

## Cabinet Agenda

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**Date:** Tuesday, 23rd February, 2016  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1, 2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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

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

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

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

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

In accordance with Procedure Rules Nos.11 and 35 a period of time is allocated for members of the public to address the meeting on any matter relevant to the work of the Cabinet. The Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

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

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**Tel:** 01270 686472  
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4. **Questions to Cabinet Members**

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

The Chairman 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 Chairman may allow the question to be asked at the beginning of consideration of that item.

5. **Minutes of Previous Meeting** (Pages 1 - 16)

To approve the minutes of the meeting held on 9<sup>th</sup> February 2016.

6. **Cheshire East Local Plan** (Pages 17 - 36)

To consider a report on the Cheshire East Local Plan.

Members are reminded to bring their copy of the documentation to the meeting.

The documents referred to in the report may be accessed via the links in the report. A limited number of paper copies of the documents will be available at the meeting for members of the public to refer to but not to take away.

Copies of the documentation are available for purchase on request. For further details contact:

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Copies of the documentation are also available for public inspection at the following locations:

- The Customer Centre, Town Hall, Macclesfield SK10 1EA
- The Municipal Buildings, Earle Street, Crewe CW1 2BJ
- The Council's Headquarters, Westfields, Middlewich Road, Sandbach CW11 1HZ

7. **Congleton Public Realm Enhancements** (Pages 37 - 48)

To consider a proposed public realm enhancement scheme for Congleton Town Centre.

8. **Low Value Construction Services** (Pages 49 - 58)

To consider the establishment of a framework of contractors through which to commission low value construction services.

9. **Starter Homes** (Pages 59 - 66)

To consider a bid to the Homes and Communities Agency for Starter Homes grant funding.

10. **Review of 2016-17 Schools Funding Formula** (Pages 67 - 72)

To consider options for the schools funding formula for 2016-17.

11. **Policy for Support to Voluntary, Community and Faith Sector Infrastructure Organisations 2016/17** (Pages 73 - 84)

To consider a policy for support to voluntary, community and faith sector infrastructure organisations in 2016/17.

12. **Proposal for support to Local Councils 2016/17** (Pages 85 - 96)

To consider a proposal for support for Local Councils and the development and implementation of a Local Councils Charter in 2016.

**THERE ARE NO PART 2 ITEMS**

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet**  
held on Tuesday, 9th February, 2016 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor D Brown (Vice-Chairman)

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

**Members in Attendance**

Councillors Rhoda Bailey, S Corcoran, L Durham, S Edgar, I Faseyi, R  
Fletcher, D Flude, S Gardiner, M Grant, J Hammond, G Hayes, N Mannion, S  
McGrory, A Moran, B Moran, D Newton, M Parsons, S Pochin, B Roberts, J  
Saunders, M Warren and G Williams

**Officers in Attendance**

Mike Suarez, Peter Bates, Caroline Simpson, Bill Norman, Barbara Dale and  
Paul Mountford

**Apologies**

Councillors L Gilbert, M Jones and T Dean

Councillor J Clowes gave apologies that she would have to leave before the  
end of the meeting.

**86 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**87 PUBLIC SPEAKING TIME/OPEN SESSION**

Sue Helliwell asked if the Council followed Government policy guidelines  
when considering planning applications for fast food outlets. She  
mentioned that an application had just been passed for a pizza outlet that  
was a hundred metres away from a school whereas Government  
guidelines required such outlets to be at least 400 metres from a school.  
The Chairman asked officers to look into the specific application.

Councillor Simon Yates of Crewe Town Council referred to the proposed  
relocation of Crewe Bus Station and asked what this would mean for the  
proposed regeneration company for Crewe. He asked what progress had  
been made in setting up the company, and including local representatives  
from Crewe, and what briefing the Leader would provide to his successor

on the importance of the momentum required in developing both Crewe Town Centre and the HS2 Hub Station. The Portfolio Holder for Regeneration and Assets responded that the Council was working with relevant Government Departments, partners and stakeholders on a growth strategy for the Northern Gateway area and the proposed regeneration company would provide oversight of this work. The momentum in Crewe would be maintained under any future leadership.

David Reeves of D&G Bus welcomed the development of the new bus station in Crewe and asked if the Council would be working with bus operators to make sure that the new development worked. The Portfolio Holder for Regeneration and Assets responded that the Council had engaged with bus operators through workshops and dialogue and would continue to seek and consider their views.

Bob Birchall of the Deafness Support Network commented that the Network had received a telephone call from the Council in December 2015 informing it that services it was currently delivering in Cheshire East were to be stopped well ahead of the contract termination dates. He was concerned about the lack of clarity, transparency and fairness on the part of the Council in reaching this decision, and the lack of any meaningful consultation. The Chairman gave an assurance that the matter would be investigated and that a report on the outcome would be sent to Mr Birchall and to all Members of the Council.

Jonathan Parry commented that the construction of the Middlewich Eastern Bypass was long overdue and that any proposals to consider an alternative route would cause further delay. The Chairman asked Mr Parry for a copy of his notes after the meeting and gave an assurance that the scheme would be progressed.

Steph Risk spoke in support of the Broken Cross Children's Centre in Macclesfield and praised the family support workers at the Centre for their care and support. She expressed concern that the closure of the Centre would have a detrimental effect on the health and wellbeing of many of the people who used it. The Portfolio Holder for Children and Families urged Miss Risk to put her views forward as part of the formal consultation process if she had not already done so. She stressed that de-designation of children's centres was not about cutting services but about delivering services in a different manner to safeguard services for children in the future.

Cliff Ardern asked why the Council was considering the de-designation of Broken Cross Children's Centre when it was one of the busiest. The Portfolio Holder for Children and Families responded that there was a national consultation underway and that the aim was not to take away front line services but to ensure that the Children's Budget was sustainable to deliver for those families that needed to be reached, including those in remote parts of the Borough.

Caroline O'Brien of Community and Voluntary Services Cheshire East referred to numerous voluntary organisations in the Borough which had been informed by the Council that their contracts were to be terminated. She expressed concern on behalf of those organisations at the lack of consultation or a clear explanation as to why their contracts were to be terminated. She added that the Council appeared not to have carried out an impact assessment on any of the contracts affected and on that basis asked the Council to reconsider its decision. The Chairman and the Portfolio Holder for Adults, Health and Leisure undertook to look into the issues raised and to provide a written reply.

At the conclusion of public speaking, the Chairman thanked those who had attended the meeting to speak.

