therefore being placed in the care of the Council, and the further investment needed to maintain the momentum of the Ofsted Improvement Plan before the formal reassessment.
89. Cheshire East was able to carry forward unspent Dedicated Schools Grant (DSG) of £5.9m from 2013/14 into 2014/15. This surplus was the result of savings delivered on the SEN placements budget (both in the placements made out of county and in independent provision) and in the amount of statement requests from schools. The Early Years budget also underspent as the service was building up the provision of places for 2 year olds in accordance with Government guidelines. In addition, the Education Funding Agency reviewed the allocation of post-16 High Needs Funding and in recognition of the misallocation of the previous SEN Block grant, allocated Cheshire East an additional £3.6m as one-off funding.
90. Some of this funding was used in year for specific projects, aimed at narrowing the gap, leaving £3.3m to be carried forward again into 2015/16. Continued careful budget management throughout 2014/15 has resulted in an additional underspend on centrally retained DSG of £4.8m, which means that the Authority has been able to carry forward a balance on centrally retained DSG of £8.1m.

91. This prudent budget management has enabled the Local Authority to maintain all school formula funding values at existing levels, whilst delegating in full the additional £5.7m received in the 2015/16 DSG settlement to schools through the Age Weighted Pupil Unit (AWPU) factor in the schools funding formula. The Council has again been able to earmark funding for specific projects that are likely to create a budget pressure in year. £0.4m has again been earmarked for Priority Projects to support Narrowing the Gap activity and improve the attainment for Vulnerable Children. A further £4.2m has been set aside to meet pressures likely to occur in 2015/16 and 2016/17 due to the introduction of Children and Families Act, the new Autism Special School, new alternative provision being developed in the borough and pressure on the post 16 High Needs budget.
92. Schools brought forward surplus balances of £8.9m from 2013/14. During 2014/15, a further 17 schools converted to academy status, taking their budget surplus with them. The policy for holding earmarked reserves for specific projects within schools remains in place, meaning that at the end of 2014/15, schools have total surplus balances of £8.1m, with £2.1m held in earmarked reserves, £0.7m unspent specific grants and the remaining £5.3m held as uncommitted balances.
- 4 ~ Cheshire East is a green and sustainable place**
- Development Management**
93. The Inspector examining the Local Plan Strategy issued his Interim Views in November, which necessitated a revision of the Local Plan timetable. However, the Council reacted promptly and positively through the Local Plan Task Force, which drove production of additional evidence for draft publication in May 2015. It is anticipated that the Examination will resume in the autumn of 2015.
94. In the meantime work on the subsequent site allocations has been commissioned and was making sound progress by the end of March.
95. Planning applications for 2014/15 show a significant improvement in the determination of 'Major' applications; however there has also been downturn in 'Minors' and 'Others', compared with the previous year. These figures reflect the considerable effort placed on improving the position for Majors, but with overall application numbers remaining very high, pressure has thus been felt in other areas.
- N157a (majors within time) - 61%
  - N157b (minors within time) - 55%
  - N157c (others within time) - 75%
96. In terms of the rolling two year average which central government measure, the Council remains in a satisfactory position, comfortably outside 'special measures' but still with notable room for improvement.
97. Appeals have continued at a high rate, but with some notable successes in relation to sites in the Green Gap - including a High Court victory. This has pushed some of the ongoing financial pressure further into 2015/16.
98. The creation of 'Civicanace' - a wholly owned company of the Council providing professional services for Building Control, Structural Appraisal, Fire Risk Assessment, Local Land Charges, Address Management, Planning Support and Liaison - is a significant achievement for 2014/15 and now sets the scene for further efficient working in 2015/16.

## **Waste Management**

99. Cheshire East is one of the best-performing boroughs in the North West when it comes to recycling, with more than half of all household waste collected by the Council now being either recycled, reused or composted. This year has been the best yet, with our silver bin and garden waste recycling schemes likely to report a combined recycling figure of over 56%. Our Household Waste Recycling Centres have also had a great year; having reused and recycled 79.7% of items deposited and reported an overall customer satisfaction rate of 96.6%.
100. Significant progress has been made in beginning the new Waste Strategy to 2030. This was agreed by Cabinet in October 2014. The Strategy seeks to reduce waste, reuse and recycle what we can, and to treat what remains as a resource for energy production, ending the landfilling of black bin waste. With our delivery company, Ansa Environmental Services, we have worked to reduce waste through schools education and our waste prevention volunteer scheme. Our partnership with Christian Concern, Crewe, has seen the tonnage of waste reused increase by 5% to 1,176 tonnes, and in dry recycling we are projecting an increase in the tonnage of 8% over last year.
101. This year has also seen significant moves away from landfilling black bin waste. 19,000 tonnes of waste from the north of the Borough has been utilised for energy production at Staffordshire's energy from waste plant in Stoke-on-Trent. This has resulted in an overall drop of 35% in waste sent to landfill.
102. This year's results place Cheshire East in a strong position to continue to build on the progress made so far. In future years the proposed Environmental Hub will enable the ending of landfill disposal through the use of existing energy from waste plants outside the Borough. The Council is also currently undertaking feasibility work into dry anaerobic digestion, which has the potential to allow us to collect food waste as part of our garden

waste recycling scheme, creating energy, in addition to high quality recycled compost.

## **Carbon Management**

103. In 2014/15 the Council reduced the Carbon Dioxide emissions from its operational buildings to 10,070.4 tonnes, representing a 40% reduction in emissions on the baseline, and is well in excess of our target to achieve 25% reduction by 2016.
104. As previously reported, the Council is investigating the suitability of renewable technologies for top 5 energy users in building assets, with facilities management. The scheme could both help reduce carbon reduction commitment levels and bring a return on investment from the Renewable Heat Incentive and Feed in Tariff.

## **Environmental Management**

105. All Green Flag awards were retained during 2014/15 (Bollington Recreation Ground; Brereton Heath Local Nature Reserve; Congleton Park; Sandbach Cemetery; The Moor in Knutsford; Tatton Park; and Tegg's Nose Country Park, Macclesfield) and Tatton also achieved 'Green Heritage' status.
106. Actions within the Council's Air Quality Strategy are underway, supported by the further development of our Local Air Quality Management website. Milestones within the Air Quality Action Plan are on track in accordance with their schedule. In addition, implementation of the Electric Vehicle Infrastructure is well underway; to date six charging points have been installed within the Council's estate, demonstrating our commitment to improving air quality and encouraging sustainable transport.

## **Sustainable Energy**

107. 1,000 customers signed up in the first two weeks of the 'Fairerpower' scheme. £252,000 has been saved by Cheshire East residents, meaning an average saving of £252 per customer. Cheshire East is the first local authority in sixty years to offer energy to residents, resulting in national media interest from The Times, Financial Times, The Independent and Daily Mail. Associate partners are in discussions about joining the Fairerpower offer.
108. A series of schemes are being developed to progress the delivery of the Council's Energy Framework, which has set about the vision to create affordable energy, grow energy businesses and create independent energy.
109. Business plans have been produced and preparations for submission to the Council's Technical Enabler Group / Executive Monitoring Board are underway for the Cheshire East Energy Ltd Alternative Service Delivery Vehicle. The project is on target to present a full report to Cabinet in summer 2015, with a planned feasibility report completed.
110. Two schemes are being progressed with regard to Geothermal heat; Single Well and Deep Geothermal. The schemes are complimentary and are progressing, with the team developing specifications to go out to market for the developing model for delivery. The Department of Energy and Climate Change (DECC) have approved the funding for the single well project, and discussions to establish planning and permitting requirements are underway, with publicity about the scheme to commence end of May 2015. This will set a precedent for Geothermal energy in the UK, and is on target for delivery by April 2016.
111. Environmental Operations has an overall overspend of £0.4m against a net budget of £28.4m; this mainly relates to one-off client side staffing costs, for which growth is included in the

2015/16 budget, and actuarial costs / voluntary redundancies for former Service Managers. There was a much improved outturn position on bereavement services income which ended up slightly above budget on the year after projected pressure earlier in the year.

112. An underspend of one off funding of £0.5m will be carried forward in relation to the new integrated contract procurement which requires re-profiling over 2015/16 and 2016/17, leading to the new depot in 2017.

## **5 ~ People live well and for longer**

### **Facilitating people to live independent, healthier and more fulfilled lives**

113. During 2014/15 the Council successfully met carers' respite needs through a range of activities including supporting customers with dementia through Shared Lives day care, provision of Personal Assistants and assistive technologies such as Global Positioning System to provide peace of mind for carers, in addition to supporting a range of services including the 'Neighbours Network' to enable independent living and provide carers with a break from their role.
114. Cheshire East Council has been working with our partners across the whole Health, Care and Support system to help people remain independent. For example, we have run services over weekends to help us deal with winter pressures and to be able to respond promptly to the needs of our residents. The strategic aim of all those involved in Care and Support is to help people live well and for longer. In order to do that we are promoting independence, and when people can't cope on their own, we're helping them get back on their feet via reablement and other various services.

115. In quarter four we made the changes we needed to implement the Care Act. This included providing information and advice both via our website and printed matter as well as introducing an independent phone line. We have also worked with colleagues across the region with the aim of jointly making information available in as consistent a way as possible, so that our residents can make informed decisions about the support and care that they need.
116. Adult prisoners are one group of people for whom the Care Act marks a major change in how their needs are assessed and met. From April 2015 local authorities will be responsible for assessing and meeting the social care needs of adult prisoners (not just on discharge from prison but also while they are in custody). The LGA welcomed the new legislation as *“to date it has been unclear who is responsible for meeting the social care needs of prisoners, with the result that such needs have often gone unrecognised or have not been met effectively. As a consequence individuals have been unable to participate as fully as they could in the day to day life of the prison, and could potentially have suffered a loss of dignity, been subject to abuse by other prisoners and have left prison less well equipped to return successfully into the community than they might have done.”*
- HMP Styal is located in Cheshire East. This is a women’s prison and our care and support staff have been conducting assessments under the Care Act. Our initial findings suggest that between 10% and 25% of those assessed may meet our eligibility thresholds. Others required support related to equipment and visual impairment.
117. Cheshire East Adults Social Care and our colleagues who provide health services such as community nursing and physiotherapy came together over eight weeks in quarter four to co-design and agree a model for community integrated teams. These teams will be part of the communities that they support; they will be flexible and go to where the need is greatest to help residents stay in their own homes.
118. We also recognise the value of carers and how, at times, being a carer can be incredibly hard. But carers aren’t just carers – they are people with lives and desires and goals of their own. As shown in the 2015 State of Caring report, carers are worried about money, about how they can maintain their own employment, relationships and lives and what the future holds. That’s why the Care Act enshrined the right for carers to have an assessment so that their needs can be assessed and supported.
119. We have developed a Carers’ Strategy ‘Caring for Carers: A Joint Strategy for Carers of All Ages’ in conjunction with our Clinical Commissioning Group partners which identifies the plans for support for carers to support them in their caring role. In January 2015 we undertook 7 engagement events with carers (110 carers attended) across Cheshire East which delivered information and gained feedback on the Care Act 2014 implementation and how this legislation improved access to carers’ assessments, support planning, personalisation and direct payments.
120. Cheshire East Council’s Housing Related Support Services are instrumental in enabling people to stay living in their own homes and remain as independent as possible. In the most recent quarter, a minimum of 73% of people receiving support from Housing Related Support services were able to maintain independent living. Of 36 services where performance indicators are submitted for independent living, performance has improved in 6 areas since the previous quarter. This includes mental health and older people client groups. In addition, there have been 393 referrals successfully placed with Housing Related Support services in quarter four.