### **88 QUESTIONS TO CABINET MEMBERS**

Councillor S Corcoran referred to a letter from Fiona Bruce MP to Churches Together in Sandbach in November 2015 indicating that to her knowledge Cheshire East Council had not registered with the Government to accept Syrian Refugees. Councillor Corcoran asked what progress had been made since November. The Chairman replied that the Council had accepted a number of lone children but that it was important to have the right infrastructure in place in order to receive refugees. The Deputy Cabinet Member for Communities added that this could only be achieved by obtaining clarity on funding and through agreements with other councils at a sub-regional level. The Council had registered with the Home Office its intention to participate once the details had been worked out.

Councillor D Flude asked, in connection with safe cycling routes, if the emissions monitors in certain roads in Crewe and Nantwich could be checked to make sure they were accurate. The Chairman asked Councillor Flude to provide details of the locations so that the monitors could be checked.

Councillor N Mannion expressed concern that some of the data being used in connection with the current children's centre consultation was out of date, inaccurate or missing. He asked for assurances that the data being used was the 2015 indices of deprivation data, was accurate and that the projected population of 0-4 year-olds had been included. The Portfolio Holder for Children and Families undertook to look into the matter and provide a written reply.

### **89 MINUTES OF PREVIOUS MEETING**

#### **RESOLVED**

That the minutes of the meeting held on 19<sup>th</sup> January 2016 be approved as a correct record.

**90 CLEAN FOR THE QUEEN 2016**

Cabinet considered a report seeking approval to support the Clean for The Queen campaign, due to take place in March 2016 in the run up to the Queen's 90<sup>th</sup> birthday in April. Support would be made both financially and through an active media and communications campaign.

**RESOLVED**

That

1. the Council actively promote and publicise, through the communications and media team, the Clean for The Queen campaign and associated resources made available through the Clean for The Queen Local Authority Resource Pack;
2. the campaign encourage all communities across Cheshire East to get involved with the national campaign to Clean for The Queen and join forces with litter charities across the whole of the Country, groups specifically targeted to include: existing clean teams, schools, colleges and the university, uniformed groups, faith groups, voluntary and community groups and individuals who want to come together to be a part of the largest litter blitz throughout the UK;
3. a small grants fund totalling £7,000 be made available to allow people to apply, through a simple application process, for a litter picking pack consisting of 6 litter pickers, 6 bag hoops, 6 high visibility vests, a quantity of bin liners and a box of disposable gloves;
4. the litter picking packs be retained by the groups to continue to clean their local areas; information be provided on how to formalise groups into a clean team or to join an existing clean team and provide a legacy beyond the Clean for The Queen campaign; and
5. applications for, and distribution of, the litter packs be managed by the Partnerships and Communities Team in-conjunction with ANSA Environmental Services, the application to be judged against a set of principles for groups coming together to use the equipment for the campaign and to continue to use it once the initial Clean for The Queen campaign has been completed; principles to include committing to using the equipment during the period of 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> March, agreeing to provide before and after photographs of the area cleaned and committing to the consideration of either completing on-going clean-ups of their local area or joining an existing clean team.

**91 CREWE TOWN CENTRE BUS INTERCHANGE FACILITY**

Cabinet considered a report proposing that the Royal Arcade site in Crewe Town Centre be the location for a replacement town centre bus interchange facility for Crewe.



The option appraisal study had identified three sites which scored the highest from amongst the 11 sites considered, with the Royal Arcade site scoring the highest. This location had also been supported through the findings of the public consultation, with 61% wanting an improved or new town centre bus interchange included within the Royal Arcade site.

### **RESOLVED**

That Cabinet agrees to

1. the selection of the Royal Arcade site as the location for a replacement town centre bus interchange facility for Crewe;
2. the proposed specification for the replacement town centre bus interchange, detailed in Appendix 2 to the report, which meets the requirement to provide a safe, accessible, managed environment as a central hub for waiting and interchange for bus passengers in the town centre;
3. vire the current budget allocated towards the cost of the “Crewe Replacement Bus Interchange Facility” in the Council’s Capital Programme 2015/16-2017/2018 to the “Crewe Town Centre Regeneration Programme” capital budget, from which this project will be funded and managed; the final contribution the Council makes towards the cost of the bus interchange, to be delivered by the appointed developer, to be based upon quality and viability rather than cost alone;
4. this approach being taken forward as part of the process of procuring a development partner for the overall Royal Arcade site, to ensure effective integration within a comprehensive new development, and demonstrate best value in terms of securing competitive proposals from potential developers for the bus interchange element of the development; and
5. note that a final decision on the appointment of a development partner and scheme, including a town centre bus interchange facility, will be brought back to Cabinet prior to any contractual commitments being made.

### **92 ADULT SOCIAL CARE FEE RATES**

Cabinet considered a review of the fees paid to care providers within adult social care.

The Council had commissioned Red Quadrant to carry out a review in 2015/16. The Council received the final report from Red Quadrant in October 2015 and took into consideration the views of providers following a series of engagement events and questionnaires. The report detailed

final recommendations from officers having taken account of the consultants' report and feedback from providers.

### **RESOLVED**

That Cabinet

1. notes the two Care Home Fees and Home Care Fees reports produced for the Council by RedQuadrant attached to the report as Appendix 1 and 2;
2. endorses the increased fee rates detailed in Section 6.2 of the report, with an estimated cost of £5.44m in 2016/17;
3. endorses the implementation of the new rates beginning in April 2016;
4. commissions and authorises the Director of Adult Social Care, in consultation with the Portfolio Holder, to explore with providers the impact of the fee structure remaining at its current levels until April 2016; and
5. authorises the Director of Adult Social Care to recommission the home care provision to the Council, seeking to co-produce a new arrangement between the customers and residents, providers, advocates and the Council in order to deliver outcomes-based provision.

### **93 SOCIAL CARE CASE MANAGEMENT SYSTEM PROCUREMENT**

Cabinet considered a report on the procurement of a case management system to support the implementation of the Care Act 2014 for Adult Social Care and to deliver for Children's social care services. The report sought approval to award a contract to LiquidLogic at a cost of £2.4m for 5 years until March 2021.

### **RESOLVED**

That

1. the procurement and award of contracts for the LiquidLogic Children's and Adults Social Care Case Management System be approved at an estimated cost of £2.4m over a five year contract period, via the Crown Commercial Service RM1059 Local Authority Software Applications Framework (LASA Framework) in accordance with the Public Contracts Regulations 2015 and Cheshire East Borough Council's Contract Regulations;
2. a supplementary capital estimate of £2.4m be approved, funded by £0.75m Adult Social Care grant funding, held within the Commissioning

Capital Systems budget and virement of £1.65m from the existing approved Strategic Initiatives allocation; and

3. authority be delegated to the Chief Operating Officer in consultation with the Portfolio Holder:
  - to enter into all necessary contractual arrangements to deliver the solution; and
  - to use the LASA Framework to procure the LiquidLogic Children's and Adults Social Care Case Management System.