121. The number of home adaptations per annum for older and / or disabled residents stood at 2,090 at the end of 2014/15, significantly ahead of our annual target of 1,700. The Council's focus on early intervention and prevention has increased the number of minor adaptations provided to keep residents living safely in the community, together with an increase in the use of Disabled Facilities Grants.
122. Between January and March 2015 intermediate care services supported the recovery of 471 people following incidents of ill health.
123. Cheshire East continues to work closely with Registered Providers to increase the level of affordable homes available across the authority. In 2014/15 the target of 350 was exceeded with 640 units being completed.
124. Reducing the level of empty homes continues to be a priority. We are on track to achieve our target of 1% by 2016 with an outturn at the end of 2014/15 of 1.04%. This is being achieved through a number of projects including the 'In Town Living' project, affordable homes development and the Housing Innovation Fund.
125. The Handyperson Service was due to be successfully transferred to Orbitas on 1st May 2015. The intention is to develop the service further to enable residents to remain living independently within a home of their choice.
126. The Vulnerable and Older Persons Housing Strategy would be presented to Cabinet in May 2014.
127. Leisure has a small overspend of £0.1m against a net budget of £2.2m, relating to the client management budget, for which growth is included in the 2015/16 budget. Further one-off costs associated with the Council's Leisure closedown and transitional support to the Trust in its first year fed into the corporate outturn.

## Early Intervention, Help and Prevention

128. Thirteen Public Health Transformation Fund projects are now underway. This now includes:
  - CVS (social prescribing project)
  - YMCA (healthy conversation project)
  - Catch 22 (MyChoice - Holistic Sexual Health Education, Advice and Guidance)
  - Cheshire East CAB (Advice on Prescription)
  - Cheshire East Council Public Rights of Way and Countryside Management Service (Walking to Wellbeing)
  - Cheshire Without Abuse (Safer and Healthier Families)
  - CVS (Social Prescribing)
  - End of Life Partnership (Cheshire Living Well, Dying Well)
  - Food Dudes (Food Dudes in our Schools)
  - NHS SCCCH (Diagnose Cancer Early – campaign)
  - Peaks and Plains Housing Trust (Keeping Warm, Living Well)
  - Royal Voluntary Service (Staying Home Community Support)
  - St. Luke's Hospice (Volunteer Befriending in Crewe and Nantwich)
  - The Reader Organisation (Reader in Residence Project)

Reporting on projects has been initiated and will inform quarter one reporting in 2015/16.

129. The Walking for Health Project funded by Public Health Transformation fund is developing a project in the north Crewe area. The project is on target and has now moved to the implementation stage with work being undertaken to modify the public rights of way network for the project.
130. Adult services are in the process of recruiting an additional 6 Local Area Co-ordinators creating a team of eight to work with the Adult Social Care to support service users to engage in community activities and identify innovative ways to meet their needs.

131. The Emotionally Healthy Schools pilot is out to procurement. Six schools were identified to participate in first stage. 4,200 children and young people attend these schools; 10% of the 0-19 population of Cheshire East. Interventions will commence with the 2015/16 academic year. With the focus on prevention at the first point of contact the team have exceeded the annual target and have prevented 841 households from becoming homeless at year end.
132. The Dementia Reablement Service has been launched, focussed on supporting people to continue to live independently following a diagnosis of dementia.
133. A working group has been established to draft the Cheshire East Alcohol Harm Reduction Strategy. This includes officers from a number of Council teams, and colleagues from the Police and Clinical Commissioning Groups.
134. Communication is ongoing with the East Cheshire NHS Trust and Mid Cheshire NHS Foundation Trust to facilitate the adoption of the Cardiff Model within their respective A&E Departments.
135. The 'Under the Weather' working group is continuing to oversee and connect activities linked to reducing excess winter deaths. Public Health are undertaking detailed research to determine other interventions to focus upon.
136. The 'Street Triage' mental health initiative (led by the Police) is now running in Cheshire East and is already demonstrating positive impacts with people being referred more appropriately and A&E admissions being avoided.
137. A pan-Cheshire mental health needs assessment is now underway, led by the two Public Health teams, to inform a Pioneer review of mental health commissioning.
138. Sexual Health Services have been re-commissioned for 2015/16.

### **Accessible Services, Information and Advice**

139. The Care Act places a duty on local authorities to provide information and advice. We have published a directory of support and care on our website and have also distributed 3,000 printed copies where and when they are needed. These have been well received, so much so that we are now printing over a thousand additional copies to meet demand.
140. During the year over 6,000 young people received training to improve their bike riding skills to improve their safety whilst undertaking this healthy activity.
141. There were over 2.7m visits to the Council's leisure centres during the year. These facilities are now run on behalf of the Council by Everybody Sport and Recreation. This figure will now be used as the baseline to determine future performance improvements.
142. Theatre attendance targets are being exceeded, which led to a review of the original targets. The full-year attendance at end of quarter four has even exceeded the revised target of 74,394 by 17.6%, now standing at 87,533 for 2014/15. In addition, use of the theatre by community groups is up 15% on the previous year.

### **Public Protection and Safeguarding**

143. Policies and procedures have been revised, agreed and updated in light of the Care Act. All of these have been communicated with our staff from Making Safeguarding Personal to the changes in carers' rights. The redesign of adult social care processes has also continued so that we are positioned to make use of the new technology and systems which we will be implementing in autumn 2015.

144. Cheshire East were successful in its bid as the accountable body for the Tech Fund 2. This has enabled us to move forward as a partnership (via the Cheshire Pioneer) in developing the Cheshire Care Record. This is a real game-changer and will allow professionals to see relevant information about the residents that they are working with so that people will only need to tell their story once.
145. The new Dementia Reablement Service was launched on the 1st May 2015, to provide advice, support and information for anyone who has recently been diagnosed with dementia via Cheshire East memory clinics. It will be a free service made up of trained staff who have an understanding of people living with dementia. Having an early diagnosis of dementia and getting early support to the individual and their family can help to continue living well and independently for as long as possible.
146. Work to address the findings of Ofsted's Progress Inspection of Children's Services was underway in quarter four.
147. A new Children's Improvement Plan was agreed by the Improvement Board, with a focus on the partnership contribution to safeguarding children and young people.
148. Improving timescales for assessments continues to be a priority. Revised practice standards around assessments were launched in January to improve timeliness. Fortnightly performance challenge sessions of all services are now underway and these ensure that performance is scrutinised in great depth across all teams and services, so a culture of performance management is embedded. The latest audits are showing improvements in the quality of practice.
149. An innovation bid, submitted to the Department for Education to provide some children in need services in Crewe in a different way, has been approved. 'Project Crewe' will see the Council working in partnership with the charity Catch 22 to deliver tailored services for some of the most vulnerable families, overseen by a qualified social worker. By harnessing the specialist skills and

knowledge of Catch 22, the Council hopes to better support these families and improve outcomes for children and young people. Work is now underway to get this up and running.

150. The Safeguarding Unit continues to ensure that participation with children and young people is meaningful through a variety of media, including an improved website, co-produced by young people. In addition, the Local Safeguarding Children Board is working to implement 'Strengthening Families', a new model for child protection conferences, designed around better engagement with families.
151. The launch of the Children and Young People's Plan, co-produced and co-delivered with children and young took place in January 2015. This included the launch of the Neglect Strategy.
152. After approving a record number of 40 Adopters in 2014/15, Cheshire East has been shortlisted along with our partners Stockport, Tameside and Trafford who make up the Four4Adoption service. If successful, it will be the second award since the partnership was established in 2013. The four authorities have worked in collaboration to increase the number of adopters and successful placements in Cheshire East and the three Greater Manchester boroughs. The general trend is that the timeliness for the majority of children placed for adoption is improving. The percentage figure of children placed within timescales has increased from 53% in 2012/13, to 61% in 2013/14 with a figure of 59% in 2014/15.



153. The financial headline for Adults Services is an underspend position for the second year running with the final outturn being £94.3m against a net budget of £94.5m, representing a variance of less than 0.25%. This has been achieved against the local and national backdrop of increased demand coming through the ageing population and increased levels of complexity being presented by service users. This positive outturn arrives as a result of a number of factors. Positives include early delivery of some 2015/16 target savings in areas such as Supporting People, income levels remaining buoyant and care costs (especially in relation to older people) continuing to be tightly managed. This latter point is achieved through a combination of front-line social work practice supported by a number of preventative interventions which support residents, including those such as reablement which contribute to maximising independence.
154. The positive financial position cannot detract from very real ongoing financial challenges being faced by the Adults service. Delivery of some existing Medium Term Financial Strategy targets in 2014/15 have been delayed which will impact in 2015/16, negotiation of complex / joint funded packages of care is still to be resolved and demand will inevitably rise due to both the demographics of the Borough and the impact of the Care Act.
155. Public Health is funded through a ring-fenced grant of £14.3m received from Central Government. 2014/15 represents the second year of this service being with local government. Major contracts within the service such as Drugs & Alcohol and Sexual Health have been renegotiated, which in addition to providing financial efficiencies moving forward also, importantly, involve an increased focus on preventative activities. In 2014/15 the service successfully launched the Public Health Innovation Fund which has resulted in targeted investment of over £1m in key Public Health outcomes from Children's obesity initiatives to added investment in supporting Mental Health outcomes. This is being delivered by a variety of partners from local voluntary organisations to statutory Health bodies.

156. Investment in both Children's and Adults has also been made during 2014/15 and a full investment plan covering the following three year period is being drafted. This will mean that the allocation of spending on public health programmes is moving towards a target investment based on the burden of illness and disability experienced by residents. This combines both premature mortality with time lived with a disability to derive a measure that describes the total burden of disease and illness.

## **6 ~ A Responsible, Effective and Efficient Organisation**

157. Budget planning shows that the Council is 'in great shape' financially. Council Tax was frozen for the fourth consecutive year in 2014/15 and, in February 2015, Council voted to freeze Council Tax for 2015/16.
158. Consistent and effective debt recovery processes continue to support high collection rates for council tax and business rates, with two year rates of 99.0% and 99.2% respectively against a target of 98.75% for both.
159. The average age of debt invoices has been reduced to 288 days significantly outperforming the target of 375 days. Ongoing cleansing of historic cases and thorough and effective processes to deal with current debt have contributed to a significant impact on the indicator.
160. The budget for Chief Operating Officer (COO) Services was underspent overall by £3.4m which is an improvement against third quarter and includes underspending of one off budgets
161. Corporate Resources & Stewardship underspent by £2m. mainly within Facilities Management. Energy being underspent by £1.1m, and Repairs and Maintenance being underspent by £0.5m. Pressure from unbudgeted voluntary redundancy costs was offset by staff vacancies across the service resulting in an underspend of £0.4m.