### 94 **2015/16 THIRD QUARTER REVIEW OF PERFORMANCE**

Cabinet considered a report setting out the Council's financial and non-financial performance at the third quarter stage of 2015/16.

The third quarter review showed how the Council was continuing to build on the positions achieved in the last two years, which demonstrated that the overall financial health, performance, resilience and value for money at Cheshire East Council was strong despite taking £70m out of its cost base since 2011, and freezing Council Tax for the fifth consecutive year. Savings had been consistently achieved through permanent savings of £5m in management costs, efficiency, removing any duplication of effort, and a planned programme of asset disposals. This approach had protected funding provided to front line services. The Council's reserves strategy remained effective, with a forecast underspend of £0.3m. Further details were set out in Annex 1 to the report.

### **RESOLVED**

That

1. Cabinet notes the third quarter review of 2015/16 performance in relation to the following issues:
  - the summary of performance against the Council's 5 Residents First Outcomes (Section 1);
  - the projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (Section 2);
  - the delivery of the overall capital programme (Section 2, paragraphs 182 to 193 and Appendix 4);
  - fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (Appendix 5);
  - changes to Capital Budgets made in accordance with the Finance Procedure Rules (Appendix 8);
  - treasury management investments and performance (Appendix 9);

- management of invoiced debt (Appendix 11);
- use of earmarked reserves (Appendix 12);
- update on workforce development and staffing (Section 3).

2. Cabinet approves

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

3. Cabinet recommends that Council approve

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

**95 THE COUNCIL'S CORPORATE PLAN 2016/20 AND MEDIUM TERM FINANCIAL STRATEGY 2016/19**

Cabinet considered a report on the Council's Corporate Plan for the years 2016/17 to 2019/20 and the Medium Term Financial Strategy for the years 2016/17 to 2018/19.

The report summarised the resolutions that Cabinet were requested to recommend to Council at Appendix A. It provided the Corporate Plan for the period 2016/17 to 2019/20 at Appendix B, and the Medium Term Financial Strategy (MTFS) Report (containing the Budget) for the period 2016/17 to 2018/19 at Appendix C.

The Portfolio Holder for Finance and Assets reported that the Government had announced the day before the Cabinet's meeting that the Council would receive transitional grant of £2.97M in 2016/17 and again in 2017/18. He also informed Cabinet that the Corporate Overview and Scrutiny Committee at its meeting on 4<sup>th</sup> February 2016 had made no specific comments in relation to the report.

**RESOLVED**

That

1. Cabinet recommends to Council the items at Appendix A to the report; and
2. Cabinet notes:
  - (a) The Budget Engagement exercise undertaken by the Council, as set out in the attached (Appendix C, Annex 2).

- (b) The comments of the Council's Chief Operating Officer (Section 151 Officer), contained within the MTFS Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (Appendix C, Comment from the Chief Operating Officer).
- (c) The risk assessment detailed in the MTFS Report (Appendix C, Annex 5).
- (d) That the estimates and profiling contained within the proposed Capital Programme 2016/17 to 2018/19 reflect the scale of ambition and future investment plans of the Council. The programme may vary to take advantage of external funding opportunities, maximise private sector investment, prudential borrowing considerations, operational capacity and to ensure optimal delivery of the overall programme (Appendix C, Annex 12).
- (e) That projects will be robustly governed through the Executive Monitoring Board. The Council's Finance Procedure Rules will always apply should any changes in spending requirements be identified (Appendix C, Annex 12).

### 96 **TREASURY MANAGEMENT STRATEGY AND MRP STATEMENT 2016/17**

Cabinet considered the Treasury Management Strategy and MRP Statement 2016/17.

The key elements of the strategy for 2016/17 were for the Council to:

- Retain capital financing costs within an affordable limit of c.£14m.
- Not enter into any overall additional external borrowing in 2016/17.
- Take an appropriate approach to risk if short term loans were required, by only borrowing from lenders identified in the strategy.
- Maintain security of investments by only using counterparties detailed in the strategy.
- Support a flexible approach to treasury management that could react to opportunities and market conditions to maximise effectiveness, whilst protecting the public funds managed within the strategy.

The Treasury Management Strategy was set out in Appendix A to the report and had been reported to the Audit and Governance Committee on 10<sup>th</sup> December 2015 for scrutiny purposes.

**RESOLVED**

That Council be recommended to approve the Treasury Management Strategy and the MRP Statement for 2016/17 as set out in Appendix A to the report.

**97 DRAFT RISK MANAGEMENT POLICY STATEMENT / STRATEGY AND OUTLINE FRAMEWORK**

Cabinet considered a new draft risk management policy statement and strategy and an outline of the risk management framework underpinning the policy statement.

The new risk management policy statement and strategy had followed a comprehensive review of the Council's risk management arrangements. The Audit and Governance Committee at its meeting on 10 December 2015 had recommended their adoption.

The Chairman placed on record his thanks to the late Jon Robinson for his work on the risk management policy and strategy.

**RESOLVED**

That

1. the new Risk Management Policy Statement and Strategy as set out in Appendix A to the report be approved; and
2. the Outline Framework in Appendix B be noted.

**98 NOTICE OF MOTION - LIVING WAGE**

Cabinet considered the following motion which had been moved by Councillor Brian Roberts and seconded by Councillor Nick Mannion at the Council meeting on 17<sup>th</sup> December 2015 and referred to Cabinet for consideration:

*"Cheshire East Council notes that Preston City Council in partnership with "Unlock Democracy" is considering submitting the following proposal to government under the Sustainable Communities Act:*

*"To delegate power to local authorities to compel all private and public sector employers within their area to pay the Living Wage. The rate of the Living Wage to be determined in accordance with the rates set by the Living Wage Foundation for London and outside London."*

*The Council notes that this power could massively reduce in work poverty and benefit the local economy through a multiplier effect in*

*each local authority area it is introduced. As part of the negotiating process with the relevant Secretary of State we would expect all or some of the benefits to government through higher taxation and reduced spending on benefits to be used to enforce the new power and help local businesses who may struggle to move to the new rate.*

*The Council resolves to express its interests in joining Preston City Council in any collective submission to government under the Sustainable Communities Act and to work together with Unlock Democracy to gain support for the proposal from other Councils in the region and across the country."*

Councillors Roberts and Mannion attended the meeting and spoke in support of the motion.

### **RESOLVED**

That for the reasons set out in the report, the motion be rejected.

## **99 NOTICE OF MOTION - PAY RATIOS**

Cabinet considered the following motion which had been moved by Councillor Sam Corcoran and seconded by Councillor S Hogben at the Council meeting on 17<sup>th</sup> December 2015 and referred to Cabinet for consideration:

*"That this Council should publish pay ratios as recommended by the High Pay Centre and should move towards a situation where the highest paid workers in Cheshire East Council earn no more than 10 times the lowest paid workers."*

Councillor Corcoran attended the meeting and spoke in support of the motion.