162. Organisational Development underspent by £0.7m partly as a result of unspent one-off budgets (£0.2m), and budget underspends within Organisational Development, and Workforce Development. Organisational Development was underspent (£0.2m), in part due to the ending of the graduate trainee scheme and being unable to get all training programmes running this year. Workforce Development were underspent by £0.3m, largely due to programmes not running as anticipated, such as Care Act training which will now be incurred in 2015/16.
163. Legal Services underspent by £0.1m at outturn (net-nil forecast at third quarter). Following the COO structure costing exercise and the resulting realignment of employee's budgets, the staffing budget for Legal Services increased to accurately reflect the cost of the service's structure. Throughout the year the service has been carrying a number of vacancies, resulting in Legal Services underspending against their staffing budget. Income from general fees and charges improved in the final quarter. The underspend against the staffing budget offset an overspend on supplies and services expenditure, mainly due to additional costs of External Legal Advice.
164. The Governance & Democratic service underspent by £0.1m at outturn (net-nil forecast at third quarter). The underspend was due to pressures within the Coroner's budget, and the Registration Service (which eased in the final quarter) being offset by part-year vacancies within the Chief Executive Office, and an underspend on Members Allowances.
165. Communications underspent by £42,000 (£80,000 underspend forecast at third quarter). The staffing underspend decreased to £62,000 due to increased costs of agency staff. This underspend was offset by a small overspend on supplies and services.
166. The Strategic Commissioning service underspent by £0.4m mainly due to unspent one off budgets (£0.3m) as the majority of expenditure to be funded from this budget will not be incurred

until 2015/16, and an underspend on the staffing budget due to part-year vacancies which were only filled at the end of the year.

## 2. Financial Stability

### Introduction

167. Financial performance has continued to improve compared to previous financial years. Improvements in financial planning, governance and stewardship are having a clear impact on the Council's ability to manage its budget and create greater confidence in the medium term plans which is evidenced by further improved outturn forecasts throughout 2014/15.
168. Applying the best fit approach towards commissioning means the Council now wholly owns several supplier companies as well as maintaining relationships with private sector suppliers, charitable trusts and voluntary sector organisations. The financial position of the wholly owned companies will have a direct effect on the financial performance of the Council over time, but to date no forecast profit or loss is being factored in to the outturn position for the Council.
169. **Table 1** provides a service summary of financial performance for 2014/15. For further details please see Section 1 and the notes below the table. Changes to service net budgets since the Third Quarter Review are analysed in **Appendix 2**.

**Table 1 - Service Revenue Outturn Forecasts**

	Revised Net Budget	Final Outturn Position	Over / (Underspend)	Over / (Underspend)	Outcome Number 1 - 5
	£000	£000	£000	%	
Children & Families	46,000	45,807	-193	-0.4%	3, 5
Adult Social Care & Independent Living	94,461	94,251	-210	-0.2%	5
Public Health & Wellbeing	2,229	2,274	45	2.0%	5
Environment	28,364	28,799	435	1.5%	4
Highways	10,673	10,882	209	1.9%	4
Communities	10,076	9,287	-789	-7.8%	1, 2
Economic Growth & Prosperity	24,734	25,184	450	1.8%	2
Chief Operating Officer	41,347	37,980	-3,367	-8.1%	
<b>TOTAL SERVICE OUTTURN</b>	<b>257,884</b>	<b>254,464</b>	<b>-3,420</b>	<b>-1.3%</b>	

170. The final service outturn position is an underspend of £3.4m. Further items impacting on the final level of the Council's balances are detailed in the paragraphs below on centrally held budgets.
171. The Council made considerable improvements in the way it managed its major change programmes. This included extensive training, a refreshed methodology, the setting up of new monitoring and reporting arrangements and regular reporting. In April 2013 the Council launched a corporate project and programme management framework to support achievement of the Three Year Plan. The framework focused on capital or revenue projects or programmes where the total value exceeds £250,000, or posed significant risk to the Council. Progress was reviewed by a Member-led governance group, called the Executive Monitoring Board, which was supported by a Technical Enabler Group and the Programme Management Office.

172. Monitoring of projects and programmes focused on whether projects were expected to achieve the benefits set out in each business case within the timescales and budget initially agreed. Where projects were not meeting time, quality or cost standards these were reviewed by Cabinet as part of a regular summary report.

### Government Grant Funding of Local Expenditure

173. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2014/15 was £387.4m.
174. In 2014/15 Cheshire East Council's specific use grants held within the services was budgeted to be £283.6m based on Government announcements to February 2014. Further announcements have revised this figure down to £269.4m mainly due to academy conversions. Spending in relation to specific use grants must be in line with the purpose for which it is provided. General purpose grants were budgeted to be £103.9m, but further in-year grant announcements have increased this figure to £107.9m for the year.
175. The Council's budget provides for the receipt of known specific grants. However, where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding. Additional general purpose grants totalling £176,000 were received during the final quarter of 2014/15, and have been transferred to an earmarked reserve. These grants were received too late in 2014/15 to seek approval to spend in year, and therefore this report seeks approval to services' requests to incur additional expenditure in 2015/16 fully funded by these additional grants. Details of the allocations are contained in **Appendix 10**.
176. Business Rates Retention Section 31 compensation grants of £3.2m have also been received during 2014/15 to reimburse billing authorities for the extra discounts offered to businesses as announced in the 2013 Autumn Statement. This includes the doubling of Small Business Rate relief for a further year and a new

Retail Relief discount. These grants have been transferred to the Business Rates Retention earmarked reserve.

177. Services general purpose grant was originally budgeted at £17.4m. Net additional grant of £4m has been received during the year. £1.2m of additional grant has been allocated to services during the year, leaving a net underspend against budget of £2.8m. After allowing for the transfer of £3.4m to earmarked reserves, the net outturn variance is a £0.6m overspend, mainly reflecting a £0.5m reduction in Education Services Grant as reported at the mid year review.
178. **Table 2** provides a summary of the updated budget position for all grants in 2014/15. A full list is provided at **Appendix 3**.

**Table 2 – Summary of Grants 2014/15**

	Original Budget 2014/15 £m	Revised Forecast 2014/15 £m	Final Outturn 2014/15 £m	Change from TQR 2014/15 £m
SPECIFIC USE				
Held within Services	283.6	269.4	269.4	0.1
GENERAL PURPOSE				
Central Funding	86.5	86.5	86.5	0.0
Service Funding:				
Children's & Families	1.0	1.7	1.8	0.0
Adult Social Care & Independent Living	0.3	0.4	0.4	0.0
Environment	0.1	0.1	0.1	0.0
Highways	0.0	0.1	0.0	-0.1
Communities	3.2	3.2	3.3	0.1
Economic Growth & Prosperity	0.8	0.9	0.9	0.0
Chief Operating Officer	12.0	11.7	14.9	3.2
Total Service Funding	17.4	18.2	21.4	3.3
TOTAL GENERAL PURPOSE	103.9	104.6	107.9	3.3
TOTAL GRANT FUNDING	387.4	374.0	377.4	3.3

## Collecting Local Taxes for Local Expenditure

179. Cheshire East Council collects Council Tax and National Non Domestic Rates for use locally and nationally.

### Council Tax

180. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2014/15 at £1,216.34 for a Band D property. This is applied to the taxbase.
181. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non collection). The taxbase for 2014/15 was agreed at 137,548.53 which, when multiplied by the Band D charge, means that the expected income for the year is £167.3m.
182. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £202.7m.

**Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities**

	£m
Cheshire East Council	167.3
Cheshire Police & Crime Commissioner	21.1
Cheshire Fire Authority	9.5
Town & Parish Councils	4.8
<b>Total</b>	<b>202.7</b>

183. This figure is based on the assumption that the Council will collect at least 98.75% of the amount billed. The Council will always pursue

100% collection, however, to allow for non-collection the actual amount billed will therefore be more than the budget.

184. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed in 2014/15 was £205.5m.
185. **Table 4** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within this period.

**Table 4 – Over 99% of Council Tax is collected within three years**

Financial Year	CEC Cumulative		
	2012/13 %	2013/14 %	2014/15 %
After 1 year	98.2	98.1	97.9
After 2 years	99.3	99.0	**
After 3 years	99.5	**	**

\*\*data not yet available

186. The Council Tax in-year collection rate for 2014/15 was 97.9% compared to 98.1% for the same period in 2013/14. This reduction is due to the continued impact of Council Tax Support Scheme arrangements.
187. Council Tax Support payments (including Police and Fire) were budgeted at £19.1m for 2014/15 and at the end of the year the total benefit awarded was £16.1m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the awards in the year than increased or new awards.
188. Council Tax discounts awarded are £18.9m which is slightly higher than 2013/14 (£18.6m).

189. Council Tax exemptions awarded totalled £3.6m which is in line with the awards granted in 2013/14.

### Non-Domestic Rates (NDR)

190. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief. This year the multiplier increase was capped by the Government at 2%.
191. The small business multiplier, applied to businesses which qualify for the small business relief, was set at 47.1p in 2014/15. The non-domestic multiplier was set at 48.2p in the pound for 2014/15.
192. The amount of business rates set by Department for Communities and Local Government (DCLG), to be collected by Cheshire East at the start up of the business rates retention scheme, was £132.5m (including an allowance for valuation appeals). This baseline is subject to an inflationary increase each year (capped at 2% for this year) and therefore for 2014/15 the level was £135.1m.
193. At final outturn net rates collected was £129.8m. This reduction was due to an increase in the provision required for possible successful appeals. This was as a result of a large spike in the number of late appeals lodged with the Valuation Office Agency at the end of March 2015. The final provision was set at £5.9m for Cheshire East (£12.1m total provision for all preceptors).
194. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

**Table 5 – Over 99% of Business Rates are collected within three years**

Financial Year	CEC Cumulative		
	2012/13 %	2013/14 %	2014/15 %
After 1 year	98.0	98.3	98.1
After 2 years	98.8	99.2	**
After 3 years	99.4	**	**

\*\*data not yet available

195. The business rates in-year collection rate for 2014/15 was 98.1% compared to 98.3% for 2013/14. This represents a decrease in collection rate of 0.2% following changes to the payment schedules of a large number of business rate payers who chose to extend payments into February and March. This impacted on the ability to pursue late payment before year-end.

### Capital Programme 2014/18

196. Since the Third Quarter Review the overall programme has decreased by £1.7m as shown in **Table 6**.

**Table 6 – Summary Capital Programme**

	TQR Total Forecast Budget 2014/18 £m	Amendments to Outturn Forecast Budget 2014/18 £m	Amended Outturn Forecast Budget 2014/18 £m	Budget Reductions £m	Supp Revenue Estimates £m	Revised Total Forecast Budget 2014/18 £m
Early Help & Protection	2.3	0.0	2.3	0.0	0.0	2.3
Education Strategy	32.4	0.0	32.4	-0.6	0.0	31.8
Adult Social Care & Independent Living	3.4	1.0	4.4	0.0	0.0	4.4
Public Health & Wellbeing	27.1	0.0	27.1	0.0	0.0	27.1
Environment	17.0	-2.8	14.2	-0.1	0.2	14.3
Highways	36.5	0.6	37.1	-0.1	0.2	37.2
Communities	2.9	0.0	2.9	0.0	0.0	2.9
Economic Growth & Prosperity	224.9	0.0	224.9	-0.1	0.3	225.1
Chief Operating Officer	70.7	-0.3	70.4	0.0	0.0	70.4
	<b>417.2</b>	<b>-1.5</b>	<b>415.7</b>	<b>-0.9</b>	<b>0.7</b>	<b>415.5</b>

**Table 7 – Capital Funding Sources**

	TQR Total Forecast Budget £m	Outturn Total Forecast Budget £m	Change £m
Grants	183.0	186.5	3.5
External Contributions	59.6	58.5	-1.1
Cheshire East Resources	174.6	170.5	-4.1
<b>Total</b>	<b>417.2</b>	<b>415.5</b>	<b>-1.7</b>

### Capital Budget 2014/15

197. The amendment since third quarter review of £2.8m within Environment relates to the purchase of waste vehicles that have now been leased back by ANSA so the requirement for a capital budget has reduced.
198. There have also been a number of budget reductions totalling £0.9m, and Supplementary Capital Estimates of £0.7m which are grant or externally funded.
199. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 7**.

200. At the Outturn stage the Council has incurred actual expenditure of £101.5m in 2014/15 against an approved in-year budget of £132.7m, as shown in **Appendix 4**. The Council has also contributed expenditure of £13.6m for the SEMMMS relief road with matched grant funding from the Department of Transport. The new relief road straddles Stockport MBC and Manchester City Council boundaries as well as Cheshire East. As the host council, Stockport MBC includes the full costs within their capital programme.
201. Since the start of 2014/15 slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage. These are classed as committed schemes as they should have commenced prior to, or during, 2014/15 and have a detailed forecast expenditure plan in place. **Table 8** below shows the actual expenditure incurred on those schemes against the revised outturn budget.

**Table 8 – Progress Against Gate 2 Schemes in 2014/15**

	TQR Budget	Final Outturn Budget	Actual Exp	Current Forecast Over / Under Spend
	£m	£m	£m	£m
Early Help & Protection	1.3	1.3	0.3	-1.0
Education Strategy	10.1	10.0	8.5	-1.5
Adult Social Care & Independent Living	0.8	1.8	1.6	-0.2
Public Health & Wellbeing	8.5	8.5	4.7	-3.8
Environment	2.7	2.8	1.2	-1.6
Highways	31.4	31.9	29.9	-2.0
Communities	1.2	1.1	0.4	-0.7
Economic Growth & Prosperity	26.0	25.8	20.5	-5.3
Chief Operating Officer	37.5	37.6	28.9	-8.7
<b>Total</b>	<b>119.5</b>	<b>120.9</b>	<b>96.0</b>	<b>-24.9</b>

still on target so that the new facility opens in March 2016 as expected.

204. **Appendix 5** lists approved supplementary capital estimates and virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.
205. **Appendix 6** details requests for virement of over £250,000 relating to Daven Primary School, and Highways Local Area programme.
206. **Appendix 7** details a request to Council to approve a virement of £1.3m to fund an overspend on the Highways Investment Programme in 2014/15.
207. **Appendix 8** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

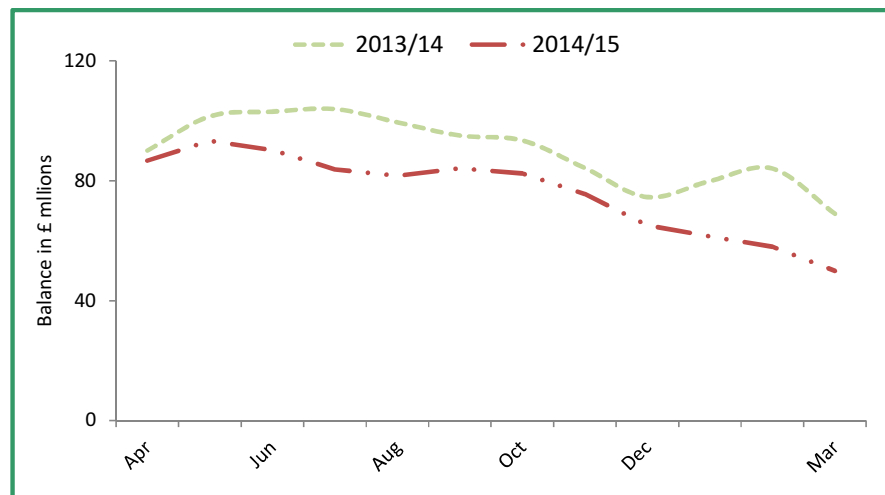
## Central Adjustments

### Capital Financing Costs and Treasury Management

202. During 2014/15 a number of major projects have started and are progressing at a steady pace, including the Crewe Green Link Road (£11.8m), Crewe Lifestyle Centre (£4.6m), Highways Investment Programme (£14.9m) and Connecting Cheshire (£18.6m).
203. However there has been slippage of £24.9m across all services' budgets. £7.8m of this occurred on the Connecting Cheshire project which had anticipated costs of £26.4m but only incurred costs of £18.6m. This was mainly down delivering against a high demand for the service. The Development Programme for Housing and Jobs underspent by £1.3m. The Crewe Green Link Road scheme anticipated costs of £15.7m and delivered significantly against that budget but there was an in-year underspend of £3.9m. Crewe Lifestyle Centre also had an underspend of £3.7m but the project is
208. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These costs are partly offset by the interest the Council earns from temporary investment of its cash balances during the year. The capital financing budget of £12.4m accounts for 5% of the Council's net revenue budget.
209. Cash balances remained stable throughout the year, and no additional external borrowing was undertaken as the Council continued its policy of 'internally' borrowing to finance the capital programme. As a result external interest charges have continued to decrease as external loans are repaid and not replaced.



**Chart 1 – Average monthly cash balances available for investment**



held are due to mature in March 2016 and are fixed at a margin above the London Inter-bank Offer Rate (LIBOR).

210. Investment income achieved in year was £1.1m (see Table 9), including the full realised income from the sale of externally managed investments of which £0.4m relates to previous years. Since the initial investment of £20m was made in June 2011, the funds have returned an average of 0.6% per year with 2014 being above average.
211. Although returns improved in 2014, prior to this the externally managed pooled funds had not been performing as well as anticipated so were recalled. In their place, investments were placed with the Charities, Churches and Local Authorities property fund and in covered bonds. The property fund is designed to offer high returns but should be viewed over a five to six year period as eventual returns based on the underlying value of the assets of the fund can be volatile. The covered bonds provide additional security as they are backed up by collateral, are exempt from bank bail-in risk and still provide a good level of return. The bonds currently

212. There is a difference between the purchase price of the units in the property fund and their selling price of around 7%. Since the purchase of the units at the end of October 2014 the selling price has increased by 5.7% with the fund expected to recoup the costs of initial investment early in 2015/16. In addition to capital growth, the fund pays out income earned from property rents in the form of dividends. This has provided a significant boost to investment income in 2014/15 of £0.1m at a rate of 4.83%.
213. As a result of additional investment income and lower external interest charges overall the budget has underspent by a total of £1.8m. This has been transferred to an earmarked reserve to fund future capital expenditure from revenue contributions. The budget is therefore reporting a net nil variance at outturn.

**Table 9 – Investment Returns**

Sources of Income	£000
In House Managed Investments	359
Fund Manager Gains in Value from 2011	591
Property Fund	101
Other Interest Income	79
<b>Total Income</b>	<b>1,130</b>

- The average lend position (the 'cash balance') including fund manager in the year was £76.3m.
- The average interest rate received on in-house investments in the year was 0.57%.
- The average interest rate (after fees) received on the externally managed pooled funds in the year was 0.97%.

- The average dividend return from the property fund in the year was 4.83%.

214. The Council's total average interest rate received in the year was 0.74%. This is favourable when compared to the London Inter-bank Bid Rate (LIBID) for 7 days at 0.44% (see Table 10). The Council benefited from improved performance of the managed funds in 2014 and the high yields from the property fund.

**Table 10 – Interest Rate Comparison**

Comparator	Average Rate
Cheshire East	0.74%
LIBID 7 Day Rate	0.44%
LIBID 3 Month Rate	0.50%
Base Rate	0.50%

215. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 27th February 2014 and updated on 26th February 2015. Further details of counterparty limits and current investments are given in **Appendix 9**.

### Central Contingencies and Contributions

216. The 2014/15 budget included £1.1m to meet ongoing actuarial charges relating to Voluntary Redundancies. A budget of £1m is also held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. Spending in year on these items was in line with the budget.
217. The outturn for contingencies also includes £1m of additional income from the NHS relating to settlement of 2013/14 funding, offset by budget pressures arising from contractual obligations in

Leisure. Other miscellaneous items have generated a small underspend of £0.1m.

218. The service underspend has also created flexibility to transfer £2.2m into earmarked reserves to provide for future funding and sustainable investment costs.

### Debt Management

219. The balance of outstanding debt is broadly in line with the level at third quarter review. Balances remain within expected levels and adequate provisions have been made. A summary of outstanding invoiced debt by Service is contained in **Appendix 11**.

### Outturn Impact

220. The impact of the projected service outturn position increases balances by £3.4m as reported above (**para 170**).
221. Taken into account with the central budget items detailed above and the approved use of general reserves (**para 224**), the financial impact described in this report decreases balances by £5.1m as summarised in **Table 11**.

**Table 11 – Impact on Balances**

	£m
Service Net Budget Outturn	3.4
Central Budgets Outturn	-2.7
Use of Reserves reported to Council	-5.8
Total	-5.1

## Management of Council Reserves

222. The Council's Reserves Strategy 2014/17 stated that the Council would maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves would be likely to remain at £14.0m throughout the medium term.
223. The opening balance at 1st April 2014 on the Council's General Reserves was £19.8m, as shown in the published statement of accounts for 2013/14.
224. Council have approved the use of £5.8m of general reserves in 2014/15, to support investment in sustainability and communities, at their meetings in February and July 2014.
225. The overall impact of service budgets, central budgets and Council decisions is shown in **Table 11** above. **Table 12** shows how this impacts on the closing balance of general reserves.