### **RESOLVED**

That for the reasons set out in the report, the motion be rejected.

## **100 MIDDLEWICH EASTERN BY-PASS FEASIBILITY STAGE**

Cabinet considered a report seeking authority to undertake the necessary work to inform a decision on whether or not to use the planning approval for the original route of the Middlewich Eastern By-pass.

Because time had elapsed since the scheme's inception, circumstances affecting the scheme had evolved. The strategic intent and objectives of the scheme therefore needed to be confirmed and developed.

**RESOLVED**

That Cabinet

1. authorises the Highways Portfolio Holder, in conjunction with the Executive Director of Economic Growth and Prosperity, to commission the collection of evidence; production of the evidence base; concept definition and Statement of Case for the Scheme and all the objectives that it is required to deliver;
- 2 authorises the Highways Portfolio Holder, in conjunction with the Executive Director of Economic Growth and Prosperity, to commission the necessary investigation, analysis and design work including: mapping of constraints and opportunities; transport modelling; preliminary alignment designs; Transport Assessment; cost estimates; cost-benefit and viability assessments; and a funding contributions / CIL strategy; these tasks enabling the Council to develop a robust Options-Assessment Report and Outline Business Case, both being necessary elements of any future planning application and delivery programme;
- 3 in order to comply with the CDM Regulations, authorises the Highways Portfolio Holder, in conjunction with the Executive Director of Economic Growth and Prosperity, to appoint a Principal Designer at this stage;
- 4 authorises the Highways Portfolio Holder, in conjunction with the Executive Director of Economic Growth and Prosperity, to commission the necessary environmental and ecology surveys that are seasonally dependent and whose omission would otherwise impose delays to delivering the Scheme;
- 5 delegates authority to produce and implement a Community-and-Stakeholder Engagement Plan to the Executive Director of Economic Growth and Prosperity;
- 6 approves the proposed governance structure; and
- 7 agrees that results be reported back to Cabinet for a decision on the preferred option and for further authorisation.

101        **PROGRESSING THE COMMUNITY INFRASTRUCTURE LEVY (CIL)**

Cabinet considered a report seeking approval to prepare a Community Infrastructure Levy Charging Schedule for the local planning authority area administered by Cheshire East Council.

The Council was now sufficiently advanced in the preparation of its Local Plan Strategy for it to introduce a CIL Charging Schedule to help deliver



the infrastructure needed to support the development proposals identified in the LPS and its accompanying Infrastructure Delivery Plan.

**RESOLVED**

That

1. the undertaking of all work necessary for the preparation and approval of a Community Infrastructure Levy Charging Schedule for the local planning authority area administered by Cheshire East Council be endorsed; and
2. a detailed implementation plan and programme be devised to set out the principal stages for the preparation of CIL, to include the opportunity to re-appraise the Council's approach in the light of the outcomes of the Government Review of CIL.

102      **PETER MASON LEISURE CENTRE**

Cabinet considered the findings of surveys of the condition of the pool and surrounding area at the leisure centre to consider an option that would enhance and maximise the leisure offer for the residents of Congleton.

Significant investment was required to enhance the leisure centre. Whilst a refurbished pool appeared to be within the current budget, there was a risk that this approach could incur greater expenditure and in turn delay the project. When comparing the potential levels of investment against the whole life span of the facility, a new pool construction represented a more economical solution in the longer term.

**RESOLVED**

That

1. following the completion of the intrusive surveys to the pool (summarised in Appendix 1 to the report), the recommended option for the Peter Mason Leisure Centre be the construction of a new pool and pool hall in conjunction with a refurbishment of the dry side offer;
2. Officers be authorised to commence the procurement of a strategic leisure development partner (Development Partner) to explore finance options and deliver the new and refurbished facility;
3. in consultation with the Leader and Portfolio Holder (Open Spaces), delegated authority be given to the Chief Operating Officer in consultation with the Director of Legal Services to decide on the appropriate procurement route to appoint a Development Partner and enter into and finalise the agreements required to deliver the new pool and refurbished leisure centre and such documentation that is required

for the Everybody Sport and Recreation Trust (ESAR) to operate the leisure centre; and

4. it be noted that once a preferred Development Partner is identified officers will return to Cabinet for the authority to appoint that Development Partner and proceed in delivering the facility.

103      **ENVIRONMENTAL SERVICES OPERATING CONTRACT**

Cabinet considered a request from the Council company Ansa Environmental Services Ltd for an extension to its existing contract for the delivery of Waste and Environmental Services.

In its first year of trading, Ansa had delivered the contract efficiencies required by the Council whilst at the same time exceeding its performance indicators and delivering a profit from its operations. In order to deliver future benefits, however, there was a need for Ansa to let new waste and recycling processing contracts that would require a 10-15 year service commitment. Ansa Environmental Services Ltd had therefore proposed a 10 year extension to its existing contract due to expire on 1st April 2021 to give an unelapsed period of 15 years from 1st April 2016 (ending 1st April 2031) with a rolling one year extension each year thereafter, assuming the company had achieved the appropriate performance standards.

Councillor J Hammond, Chairman of ANSA, attended the meeting and outlined the achievements of the company to date. The Portfolio Holder for Open Spaces thanked Councillor Hammond for his effective chairmanship of the Board.

**RESOLVED**

That Cabinet grants delegated authority to the Portfolio Holder for Open Spaces in consultation with the Chief Operating Officer and Director of Legal Services to vary the Service Operating Contract of Ansa Environmental Services and associated agreements, subject to due diligence being undertaken by Legal, Procurement and Finance.

Note: Having given her apologies at the start of the meeting, Councillor J Clowes left the meeting before the item 'Determination of Local Authority Co-ordinated Scheme and Admission Arrangements' was considered.

104      **DETERMINATION OF LOCAL AUTHORITY COORDINATED SCHEME AND ADMISSION ARRANGEMENTS**

Cabinet considered a report seeking approval of the coordinated scheme and admission arrangements for 2017 and subsequent years subject to any review.

The coordinated scheme (Annex 1 to the report), would apply to applications for places in all publicly funded mainstream primary and

secondary schools (i.e. including academies) for the school year 2017-18. The proposed admission arrangements (Annex 2) included the overall procedure, practices, criteria, published admission number (PAN) and supplementary information to be used in deciding on the allocation of school places. Current admission numbers and proposed changes for community and voluntary controlled schools for 2017 were set out in Appendix 1.

**RESOLVED**

That Cabinet approves

- the proposed coordinated admission scheme, which all local authorities are required by section 88M of the School Standards and Framework Act 1998 (SSFA) to have in place (Annex 1 to the report); and
- the proposed admission arrangements for Cheshire East community and controlled schools, which are the overall procedure, practices, criteria and supplementary information to be used in deciding on the allocation of school places (Annex 2).