**Table 12 – Change in Reserves Position**

	£m
Opening Balance at 1 April 2014	19.8
Impact on Balances at Final Outturn	-5.1
Final Closing Balance at March 2015	14.7

226. The balance of £14.7m is broadly in line with level planned in the 2014/17 Reserves Strategy. Overall the Council remains in a strong financial position given the major challenges across the public sector.
227. The Council also maintains Earmarked Revenue reserves for specific purposes. At 1<sup>st</sup> April 2014 balances on these reserves stood at £26.3m (excluding balances held by Schools). Council have approved the transfer of £5.8m from general reserves into earmarked reserves in 2014/15 to support investment in sustainability and communities. An additional £10.5m of unspent

grant (largely Dedicated Schools Grant) has been transferred to revenue grant earmarked reserves, and £4.8m has been transferred into the newly proposed Financing reserve. Other transfers to and from earmarked reserves have increased the balance by £1.7m. At 31<sup>st</sup> March 2015, total earmarked reserves stood at £49.1m.

228. Services have made provisions within their outturns to reflect slippage in spending plans for temporary cost of investment and other budgets, carry forward of grant backed initiatives and provision for specific liabilities. It is proposed that this expenditure be met from carry forward via the service manager earmarked reserve under Finance procedure Rule A 40, as listed in **Table 13** below.
229. A full list of earmarked reserves is contained in **Appendix 12**. Cabinet are asked to request Council approval to the newly created reserves at 31<sup>st</sup> March 2015.

**Table 13 – Service Manager Carry Forward Earmarked Reserve**

Service	Type	Description	Amount £000	Total £000
Children & Families	COI	Young Persons Advice	20	165
	Other	Catering - Food Quality & Marketing	145	
Adult Social Care & Independent Living	COI	Social Care Bill implementation	510	2,949
	COI	Respite Placements Review	100	
	COI	Learning Disability / Fees Review	126	
	Other	Adult Integrated Care	593	
	COI / Other	Commissioning Reviews	1,485	
	COI	Carefund Calculator	135	
Environmental	COI	Bereavement Orbitas	54	676
	COI	Environmental Operations Programme	106	
	COI	New Delivery Model	442	
	COI	Close Automatic Public Conveniences	24	
	COI	Mapping Maintained Assets for Routing	50	
Highways	Grant	Flood Management	215	465
	COI	Highways Contract	150	
	COI	NRSWA Permits	100	
Communities	Other	Local Community Services	140	300
	COI	New Operating Model	50	
	COI	Car Park Strategy	30	
	Other	Licensing Enforcement	50	
	Other	Citizens Advice Bureau	30	
Economic Growth & Prosperity	Other	Lifelong Learning	190	272
	Other	Housing - Choice Based Lettings	33	
	Other	Cultural	49	
Chief Operating Officer	Other	PSN provision	306	417
	Other	Organisational Change	35	
	Other	Organisational Development	76	
<b>GRAND TOTAL</b>				<b>5,244</b>

### 3. Workforce Development

230. This section sets out the Council's activities and progress in relation to HR, Organisational Development and Workforce Development plans and changes to staffing levels during 2014/15.

#### Culture Change

231. A number of organisational development projects have continued to support the Council's transformation. For example, the launch of the Council's FIRST values and behaviours which underpin the Council's commitment to Putting Residents First and define the way in which we work together. Supporting this has been the launch of the Making a Difference employee recognition scheme which has seen more than 700 colleagues being recognised for Putting Residents First and making a real difference to colleagues, citizens and communities.
232. To support the Council's ambitious agenda an investment has been made in developing coaching capability to lead and manage change, unlock individual and team potential, and sustain high levels of performance. More than 35 internal accredited coaches are now using a coaching approach with their teams and provide a coaching offer to the wider workforce.

#### Learning and Development

233. Towards Excellence, the learning, development and staff improvement corporate training programme has continued to grow its offering for all employees comprising of statutory, mandatory, vocational and professional themes and topics. This ensures that the Council creates a workforce which is safe, knowledgeable and competent in performing their duties to the highest possible standard, providing the best quality services to the residents and businesses.

234. Over 4,000 delegates have attended statutory, mandatory and vocational training during 2014/15. For example, to ensure our staff and providers are legally compliant with the Care Act which came into effect from 1st April 2015 more than 30 team based action learning sessions have been delivered exploring compliance with the new legislation for both internal and external employees within the Adult Social Care sector, supported by a launch event and an e-learning package.

235. The delivery of City and Guilds accredited vocational courses in Health and Social Care supporting Adult Services, Business Administration and ATE (Adult Teaching) have been available to support teams across the organisation with Level 2, 3 and 4 qualifications, with the addition this year of Advocacy, Information and Advice NVQ being added to the Council's in-house further education college prospectus.
236. A particular focus during the year has been on developing management capability within the Council with the creation of four cohorts (90 managers) of Institute of Leadership and Management (ILM) nationally recognised qualifications. In addition, a programme of well attended business breakfasts has been run for managers interested in improving their business and commercial awareness in conjunction with North West Employers.
237. The Workforce Development Team continues to work closely with numerous regulatory and professional bodies, and link into several local universities and colleges to ensure academia and research based theories are inherent in everything we do. As a recognised centre of excellence, quality assurance measures ensure that all employees and apprentices receive up to date training and surpass



expectations of external verification and examination boards and feel fully supported throughout all stages of their career.

## Employing Young People

238. The Council has provided more than 200 work experience sessions for young adults and school children and arranged more than 50 apprenticeship pathways for school and college leavers in employment. In addition the Council has introduced Higher Apprenticeships in Finance and Social Media. The Council is part of the Government's trailblazing programme to introduce employer standards across apprenticeship frameworks. The Council has also signed up to The Crewe Pledge, an initiative that brings together businesses, schools, further and high education institutions with the aim of providing every young person living, studying or working in Crewe with the opportunity to develop employability related skills.

## Education HR Consultancy

239. The Education HR consultancy launched two levels of service in September 2014, Gold and Silver, with the Silver Service having a limit on the amount of time that can be spent providing on-site support to schools and academies. Total buy back during 2014/15 equated to 90% of schools which represents a slight reduction on last year due to a number of Primary Schools joining Multi Academy Trusts which provide HR support.

## Health and Safety

240. Cheshire East has been awarded its third (consecutive) Gold Royal Society for the Prevention of Accidents (RoSPA) Award for Health & Safety. This RoSPA award gave us an opportunity to prove our ongoing commitment to raising health and safety standards and means we are part of a long running and highly respected occupational safety awards programme.

## Staffing Changes

241. As shown in **Tables 14** and **15**, Cheshire East's employee headcount decreased by almost 20% between March 2014 and 2015. This reduction predominantly relates to employees transferring to ANSA and Orbitas on 1st April 2014, to ESAR and CoSocius on 1st May 2014, and to Transport Service Solutions on 1st January 2015. Employees transferring to Civicance were still employed by the Council on 31st March 2015.

**Table 14: March 2014 headcount and FTE figures**

Directorate	Employee FTE Mar-14	Employee Headcount Mar-14
Places & Organisational Capacity	1380.1	1869
Adults Services ( <i>inc. public health</i> )	995.6	1304
Children & Families	754.3	1104
Finance & Business Services	227.9	246
Shared Services	107.0	113
Legal & Democratic	79.3	120
Apprentices & Graduates	45.0	47
HR & OD	42.3	48
<b>Cheshire East Council Total</b>	<b>3,631.4</b>	<b>4,828</b>

**Table 15: March 2015 headcount and FTE figures**

Due to the implementation of the new Oracle organisation structure in September 2014 the headcount / FTE information cannot be compared by service across financial years. For example the Workforce Development team were split between Adults and Children's in March 2014 and now appear in People and OD.

Directorate/Service	Employee FTE Mar-15	Employee Headcount Mar-15
Public Health	19.3	22
Media (Communications and PR)	8.0	8
Strategic Commissioning	2,053.2	2,845
Adults Social Care & Independent Living	871.3	1,148
Children's Services	742.1	1,169
Commissioning and Client Support <sup>a</sup>	25.8	27
Communities	413.0	500
Chief Operating Officer	489.8	604
Commissioning	47.2	52
Corporate Resources and Stewardship	254.2	317
Democratic Services and Governance	57.1	92
Legal Services	33.7	38
People and OD	53.7	60
Apprentices	43.0	44
Economic Growth & Prosperity	325.3	407
Assets	28.0	29
Investment	79.8	88
Strategic and Economic Planning	100.1	109
Strategic Infrastructure	9.5	10
Visitor Economy, Culture and Tatton Park	103.2	166
<b>Cheshire East Council Total</b>	<b>2,896.6</b>	<b>3,875</b>

242. As shown in **Table 16**, absence levels were slightly higher in 2014/15 than in 2013/14, but have been consistent (variance of 0.7 days / FTE employee only) over the past three financial years. Management of sickness absence levels during this financial year will focus on developing greater resilience and addressing stress and a detailed action plan to address this has been developed.

**Table 16: Average days lost to sickness (per FTE employee) per annum since 2012/13**

	2012/13	2013/14	2014/15
Cheshire East (excluding Schools)	12.0	11.3	11.9
Whole Year Target	11.0	12.0	11.0

### Voluntary Redundancies

243. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.
244. 30 people have left the Council under voluntary redundancy terms in 2014/15, 14 of whom held posts within the management grades (Grade 10 or above). The total severance cost for all 30 employees was £1.3m inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £6.7m (which is the combined accumulated costs of the deleted posts).