105

**INDEMNITIES FOR MEMBERS AND OFFICERS**

In accordance with Section 100B(4)(b) of the Local Government Act 1972, the Chairman was of the opinion that by reason of special circumstances as specified below, this item should be considered at the meeting as a matter of urgency.

Prior to consideration of the item, the Chairman asked if any member wished to declare an interest. No interests were declared.

The report set out the current powers available to local authorities in relation to the provision of indemnities to Members and Officers.

This matter had previously been considered by the Shadow Authority twice in 2008. In July of that year an indemnity had been put in place for 'those individuals acting in a representative capacity on behalf of the Authority.' In December 2008 an indemnity was put in place for Officers. As a result of the 2008 decisions, no indemnities were currently in place for current or former Members, or for former Officers. The absence of any indemnity for Members and former Officers was a serious matter which it was recommended should be remedied as a matter of urgency.

**RESOLVED**

That

1. Members and Officers be indemnified to the maximum extent permitted under the Local Authorities (Indemnities for Members and Officers) Order 2004 ('the 2004 Order').
2. The indemnity under paragraph 1 above shall have retrospective effect from the establishment of the Council on 1 April 2009.
3. The indemnity under paragraph 1 above shall extend to former Members and former Officers; but only in respect of matters arising in relation to the period/s during which they were Members or Officers.
4. The Director of Legal Services (or, if he is unavailable or conflicted, the Deputy Monitoring Officer) be given authority (in consultation with the Chief Executive (or, if he is unavailable or conflicted, the Deputy Chief Executive)) to put in place such arrangements as he considers appropriate for the provision of independent external legal support for persons he considers reasonably entitled to rely upon the indemnity under paragraph 1 above.
5. The costs incurred pursuant to paragraph 4 shall be met from the Legal Services Budget in the first instance with any additional funding being met from the General Reserve.

The meeting commenced at 2.00 pm and concluded at 4.45 pm

Councillor D Brown (Chairman)

## CHESHIRE EAST COUNCIL

### REPORT TO: COUNCIL, CABINET & STRATEGIC PLANNING BOARD

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**Date of Meeting:** 18 February 2016 Strategic Planning Board

23 February 2016 Cabinet

26 February 2016 Council

**Report of:** Director of Planning & Sustainable Development.

**Subject/Title:** Cheshire East Local Plan Strategy – Proposed Changes

**Portfolio Holder:** Cllr Rachel Bailey

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#### 1.0 Report Summary

- 1.1 This report requests that Council approves Proposed Changes to the Local Plan Strategy, alongside the Habitats Regulations Assessment (HRA) and Sustainability (Integrated) Appraisal (SA) Addendums for public consultation. This follows the approval by Council on 28 February 2014 of the submission version of the Local Plan Strategy.
- 1.2 Cabinet and the Cabinet Portfolio Holder have previously endorsed suggested revisions to Chapters 1-8 and 9-14 of the plan at meetings on 21 July and 24 September 2015. The Changes attached to this report incorporate these previous revisions and also now include new and amended strategic sites in Chapter 15 of the Strategy. The SA and HRA Addendum reports consider the outcomes of the suggested revisions to Chapters 8 – 15 of the plan.
- 1.3 If approved, the Proposed Changes, alongside the SA and HRA, will be subject to a period of six weeks of consultation between 4 March and 19 April. All responses received will then be considered and submitted to the Local Plan Inspector before further Examination hearings are held later in the year.
- 1.4 The Proposed Changes are supported by a comprehensive suite of evidence. This includes the additional evidence endorsed by Cabinet of 21 July 2015. Added to this is further evidence to justify the selection of new and amended strategic sites - alongside the rationale for the retention of any sites unchanged from the Submitted Local Plan Strategy.
- 1.5 The Proposed Changes take account of the Further Interim Views published on 11 December 2015 which follow the second set of Examination Hearings held between 21 and 30 October 2015.

## **2.0 Recommendations**

- 2.1 That the Strategic Planning Board recommends to Council that the Proposed Changes to the Local Plan Strategy (Appendix 1) and the Sustainability (integrated) Appraisal and Habitats Regulation Assessment Addendums (Appendix 5) be approved for public consultation and submission to the Inspector.
- 2.2 That the Cabinet recommends to Council that the Proposed Changes to the Local Plan Strategy (Appendix 1) and the Sustainability (integrated) Appraisal and Habitats Regulation Assessment Addendums (Appendix 5) be approved for public consultation and submission to the Inspector.
- 2.3 That Council approves the Proposed Changes to the Local Plan Strategy (Appendix 1) and the Sustainability (integrated) Appraisal and Habitats Regulation Assessment Addendums (Appendix 5) for public consultation and submission to the Inspector.
- 2.4 That Council delegates to the Executive Director of Growth & Prosperity in consultation with the Cabinet Portfolio Holder, Party Group Leaders and the Chairman & Vice-Chairman of Strategic Planning Board authority to approve any further proposed changes to the Local Plan Strategy that may be necessary or appropriate following consultation.

## **3.0 Reasons for Recommendations**

- 3.1 The Local Plan Strategy document approved by Council on 28 February 2014 was submitted to the Secretary of State on 20 May 2014 and subject to Examination in September of that year. Following three weeks of hearings, the Examination hearings were adjourned in October 2014 and, on 6 November 2014, the Inspector published his Interim Views. In December 2014 the Examination was formally 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. That additional work was undertaken by 31 July 2015 and submitted to the Inspector to address and rectify his criticisms.
- 3.2 The Inspector held two weeks of additional hearings to consider this additional evidence between 21 and 30 October 2015. At the end of those hearings it was agreed with him that, subject to satisfactory Further Interim Views, the next step would be to prepare a consolidated document which incorporated all of the revisions suggested to date alongside new and amended strategic sites. This document would then be subject to full public consultation.
- 3.3 With the receipt of the Inspector's Further Interim Views on 11 December 2015, it is now appropriate to seek Council's authority to approve Proposed Changes to the Submitted Local Plan Strategy. These Proposed Changes will be subject to full public consultation for a period of six weeks.

- 3.4 The Proposed Changes to the submitted Local Plan Strategy have been supported by SA and HRA at appropriate stages. This included an assessment of suggested revisions to the Planning for Growth chapters at the end of July, followed by the consideration of suggested revisions to other policies (chapters 9-14 of the LPS) in September 2015. These documents are included in the examination library (RE B006 and RE B007 respectively). Furthermore, SA and HRA work has been undertaken to support the site selection methodology and its implementation. The outcomes of all of the SA and HRA work will be subject to full public consultation for a period of six weeks, alongside the proposed changes to the LPS.
- 3.5 Following the consultation, the Council will need to log, analyse and assess all of the comments made. Accordingly, it may be appropriate to make further changes to the Local Plan Strategy as a consequence of these representations, alongside changes to the SA and HRA. Thereafter the next step will be to send all of these responses and the Council's response to the Inspector. He will then hold further hearings to consider the soundness of the Proposed Changes – most notably the strategic sites, which have yet to be examined thus far.
- 3.6 The Secretary of State has signalled that he expects local planning authorities to make every effort to get a Local Plan in place by 2017. Consequently, it is clearly in the public interest to deal diligently yet expeditiously with the analysis of representations and any further proposed changes that might arise. Accordingly, it is recommended that Council delegates this responsibility to the Director of Growth & Prosperity to undertake this task, in consultation with the Portfolio Holder, Leaders of Party Political Groups and the Chairman & Vice Chairman of Strategic Planning Board.

#### **4.0 Wards Affected**

- 4.1 All Wards

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

- 5.1 All Members

#### **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 Planning & Sustainable Development. The Examination process prompts exceptional costs for which particular provision is made within the Planning Reserve budget.

## **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, ("the Regulations") set out the procedures to be followed in the preparation of such Plans.
- 9.2 The Regulations do not specifically deal with consultation at the post-Submission stage and as such the conduct of the consultation is a matter for the Council's discretion. However, in order to ensure that the Proposed Changes are subject to the 'formal and unfettered' consultation referred to by the Local Plan Inspector (at paragraph 96 of his Further Interim Views), it will be conducted in a manner which is consistent with that required under Regulation 19, albeit that the Regulations do not strictly apply.
- 9.3 As the Regulations do not strictly apply, any responses received will not have the status of Regulation 20 representations and it will therefore be a matter for the Local Plan Inspector to determine who should appear at any further resumed examination hearings. The Council will, however, consider all consultation responses received prior to submitting the Proposed Changes and consultation responses to the Local Plan Inspector in due course

## **10.0 Risk Management**

- 10.1 An adopted Local Plan has many benefits for the Council, local communities and business. It provides certainty over future growth, infrastructure and a secure framework for investment. Accordingly delay in the planning process poses risks for the Council with potential uncertainty over the decision making framework continuing in the short term. To mitigate this, the Council has implemented rigorous project management to the preparation of the Local Plan – to ensure completion of the process within an open yet timely manner.

## **11.0 Background and Options**

### **The Context**

- 11.1 Following approval by Full Council in February 2014 the Council published its Local Plan Strategy in March 2014 and submitted the document to the Secretary



of State on 20 May 2014. In September 2014 hearings opened for the Examination of the Strategy.

- 11.2 Hearings continued for three weeks and proved unusually intensive in character. Hearings were adjourned on 3 October 2014 to allow for the consideration of a large volume of material linked to strategic sites. The Inspector used this period of adjournment to provide his interim views on the matters considered in the first 3 weeks of hearings.
- 11.3 The Inspector considered matters of legal compliance and soundness. Overall he identified several important shortcomings with the plan as submitted, whilst also agreeing that other key issues were satisfactory.
- 11.4 On 16 December 2014 the Inspector agreed to suspend the Examination pending the completion of further evidence on the following workstreams:
- Clarify and revise the Economic & housing strategies
  - Revise the calculation of Objectively assessed Need
  - Update the green belt assessment
  - Revise the spatial distribution of development.
- 11.5 The Council completed this work and submitted the updated evidence to the Inspector on 31 July 2015. On 14 August 2015 the local Plan Inspector agreed to lift the suspension of the examination and on 28 August 2015 set out a timetable for the re-commencement of hearings, starting on 6 October 2015.

### **Local Plan Strategy Policies – Suggested Revisions**

- 11.6 The updated evidence completed during the suspension of the Examination necessitated revisions to the main strategic policies relating to housing, economic growth, development and green belt. The wording of policies was amended to reflect the outcome of the new evidence. The key points included:
- Revisions to Reflect a revised Housing Requirement of 36,000 homes
  - Increased employment land requirement, to reflect the stronger anticipated jobs growth rate of 0.7% pa.
  - Revised Spatial Distribution of development, incorporating both the uplift in overall development and the need for additional growth in the northern towns.
  - Increase in the quantum of safeguarded land within green belt areas to 200 ha
  - Replacement of the new green belt between Crewe & Nantwich with a revised strategic green gap policy.

These revisions were endorsed by Cabinet at a meeting on 21 July 2015 and supported by SA and HRA addendum screening reports (PS E042 and PS E043 respectively).

- 11.7 At the Examination hearings held in the autumn of 2014, all policies aside from strategic sites were subject to scrutiny. The Inspector's Interim Views focused mainly on the principal strategic issues within Chapter 8 – namely housing and jobs growth, the distribution of development and green belt. The Policies of

Chapters 9-14 and the appendices were not covered in any great detail by the Inspector; instead he signalled that they did not raise such significant concerns. Furthermore, he considered that the policies could, for the most part, be satisfactorily amended by taking account of changes proposed and discussed at the examination hearings. The policies have therefore been amended accordingly and were endorsed at a meeting of the Cabinet Portfolio Holder on 24 September 2015 and supported by SA and HRA addendum reports (RE B006 and RE B007 respectively).

### Inspector's Further Interim Views

- 11.8 On 11 December, the Inspector issued his Further Interim Views in a detailed letter to the Council. Although the Inspector is careful to emphasise the interim nature of any conclusions, the letter is overwhelmingly supportive of the additional evidential work undertaken by the Council. The Inspector commented that *"there is no doubt that CEC has produced an impressive and comprehensive set of additional evidence within a relatively limited amount of time during the suspension of the examination"*. He also added that *"the additional evidence and studies produced during the suspension of the examination seem to have addressed most of the main concerns about the adequacy of the original evidence set out in my Interim Views"*.
- 11.9 However he also signalled that *"the nature, extent, content and conclusions of this additional evidence will have significant and wide-ranging implications for the submitted Local Plan Strategy"*. Furthermore, he stressed that any views given in his interim report *"are entirely without prejudice to my final conclusions on the soundness and legal compliance of the submitted or any amended Plan"*. Accordingly the endorsements he provides are by their nature, limited in scope – and they inevitably also prompt important changes to the Plan. Never the less, given the circumstances, the Further Interim Views are perhaps as positive as they are able to be at this juncture. The detailed conclusions and their implications for each area of policy are outlined below.
- 11.10 One of the Inspector's key concerns in 2014 was the alignment of economic and housing strategies. In particular, there was felt to be a lack of ambition in the employment growth forecast of 0.4%. This time around debate has focussed on whether a predicted employment rate of 0.7% was sufficiently robust – as opposed to other forecasts suggesting 0.9% jobs growth or higher. After considering all of the evidence, the Inspector concluded that the Council *"seems to have adopted a balanced and rational approach to economic and jobs growth, which is both ambitious and aspirational, yet realistic and with a reasonable prospect of success"*. The prediction of 0.7% employment growth therefore directly informs housing need. It should be noted that this level of job creation is predicated on significant increases in in-migration to the Borough.
- 11.11 The combination of new employment and additional migration points towards a need for a greater number of homes in the Borough. The additional evidence prepared by the Council looked at a wide range of factors – and included, for the first time, an allowance for older persons' accommodation within the overall total

need of 36,000 homes. The Inspector commented that the Council *“seems to have reached a reasonably balanced judgement about the relationship between new jobs and houses, which is supported by the evidence and would result in sustainable levels of migration and commuting and patterns of development, in line with the guidance in the NPPF and PPG”*