# **Appendices to Final Outturn Review of Performance 2014/15**

**July 2015**



# Appendix 1 – The Three Year Council Plan



## Appendix 2 – Changes to Revenue Budget 2014/15 since Third Quarter Review (TQR)

	TQR Net Budget £000	Restructuring & Realignments £000	Other Virements £000	Final Outturn Net Budget £000
Children & Families	46,101	-74	-27	46,000
Adult Social Care & Independent Living	94,455		6	94,461
Public Health & Wellbeing	2,229			2,229
Environment	28,289	74	1	28,364
Highways	10,673			10,673
Communities	10,076			10,076
Economic Growth & Prosperity	24,670	64		24,734
Chief Operating Officer	41,263	-64	147	41,346
<b>TOTAL SERVICE BUDGET</b>	<b>257,756</b>	<b>0</b>	<b>127</b>	<b>257,883</b>
Central Budgets				
Specific Grants	-18,608			-18,608
Capital Financing	12,511		-120	12,391
Contingencies & Corporate Contributions	2,130		-7	2,123
	-3,967	0	-127	-4,094
<b>TOTAL BUDGET</b>	<b>253,789</b>	<b>0</b>	<b>0</b>	<b>253,789</b>

## Appendix 3 – Corporate Grants Register

Corporate Grants Register 2014/15		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
Final Outturn			TQR		TQR	(Note 2)
	Note	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	
<b>SPECIFIC USE (Held within Services)</b>						
<b>Schools</b>						
Dedicated Schools Grant	1	171,759	159,041	158,454	-587	
Pupil Premium Grant	1	7,489	6,795	6,977	182	
Sixth Forms Grant	1	5,512	4,408	4,817	409	
<b>Total Schools Grant</b>		<b>184,760</b>	<b>170,243</b>	<b>170,248</b>	<b>5</b>	
Housing Benefit Subsidy		84,518	84,518	84,660	142	
Public Health Funding		14,274	14,274	14,274	0	
Restorative Justice Development Grant		8	8	4	-4	
Bus Services Operators Grant		0	348	261	-87	
<b>TOTAL SPECIFIC USE</b>		<b>283,560</b>	<b>269,391</b>	<b>269,447</b>	<b>57</b>	
<b>GENERAL PURPOSE (Held Corporately)</b>						
<b>Central Funding</b>						
Revenue Support Grant		48,601	48,601	48,601	0	
Business Rates Retention Scheme		37,883	37,883	37,883	0	
<b>Total Central Funding</b>		<b>86,484</b>	<b>86,484</b>	<b>86,484</b>	<b>0</b>	

Corporate Grants Register 2014/15		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
Final Outturn			TQR		TQR	(Note 2)
	Note	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	
<b>GENERAL PURPOSE (Held Corporately)</b>						
<b>Children &amp; Families</b>						
Troubled Families		130	130	130	0	
Troubled Families - Co-ordinator		100	100	100	0	
Extended Rights to Free Transport		153	153	153	0	
Adoption Reform Grant (unringfenced element)		275	275	275	0	
Special Educational Needs Reform Grant		384	384	384	0	
Youth Detention - Looked After Children		0	27	27	0	
Youth Justice Grant		0	353	353	0	
Staying Put Grant		0	36	36	0	
Special Educational Needs and Disabilities - New Burden		0	280	280	0	
Special Educational Needs and Disabilities - Additional Funding		0	0	31	31	SRE
<b>Adult Social Care &amp; Independent Living</b>						
Local Reform and Community Voices Grant		262	262	262	0	
Care Bill Implementation Grant		0	125	125	0	
<b>Environment</b>						
Lead Local Flood Authorities		52	52	52	0	
<b>Highways</b>						
Sustainable Drainage Systems Capability and Capacity Building		0	123	49	-74	Balances
<b>Communities</b>						
Housing Benefit and Council Tax Administration		1,760	1,760	1,760	0	
NNDR Administration Grant		562	562	560	-2	Balances
Social Fund - Programme funding		612	612	612	0	
Social Fund - Administration funding		119	119	119	0	
Council Tax - New Burden		135	135	135	0	
Implementing Welfare Reform Changes		0	57	57	0	
Support Neighbourhood Service Transformation		0	0	90	90	SRE

Corporate Grants Register 2014/15		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
Final Outturn			TQR		TQR	(Note 2)
	Note	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	
<b>GENERAL PURPOSE (Held Corporately)</b>						
<b>Economic Growth &amp; Prosperity</b>						
Skills Funding Agency		785	890	889	-0	
Neighbourhood Planning Grant		0	40	45	5	SRE
<b>Chief Operating Officer</b>						
Education Services Grant	3	4,700	4,262	4,233	-29	Balances
New Homes Bonus 2011/12		870	870	870	0	
New Homes Bonus 2012/13		1,844	1,844	1,844	0	
New Homes Bonus 2013/14		1,037	1,037	1,037	0	
New Homes Bonus 2014/15		1,358	1,358	1,356	-2	Balances
Affordable Homes 2012/13		85	85	85	0	
Affordable Homes 2013/14		82	82	82	0	
New Homes Bonus 2014/15 - return of topslice		132	129	129	0	
Council Tax Freeze Grant 2014/15		1,816	1,807	1,807	0	
Funding Maximising Registration Activities Grant		0	0	27	27	SRE
Community Rights to Challenge		9	9	9	0	
Community Rights to Bid		8	8	8	0	
Individual Electoral Registration		108	117	117	0	
NNDR - New Burden Administrative Costs		0	8	23	15	SRE
Open Data and Transparency Programme		0	74	74	0	
Local Government Transparency Code 2014		0	0	8	8	Balances
Business Rates Retention Grants		0	0	3,194	3,194	Balances
<b>Total Service Funding</b>		<b>17,379</b>	<b>18,165</b>	<b>21,428</b>	<b>3,264</b>	
<b>TOTAL GENERAL PURPOSE</b>		<b>103,863</b>	<b>104,648</b>	<b>107,912</b>	<b>3,264</b>	
<b>TOTAL GRANT FUNDING</b>		<b>387,422</b>	<b>374,039</b>	<b>377,359</b>	<b>3,320</b>	

#### Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service
- 3 Reflects the final allocation of Education Services Grant which resulted in a reduction of £0.4m.

## Appendix 4 – Summary Capital Programme and Funding

Commissioning Service	In-Year Budget	SCE's Virements Reductions	SCE's Virements Reductions	Revised In-Year Budget	Actual Expenditure	Forecast Expenditure	
	TQR 2014/15 £000	Approved Since TQR £000	Outturn 2014/15 £000	Outturn 2014/15 £000	2014/15 £000	2015/16 £000	2016/17 and Future Years £000
<b>Early Help &amp; Protection</b>							
Committed Schemes - In Progress	1,278	-28	0	1,250	327	1,309	0
Committed Schemes at Gate 1 Stage	0	0	0	0	0	100	0
Medium Term and Rolling Programme	154	0	0	154	143	218	206
<b>Education Strategy</b>							
Committed Schemes - In Progress	10,136	-155	0	9,981	8,512	2,354	267
Committed Schemes at Gate 1 Stage	932	-128	0	804	285	5,057	0
Medium Term and Rolling Programme	309	0	0	309	0	9,611	5,705
<b>Adult Social Care &amp; Independent Living</b>							
Committed Schemes - In Progress	832	986	0	1,818	1,634	185	0
Medium Term and Rolling Programme	0	0	0	0	0	1,808	800
<b>Health &amp; Wellbeing</b>							
Committed Schemes - In Progress	8,524	0	15	8,539	4,713	10,411	0
Longer Term Proposals	300	0	0	300	85	2,985	8,932
<b>Environment</b>							
Committed Schemes - In Progress	2,682	-32	199	2,849	1,245	1,818	90
Medium Term and Rolling Programme	8,165	-3,000	0	5,165	2,814	8,286	50
<b>Highways</b>							
Committed Schemes - In Progress	31,376	443	98	31,917	29,883	4,215	3,062

Commissioning Service	In-Year Budget	SCE's Virements Reductions	SCE's Virements Reductions	Revised In-Year Budget	Actual Expenditure	Forecast Expenditure	
	TQR	Approved	Outturn	Outturn	2014/15	2015/16	2016/17 and
	2014/15 £000	Since TQR £000	2014/15 £000	2014/15 £000	2014/15 £000	2015/16 £000	Future Years £000
<b>Communities</b>							
Committed Schemes - In Progress	1,171	-10	-34	1,127	365	1,415	39
Committed Schemes at Gate 1 Stage	0	0	0	0	0	0	0
Medium Term and Rolling Programme	0	300	0	300	0	0	995
<b>Economic Growth &amp; Prosperity</b>							
Committed Schemes - In Progress	26,009	-402	187	25,794	20,481	13,532	4,104
Committed Schemes at Gate 1 Stage	995	0	89	1,084	1,107	1,643	6,260
Medium Term and Rolling Programme	2,660	197	-200	2,657	897	4,847	33,980
Longer Term Proposals	459	500	0	959	4	8,366	129,940
<b>Chief Operating Officer</b>							
Committed Schemes - In Progress	37,522	97	10	37,629	28,935	23,907	12,478
Committed Schemes at Gate 1 Stage	500	-400	0	100	76	2,535	2,488
<b>Committed Schemes - In Progress</b>	<b>119,530</b>	<b>899</b>	<b>475</b>	<b>120,904</b>	<b>96,095</b>	<b>59,146</b>	<b>20,040</b>
<b>Committed Schemes at Gate 1 Stage</b>	<b>2,427</b>	<b>-528</b>	<b>89</b>	<b>1,988</b>	<b>1,468</b>	<b>9,335</b>	<b>8,748</b>
<b>Medium Term and Rolling Programme</b>	<b>11,288</b>	<b>-2,503</b>	<b>-200</b>	<b>8,585</b>	<b>3,854</b>	<b>24,770</b>	<b>41,736</b>
<b>Longer Term Proposals</b>	<b>759</b>	<b>500</b>	<b>0</b>	<b>1,259</b>	<b>89</b>	<b>11,351</b>	<b>138,872</b>
<b>Total Net Position</b>	<b>134,004</b>	<b>-1,632</b>	<b>364</b>	<b>132,736</b>	<b>101,506</b>	<b>104,602</b>	<b>209,396</b>

Funding Sources	2014/15 £000	2015/16 £000	2016/17 and Future Years £000
Grants	55,708	30,731	100,031
External Contributions	9,510	15,825	33,192
Cheshire East Council Resources	36,288	58,046	76,173
<b>Total</b>	<b>101,506</b>	<b>104,602</b>	<b>209,396</b>

# Appendix 5 – Approved Supplementary Capital Estimates and Virements up to £250,000

Capital Scheme	Amount Requested	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000		
Supplementary Capital Estimates		
Education Strategy		
Wheelock Primary School - Phase 2	7,729	Funds being provided by Wheelock Primary School towards additional works within the school hall.
Residential Development Programme	891	To reinstate an element of the budget due to residual expenditure being incurred.
Highways		
Local Area Programme	97,869	Funded by S106 Agreement
Red Bull Flood Alleviation	529	Funded by Environment Agency Grant
Local Sustainable Transport Fund	33,191	Additional expenditure covered by an increase in the LSTF grant claimed and S106 monies.
Section 278s		
Marsh Lane Holmes Chapel	217	Funded by S278 Developer Contributions
Morrisons Middlewich	15	
S278 Nuneham, Macclesfield	52	
S278 Vernon Lodge Poynton	1,500	
S278 Basford West, Goodman	176	
S278 Co-op Lawton Rd	8	
S278 Tesco, Broken Cross	500	



Capital Scheme	Amount Reason and Funding Source Requested £
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>	
<b>Supplementary Capital Estimates</b>	
<b>Environment</b>	
Household Bins Schemes	216,986 Approved in the Capital Programme - funded by Cheshire East Resources
<b>Communities</b>	
Customer Access	10,500 To fund additional work at Poynton Library - funded by a Revenue Contribution from Facilities Management
<b>Leisure</b>	
Lifestyle Centre Crewe	15,000 A Revenue Contribution to enhancement of the sensory facility at the New Lifestyle Centre from Adults Services.
<b>Economic Growth &amp; Development</b>	
Tatton Vision	25,000 Revenue contribution in relation to maintenance items within the Tatton scheme, which has been completed before the end of March 2015.
A500 Widening at Junction 16	220,559 Budget increase funded by S106 development contribution.
Regeneration & Development Programme	88,943 Developer Contribution towards costs in the Macclesfield Town Centre Regeneration project.
<b>Chief Operating Officer</b>	
Asset Management Maintenance Programme	10,000 Contribution from Kingsgrove High School towards roofing work.
<b>Total Supplementary Capital Estimates</b>	<b>729,665</b>