- 11.12 Having reviewed the need for housing, the Inspector went on to consider the ‘housing requirement’. This is a related but distinct exercise from the calculation of housing need; it requires that housing numbers are further refined in the light of other policy objectives. This may serve to elevate, or in some cases, suppress, the overall number of homes. The Inspector supported the principle of the housing requirement of matching the OAN of 36,000. However, he noted that delivery of 1800 homes per year would be *“challenging”* and that the detailed sites required had not yet been identified or examined.
- 11.13 In terms of Green Belt, the Council undertook a revised assessment which looked more comprehensively at Green Belt parcels around the main towns and local service centres. In particular, this involved a finer grain of assessment and consideration of urban regeneration and heritage issues. The Inspector commented that the updated assessment *“seems to reflect national policy and address most of the shortcomings of the previous Green Belt assessment. It provides a set of more comprehensive and proportionate evidence to inform, rather than determine, where the release of Green Belt land may be necessary at the site-selection stage”*
- 11.14 Associated to the Green Belt is the identification of safeguarded land – that is land that is taken out of the Green Belt now, but remains undeveloped so that it can meet development needs after 2030. National guidance on the approach to safeguarded land is fairly limited – and therefore the Council had to adopt its own methodology to derive an overall safeguarded requirement for 200Ha of land. Notwithstanding these uncertainties, the Inspector considered that the Authority had *“taken a balanced and cautious approach to the issue of Safeguarded Land, which seems logical, rational, effective and justified by the supporting evidence”*.
- 11.15 Turning then to the spatial distribution of development, the Council commissioned consultants AECOM to re-assess the pattern of growth across the Borough. This work drew on the Urban Potential, Edge of Settlement and Green Belt studies undertaken by the Council, plus a wide range of other influences and factors. The Spatial Distribution Update Report grappled with the contentious issue of the balance of development between the north and south of the Borough. Overall the Inspector was satisfied that the additional evidence seemed to represent *“a realistic, rational and soundly-based starting point for the spatial distribution of development;”*. However, he was also careful to record that he could not firmly endorse the revised distribution of development until site specific matters had been concluded.
- 11.16 The Inspector acknowledged the SA and HRA undertaken to support the proposed changes to the LPS. The iterative and ongoing nature of both SA and HRA was noted alongside a suggestion that the Council should consider the jobs growth rate of 0.9% as a reasonable alternative for Plan making purposes. The Council's

independent consultants have now undertaken this appraisal and this, alongside the outcomes of all the SA and HRA work will now be subject to public consultation, alongside the proposed changes to the LPS.

- 11.17 The Inspector also considered other related matters in his Interim views – such as the additional highway studies undertaken by the Council. These include the Impact of Spatial Distribution of Development on Cross-boundary Highway Networks, the Local Plan Strategic Highways Assessment, the North Crewe VISSIM, and the Alsager Highway Study. The Inspector was broadly content with the scope and findings of these studies, however he expressed disappointment that differences remained between the Cheshire East and Stockport Councils. Since the conclusion of the Examination further meetings have been held between the authorities and a revised Memorandum of Understanding is being drawn up between the Councils.
- 11.18 Finally, the Inspector commented briefly on green gaps. Although this is a long standing policy in successive local plans around Crewe, in the Local Plan Strategy strategic green gaps replace the previous proposal for a green belt between Crewe & Nantwich. Accordingly the Inspector was circumspect in his comments, preferring to reserve judgement until the revised policy has been subject to consultation. Never the less, the separation of Crewe & Nantwich remains a fundamental spatial objective of the plan – and a principle that remains threatened by numerous development proposals in this vicinity. Consequently the amended policy will now be subject to consultation and the Council will further pursue the issue through the later stages of the Examination.

### Site Selection Process

- 11.19 The Council published a Site Selection Methodology in July 2015 and subsequently elaborated on its contents within the hearing statements prepared for the Examination in October 2015. This has now been consolidated into a revised approach which is summarised in the diagram at Appendix 2. The full Selection methodology is set out within the supporting documents at Appendix 6. Sites are selected to meet the development requirements in each Principal Town and Key Service Centre. These requirements, together with current commitments (to 30 September 2015) are set out in the Table in Appendix 3.
- 11.20 The Methodology looks comprehensively at the factors that influence the suitability of land for development. This includes a combination of economic, environmental and social factors. The Inspector commented that *The SSM formalises the site-selection process and, subject to further detail about the later stages of the process, seems to represent a reasonably consistent, objective and comprehensive methodology to identify and select strategic and other site allocations without retro-fitting the evidence. As such, this evidence seems to be appropriate, consistent, objective, comprehensive, justified and effective, providing a soundly based framework of evidence for identifying and selecting strategic and other site allocations, in line with the guidance in the NPPF and PPG.*
- 11.21 An important component of the Methodology is that it is applied to ALL sites in the Plan – both those that were allocated in the 2014 Submission document and new

or amended sites that may be required now to meet the uplift in development across the Borough. The revised evidence gathered through the suspension of the Examination could clearly impact on the relative merits of any given site; consequently, it is important that every site is reviewed and assessed in a consistent manner, based on the latest available evidence.

- 11.21 Having established a clear methodology, the next step is then to apply that to the choice of sites across the main settlements. The objective will be to try and identify a suitable selection of sites so that the requirements of the spatial distribution is fulfilled. It should be noted that the Inspector indicated that the distribution could not be fully endorsed until the final site selection is made. Consequently, the distribution should not be met 'at any price' – rather it is viewed as the optimum distribution to be met if possible. If it were to be found that in attempting to meet the distribution, the Council had to rely on unsuitable sites with significant adverse impacts, then it might have been appropriate to revisit the overall balance of growth
- 11.22 Having now completed the detailed assessment of site, this situation does not arise. The Council is confident that the spatial distribution considered and endorsed by the Inspector can be met without undermining the principles of sustainable development. The distribution established in the AECOM report took account of the very detailed Edge of Settlement Analysis and Urban Potential work which suggested that the proposed distribution was realistic and achievable. The further comprehensive site assessment of individual sites has since confirmed this is the case. Accordingly, the selection of sites follows the distribution endorsed by the Council's Cabinet in July 2015 and subsequently supported in principle by the Inspector in December 2015.
- 11.23 A 'Town Report' has been prepared for each of the Principal Towns and Key Service Centres (see Appendix 6). These make a comparative evaluation of all potential strategic sites in each settlement – carefully considering their respective planning merits and fully informed by the outcomes of the HRA and SA. This analysis then leads to a recommended selection of sites for inclusion in the Local Plan Strategy. A summary of the findings of the reports is attached as Appendix 4.