Capital Scheme	Amount Requested	Reason and Funding Source
£		
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>		
<b>Capital Budget Virements</b>		
<b>Education Strategy</b>		
Stapeley Broad Lane Primary School	238	Virements of Capital Maintenance grant to meet the cost of time spent of capital projects by Asset Management and Children and Families Organisation and Capital Strategy team
Residential Development Programme	810	
Lacey Green Primary School - Basic Need	1,305	
St Mary's Crewe Primary School - Basic Need	324	
Leighton Academy School - Basic Need	9,535	
Capital Maintenance Central Allocation	11,000	Residual grant from the completed schemes at Sound, Wheelock, Dean Valley, Hollinhey and Pebblebrook Primary School, vired to the Capital Maintenance Block for re-allocation.
	60,000	
	4,000	
	125,000	
	13,024	
Basic Need Block	66,000	Residual grant from the completed Wilmslow Grange Scheme vired to the Basic Needs Block for re-allocation.
Offley Primary School - Basic Need	70,878	Virement from the Basic Need Block allocation to the Offley Primary School Basic Need scheme to fund additional expenditure to support the extension due to poor ground conditions.
Mablins Lane Primary School - Replacement of Mobile Classroom	3,000	Virement from the Mobile Replacement / Removal block allocation to fund additional expenditure to meet legislation for Mablins Lane Scheme.

Capital Scheme	Amount Reason and Funding Source Requested £
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>	
<b>Capital Budget Virements</b>	
Disley Primary School – Replacement of Mobile Classroom	6,081 Residual works of a minor scheme at Disley Primary incorporated into larger scheme.
<b>Highways &amp; Transport</b>	
Capital Condition Surveys	1,271 Funding shortfall taken from Strategic Programme Delivery LTP grant.
Shared Space (Disley / Knutsford)	16,671 Funding shortfall taken from Strategic Programme Delivery LTP grant.
Road Safety Schemes Minor Works	27,131 Funding shortfall taken from Macon Way Cycle Improvements Sustrans grant.
Crewe Bus Station Project	33,709 Funding shortfall taken from Strategic Programme Delivery LTP grant.
Road Safety Cycle Scheme	1,570 Funding from Sustrans grant used to cover shortfall.
<b>Environment</b>	
Countryside Capital Projects	2,361 Funding shortfall taken from PROW Capital Works & Cycle Facilities LTP grant and Sustrans grant.
Lea Avenue Play Area Macon Meadows	5,089 Funding Shortfall - funded by the Park Development Fund

Capital Scheme	Amount Reason and Funding Source Requested
	£
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>	
<b>Capital Budget Virements</b>	
<b>Economic Growth &amp; Prosperity</b>	
Poynton Revitalisation Scheme	124,106 Funding shortfall taken from Accessibility: Public Transport & Part 1 Claims LTP grant.
A556 Knutsford to Bowdon	41,259 Funding shortfall taken from Strategic Programme Delivery LTP grant.
<b>Total Virements Approved</b>	<b>624,362</b>
<b>Total Supplementary Capital Estimates and Virements</b>	<b>1,354,027</b>

## Appendix 6 – Request for Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000

Capital Scheme	Amount Reason and Funding Source Requested £
Cabinet are asked to approve the Capital Virements above £250,000 up to and including £1,000,000	
<b>Capital Budget Virements</b>	
<b>Education Strategy</b>	
Daven Primary School – Relocation of Kitchen and Removal of HORSAs Block.	434,000 This virement from the Capital Maintenance Block allocations relates to a scheme at Daven Primary School, Endorsed at Gateway 1 during February 2015, and will be funded by grants provided by the Department of Education.
<b>Highways &amp; Transport</b>	
Local Area Programme	534,338 This virement relates to the transfer of funding from the Bridge Maintenance Minor Works project to fund this overspend. Fully funded by Department of Transport grant funding.
<b>Total Capital Virements Requested</b>	<b>968,338</b>

## Appendix 7 – Request for Council to approve Supplementary Capital Estimates and Virements above £1,000,000

Capital Scheme	Amount Reason and Funding Source Requested
	£
Council are asked to approve the Capital Virements over £1,000,000	
Capital Budget Virements	
Highways & Transport	
Highway Investment Programme	1,360,520 Funding shortfall taken from several LTP sources (Strategic Programme Delivery, Bridge Maintenance Minor Works, Flag Lane Link Road, Highway Maintenance Minor Works, and Accessibility: Public Transport) totalling £1.297m, and £64,000 from the Cycle Facilities Sustrans grant.
<b>Total Capital Virements Requested</b>	<b>1,360,520</b>

## Appendix 8 – Capital Budget Reductions

Capital Scheme	Approved Budget	Revised Approval	Reduction Reason and Funding Source
	£	£	£
<b>Cabinet are asked to note the reductions in Approved Budgets</b>			
<b>Education Strategy</b>			
Offley PS - Basic Needs	923,146	527,927	-395,219 Reduction in funds being provided by the Department of Education towards the expansion of Offley Primary School
School Maintenance Projects - Alderley Edge and Gainsborough Primary Schools	3,539,651	3,518,363	-21,288 No further costs are anticipated for the work being undertaken at these schools
School Maintenance Projects - Hollinhey Primary School	3,518,363	3,382,363	-136,000 Reduction in funds being provided by the Department of Education towards the expansion of Hollinhey Primary School
School Maintenance Projects - Dean Valley	3,382,363	3,375,363	-7,000 Reduction in funds being provided by the Department of Education towards the expansion of Dean Valley Primary School
<b>Highways</b>			
Strategic Programme Delivery	430,000	364,179	-65,821 Reduction in funds being provided by S106 agreement
Bridges - Major - Gurnett Bridge Reconstruction	1,020,000	1,018,255	-1,745 Project complete
Wilmslow Grange Cycle Route	10,174	0	-10,174 Budget no longer required
<b>Section 278s</b>			
S278 Santune House, Shavington	3,000	2,233	-767
Marthall Lane, Ollerton	5,000	2,127	-2,873
Nova Court, Crewe	5,000	2,933	-2,067
S278 The ROK Development	50,000	22,500	-27,500
S278 schemes now complete - no further budget required.			

Capital Scheme	Approved Budget	Revised Approval	Reduction Reason and Funding Source
	£	£	£
<b>Cabinet are asked to note the reductions in Approved Budgets</b>			
<b>Environmental</b>			
Lea Avenue Play Area Macon Meadows	57,841	45,219	-12,622 Reduction in grant anticipated - reduce budget requirement
Stallard Way Play Area	61,225	18,076	-43,149 Budget no longer required
Milton Park Project	45,678	41,931	-3,747 Reduction in grant anticipated - reduce budget requirement
Mortmer Drive Play area	105,000	48,194	-56,806 Budget no longer required
Cranage Bowling Pavilion	18,710	0	-18,710 Budget no longer required
The Carrs Multi User Route	207,614	207,407	-207 Capital project complete and fully funded
Congleton Park Improvements	123,061	117,270	-5,791 Reduction in grant anticipated - reduce budget requirement
Bollington Arts Centre S106	33,512	31,184	-2,328 Project now fully complete and funded by S106 monies.
<b>Communities</b>			
Electronic Vehicle Recharge Fast	100,000	55,426	-44,574 Project now complete and fully funded from grant.
<b>Economic Growth and Prosperity</b>			
Housing Development	184,699	182,732	-1,967 Budget no longer required
Handforth East	300,000	243,000	-57,000 Budget no longer required
<b>Total Capital Budget Reductions</b>	<b>14,124,037</b>	<b>13,206,682</b>	<b>-917,355</b>



# Appendix 9 – Treasury Management

## Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. For named UK banks and credit rated building societies this has been set at 10% of our total investments subject to a maximum value of £10m (now revised to £5m). These limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £10m per fund with a limit of 25% of total investments per fund although operationally this is limited to 10% in line with updated guidance. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. Our approved counterparties list also includes a number of foreign banks. As the limits applicable to all organisations have been reduced the Council is investing in selected highly rated foreign institutions. The Council currently holds Certificates of Deposits with Deutsche Bank (Germany) and has an investment account with Svenska Handelsbanken (Sweden) at its Crewe based branch.
3. In order to diversify investments over a broader range of counterparties, the Council is also investing with other Local Authorities and some unrated Building Societies on advice from our treasury advisors who are monitoring their financial standing in the absence of any normal credit rating.
4. Banks credit ratings are kept under continual review. There have not been any significant changes in 2014/15 although major changes are now being made in 2015 as Government support is removed following implementation of the Banking Act 2013 and

the UK adoption of further EU directives. These are intended to make it less likely that a bank gets into trouble but increases the risk of the Local Authority deposits being 'bailed-in' if the bank did get into trouble. To mitigate any potential issues there are 4 actions that the Council is taking:

- a. Reduce level of deposits in any one counterparty
  - b. Reduce credit limits referred to in the Treasury Management Strategy
  - c. Invest in more secure financial instruments such as Covered Bonds and Repurchase Agreements (REPO's)
  - d. Invest in highly rated Corporate Bonds which will not be subject to any 'bail-in risk'.
5. The Council amended its Treasury Management Strategy in February 2015 to take account of these changes. Lower limits now apply to unsecured investments. In addition, accounts are currently being opened to invest in REPO's and since April 2015 investments are being made in highly rated corporate bonds.
  6. REPO's are where the Council purchases assets from a counterparty with an agreement that the counterparty repurchases those assets on an agreed future date and at an agreed price. The future price will include interest on the investment. The assets purchased will vary in value over the term of the trade so a third party is used (at the cost of the other party, not the Council) to hold those assets on our behalf and obtain additional assets if the value falls below the level of the investment at any time. It is the quality of the purchased assets that governs the credit quality of the investment rather than the actual counterparty.

7. The Council is making arrangements with Clearstream who can provide the third party facilities and are internationally regarded. **Table 1** shows the current investments and limits with each counterparty. A full analysis of the types of investment and current interest rates achieved is given in **Table 2**.

**Table 1 – Current Investments and Limits**

Counterparties	Limits		Investments as at 31 <sup>st</sup> March 2015	
UK Banks				
Barclays Bank	10%	£10m	11%	£5.2m
Lloyds	10%	£10m	4%	£2.0m
Foreign Banks				
Deutsche Bank	10%	£10m	12%	£6.0m
Svenska Handelsbanken	10%	£10m	11%	£5.0m
Building Societies				
Coventry Building Society	10%	£1m	2%	£1.0m
Cumberland Building Society	10%	£1m	2%	£1.0m
Leeds Building Society	10%	£1m	2%	£1.0m
Nationwide Building Society	10%	£10m	11%	£5.0m
Yorkshire BS (Covered Bond)	10%	£10m	11%	£5.0m
Money Market Funds	50%		23%	
Aberdeen Asset	25%	£10m	3%	£1.6m
Federated Prime Rate	25%	£10m	8%	£3.9m
Ignis	25%	£10m	5%	£2.5m
Morgan Stanley	25%	£10m	7%	£3.5m
Externally Managed Funds				
Property Funds	50%		11%	£5.0m
				£47.7m

**Table 2 – Types of Investments and Current Interest Rates**

<b>Instant Access Accounts</b>	<b>Avg rate %</b>	<b>£m</b>
Instant Access Accounts	0.36%	7.2
Money Market Funds	0.47%	11.5

<b>Fixed Term Deposits (Unsecured)</b>	<b>Start</b>	<b>Maturity</b>	<b>Rate %</b>	<b>£m</b>
Deutsche Bank CD	05/06/2014	04/06/2015	0.82	2.0
Deutsche Bank CD	17/07/2014	17/07/2015	0.92	4.0
Nationwide Building Society	21/08/2014	20/08/2015	0.96	2.0
Barclays	29/08/2014	28/08/2015	0.98	3.0
Lloyds	03/11/2014	05/05/2015	0.70	2.0
Cumberland Building Society	06/01/2015	07/04/2015	0.50	1.0
Coventry Building Society	14/01/2015	17/04/2015	0.45	1.0
Leeds Building Society	27/01/2015	27/04/2015	0.49	1.0
Nationwide Building Society	31/03/2015	09/07/2015	0.52	3.0

<b>Secured Deposits</b>	<b>Start</b>	<b>Maturity</b>	<b>Rate %</b>	<b>£m</b>
Yorkshire Building Society	05/11/2014	16/03/2016	0.73	3.0
Yorkshire Building Society	16/12/2014	16/03/2016	0.73	2.0

<b>Externally Managed Funds</b>	<b>£m</b>
Property Fund	5.0

<b>Maturity Profile</b>	<b>£m</b>
Instant Access	18.7
Maturing < 1 month	3.0
Maturing within 1 - 6 months	16.0
Maturing within 6 - 12 months	5.0
Maturing within 1 – 2 years	0.0
Externally Managed Funds	5.0
<b>Total</b>	<b>47.7</b>

8. The end of March always represents our lowest cash balances position. Cash balances have since risen. At the time all investments were made it was not anticipated that the balance would fall below £50m which is why some counterparties were temporarily in excess of the normal 10% limit at 31st March. Additional funds were held in Barclays accounts at 31st March to cover payments which were delayed until April.

## Appendix 10 – Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Children & Families	Special Educational Needs (SEN) and Disabilities – New Burden (General Purpose)	31	The Children and Families Act introduces new duties on local authorities in order to improve outcomes for children and young people with SEN or who are disabled, increase choice and control for parents, and promote a less adversarial system. Local authorities are undertaking a range of activities to prepare for these changes, which are being implemented from September 2014. This is further funding in addition to the original £280,000 already received at Third Quarter Review.
Economic Growth & Prosperity	Neighbourhood Planning Grant (General Purpose)	5	A grant of £5,000 is provided to the Council by the Department for Communities and Local Government for each Neighbourhood Area that is designated. This is to support these local communities to prepare a neighbourhood plan. This is the last designation this financial year. The grant is not ring fenced to Neighbourhood Planning so can be used to support the wider Spatial Planning function.
Communities	Business Rates – New Burdens administrative costs associated with implementing Autumn Statement 2013 (General Purpose)	23	Grant funding provided to cover the cost of a necessary software update and additional administration costs associated with the measures introduced in the Government's Autumn statement for new reliefs to be granted.
Communities	Support Neighbourhood Service Transformation (General Purpose)	90	To deliver outcomes in Expression of Interest to DCLG for Delivering Differently in Neighbourhoods Project running March 2015 to March 2016. The project is based in Macclesfield and covers Transfer & Devolution and Community Hubs. The majority of spend will be on Community Hubs, evaluating impact, delivering new services, developing franchise model and academic research to inform national learning.
Chief Operating Officer	Funding Maximising Registration Activities (General Purpose)	27	The expectation is that this funding should be put towards activities which support the preparation of the most complete and accurate electoral register possible before the elections on 7 May 2015. Aim to maximise the number of registered electors.

Service	Type of Grant	£000	Details
Chief Operating Officer	Business Rates Retention Autumn Measures reimbursement grant (General Purpose)	3,194	Funding to compensate billing authorities for business rate discounts being awarded as part of the Autumn Statement 2013 announcements. This includes the doubling of Small Business rate relief and Retail property reliefs.
<b>TOTAL</b>		<b>3,370</b>	

# Appendix 11 – Debt Management

1. Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates) for which the performance related data is contained within Section 2 of this report.
2. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including highways, property services, licensing, markets and building control.
3. In 2014/15 the Council raised invoices with a total value of £67m. This includes around £18m in Adult Social Care relating to client contributions towards care packages and income from Health.

**Table 1 - Volumes of Invoices raised in 2014/15**

	Number	Value £000
Adult Finance	46,623	17,530
Other	8,845	49,057
<b>Total</b>	<b>55,468</b>	<b>66,587</b>

4. The amount of income collected in 2014/15 was £55.7m.
5. The Council's standard collection terms require payment within 28 days of the invoice date, services however receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.

6. The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor).
7. In 2014/15 the team collected £1.7m on behalf of services and identified an additional £0.2m which had been received but not correctly identified to an outstanding debt. The Social Care Business Support team are responsible for the collection of debt for Adult Social Care, the total amount of debt recovered in 2014/15 was £2m.
8. During 2014/15 quarterly meetings have been held with the Portfolio Holder for Finance, the Chief Operating Officer and the Head of Legal Services to review and approve the write off of outstanding debt.

**Table 2 - Amounts of sundry debt written off in year**

	Adult Finance £000	Other £000	Total £000
Under £5,000	87	176	263
£5,000 - £10,000	15	69	84
£10,000 - £50,000	11	65	76
Over £50,000	-	273	273
<b>Total</b>	<b>113</b>	<b>583</b>	<b>696</b>

9. The amount of outstanding service debt at the end of March 2015 was £3.9m as shown in **Table 3**. This excludes debt still within the payment terms. The total amount of service debt over 6 months old is £2.2m; provision of £2.6m has been made to cover this debt in the event that it needs to be written off.

**Table 3 – Outstanding Service Debt at the end of March 2015**

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
Children & Families	313	6	148
Adult Social Care & Independent Living	2,354	1,534	1,767
Public Health & Wellbeing	0	0	0
Environmental	239	200	200
Highways	432	288	265
Communities	28	18	18
Economic Growth & Prosperity	206	46	113
Chief Operating Officer	326	63	62
	<b>3,898</b>	<b>2,155</b>	<b>2,573</b>



## Appendix 12 – Earmarked Reserves

Name of Reserve	Opening Balance 1 April 2014	Movement in 2014/15	Balance at 31 March 2015	Notes
	2014 £000	2014/15 £000	2015 £000	
<b>Children &amp; Families</b>				
Long Term Sickness	213	137	350	Carried forward surplus of contributions paid by schools ~ operated as a trading account
Education All Risks (EARS)	261	82	343	Carried forward surplus of contributions paid by schools ~ operated as a trading account
Children's Social Care	650	-273	377	To support implementation of Children's social care bill
<b>Adult Social Care &amp; Independent Living</b>				
Extra Care Housing PFI	1,466	215	1,681	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009
Individual Commissioning	580	-271	309	To provide capacity to perform Deprivation of Liberties and Best Interest reviews of care customers following recent case law
NHS Section 256	1,784	1,751	3,535	To support adult social care which also has a health benefit, as agreed with Eastern Cheshire and South Cheshire Clinical Commissioning Groups and governed by Cheshire East Health and Wellbeing Board.
<b>Public Health &amp; Wellbeing</b>	1,620	352	1,972	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues.
<b>Environmental</b>				
Crematoria	367	-207	160	Mercury abatement income set aside to fund potential replacement cremators as per the capital programme.
<b>Highways</b>				
Winter Weather	120	120	240	To provide for future adverse winter weather expenditure

Name of Reserve	Opening Balance 1 April 2014	Movement in 2014/15	Balance at 31 March 2015	Notes
	2014 £000	2014/15 £000	2015 £000	
<b>Communities</b>				
Communities Investment	2,768	-980	1,788	Amalgamation of Promoting local delivery; Grant support; New initiatives and additional funding from outturn to support community investment.
Emergency Assistance	400	204	604	Carry forward of underspend on previous years' schemes to provide for future hardship payments
<b>Economic Growth &amp; Prosperity</b>				
Building Control	181	-13	168	Ring-fenced surplus (could be used to offset service deficit, if applicable)
Tatton Park	241	-19	222	Ring-fenced surplus on Tatton Park trading account
Economic Development	141	0	141	Support for town centres and economic development initiatives
<b>Chief Operating Officer</b>				
Elections	486	118	604	To provide funds for Election costs every 4 years
Climate Change	67	0	67	Renewable Energy project
Insurance & Risk	2,776	-331	2,445	To settle insurance claims and manage excess costs.
Investment (Sustainability)	2,050	6,181	8,231	To support investment that can increase longer term financial independence and stability of the Council
Pension Contributions	150	23	173	To meet impact of reduced workforce on fixed contribution to Past Service Pensions deficit
Business Rates Retention Scheme	5,071	-423	4,648	To manage cash flow implications as part of the Business Rates Retention Scheme
Financing	0	4,820	4,820	To provide for financing of capital schemes, feasibility studies, and other projects and initiatives

Note 2

Name of Reserve	Opening Balance 1 April 2014	Movement in 2014/15	Balance at 31 March 2015	Notes
	2014 £000	2014/15 £000	2015 £000	
<b>Cross Service</b>				
ASDV Surplus	Note 2 0	36	36	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives
Service Manager carry forward	4,485	759	5,244	Allocations for Cost of Investment or grant funded expenditure
Revenue Grants - Dedicated Schools Grant		8,184	8,184	Unspent specific use grant carried forward into 2015/16
Revenue Grants - Other	467	2,266	2,733	Unspent specific use grant carried forward into 2015/16
<b>TOTAL</b>	Note 1 26,344	22,731	49,075	

**Notes:**

- Figures exclude Schools balances of £7.499m at 31st March 2015
- Proposed earmarked reserves to be created at March 2015 are highlighted
- Balances at 31st March 2015 exclude the following approved additions to earmarked reserves from 1st April :

	<b>£'000</b>
Planning costs and Investment Service structure	1,000
Insurance & Risk	250
Investment (Sustainability)	450
Communities Investment	241
	<hr/> 1,941

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