### **Safeguarded Land**

- 11.24 Paragraph 85 of the NPPF advocates the designation of safeguarded land to avoid the need for regular re-drawing of green belt boundaries. The Inspector endorsed the principle of providing such land and the overall quantum of around 200Ha across the north of the Borough. Since then further work has been carried out on distributing the 200ha of Safeguarded Land between the settlements inset within the North Cheshire Green Belt.
- 11.25 Firstly, Safeguarded Land has been distributed proportionately by settlement, based on the Revised Spatial Distribution of Development. This Revised Spatial Distribution of Development allows for some of the development needs of the northern towns to be met by the North Cheshire Growth Village during this plan period (up to 2030). This approach may not continue post 2030 so the distribution of Safeguarded Land to Handforth is based on its proportion of population

instead. The remaining amount of Safeguarded Land (the difference between Handforth's share based on population and its share based on the Revised Spatial Distribution of Development) has then been re-distributed proportionately to the Principal Town and Key Service Centres inset within the North Cheshire Green Belt.

- 11.26 This results in Safeguarded Land being required in Macclesfield (95 ha), Handforth (10 ha), Knutsford (28 ha), Poynton (19 ha), Wilmslow (24 ha) and North Cheshire Green Belt Local Service Centres (24 ha). Having undertaken this exercise, the green belt boundary in the north of Cheshire East should not now need changing until at least 2045.

### **Deliverability and Five Year Supply.**

- 11.27 Facilitating the delivery of housing is one of the key roles of the Local Plan. The NPPF advises councils *"to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area"*. This objective is subject to the proviso that meeting housing need is consistent with the policies set out in the Framework. There is also a need to identify key sites which are critical to the delivery of the housing strategy over the plan period.
- 11.28 To ensure that there is every prospect that identified housing need is met and the requisite number of homes are actually built at the end of the Plan period, it is normally considered prudent to allocate sufficient sites to slightly exceed the housing requirement. This approach was taken in the submitted plan – and it is proposed to continue this within the Proposed Changes.
- 11.29 Paragraph 47 of the NPPF also advises Councils to identify sufficient land annually to meet a 5-year supply of deliverable sites against their housing requirement. The NPPG similarly advises that "local planning authorities should have an identified five-year housing supply at all points during the plan period." Consequently the Local Plan must be able to show a 5-year supply of land – and has the means to do this through the allocation of sufficient housing sites. Five-year supply is a critical determining factor in the consideration of planning applications involving housing.
- 11.30 The challenge facing the Council is the fact that we are already 5½ years into the plan period. Over this time the housing requirement has increased significantly from 1,150 homes pa as set out in the (now defunct) Regional Spatial Strategy, through to the 1,350pa in the submitted plan and the 1,800 homes pa now proposed. Unsurprisingly, especially with the after effects of recession, the Borough has not built the 9,000 homes needed in the first five years of the plan period – and in fact faces a backlog equivalent to over three years' housing requirement.
- 11.31 The PPG advises that Local Planning Authorities should aim to deal with any undersupply within the first 5 years of the plan period *"where possible"*. Where this cannot be met, the advice is to work with neighbouring authorities under the duty to cooperate. This latter approach is not an option since no adjoining

Council can take any of the Borough's housing. Consequently, the Council should seek to recover the backlog within its own means, so far as that remains consistent with the Inspector's views and the policies of Framework.

- 11.32 It is therefore proposed to allocate additional land in each settlement to boost housing supply. Deliverability is also a consideration in site selection and the Plan contains a mix of (generally smaller) sites that deliver quickly and those that bring strategic benefits (sometimes over a longer period). The Council has consulted with home builders over the appropriate lead in times and build rates to employ. By taking a reasoned and proportionate approach, this means that most sites will only yield a relatively modest proportion of the homes within 5 years.
- 11.33 It is apparent therefore that to catch up the whole of the backlog within 5 years will require the allocation of sites significantly in excess of the Spatial Distribution considered by the Inspector. It would also require significantly more Green Belt release – not least because Green Belt often coincides with the highest housing demand and highest likely delivery. The Inspector has recognised the issue of backlog as *“a challenging situation”* given past and current build rates. He also added though that *“clearly CEC will have to set out the specific reasons if it wishes to depart from the normal 5-year time period of meeting any backlog”*.
- 11.34 The significant deviation from the spatial distribution and the impact on the Green Belt are considered to constitute those specific reasons. Accordingly, it is proposed that the plan takes a 'half-way approach' between 'Sedgefield' (5 years) and 'Liverpool' (15 years). The Cheshire East approach is therefore to recover backlog within 8 years - and to adopt the 20% buffer employing the PAS guidance, as recommended by the Inspector. The full details of housing supply issues are set out in the Housing Supply Topic Paper.

## **12.0 Summary of Site Specific Recommendations**

- 12.1 This section summarises the recommended selection of sites in each town. Although a comparison is made with the submitted plan is made for ease of reference, all sites have been assessed on the same equal basis. A table of the recommended sites is found at Appendix A and B of the attached Local Plan document (Appendix 1 of this report)

### *Principal Towns – Crewe*

- 12.2 The Spatial Distribution proposes that 7,700 homes be provided in Crewe along with 65 ha of Employment land (an increase from 7,000 homes in the submitted plan). As at 30 September 2015, there had been 890 net housing completions within the plan period and commitments totalled 1,857 units.
- 12.3 It is proposed to allocate 400 homes to the strategic location in central Crewe – effectively capturing redevelopment opportunities within the main urban area. There then follow a series of allocations on the periphery of the town. Basford East & Basford West are maintained as mixed housing and employment allocations, with 370 dwellings at Basford West and the housing numbers reduced to 850

homes at Basford East to take account of more recent information. The allocation at Leighton West is maintained and the previous Leighton Strategic Location is replaced by a new allocation of 500 homes located adjacent to the current Parkers Road housing scheme.

- 12.4 The boundaries of the housing allocation at Sydney Road are amended to reflect updated ownership information – and a new second phase is proposed, capable of accommodating around 275 homes. To the North West, a new allocation is now proposed off Broughton Road for 175 homes, part of which already has planning permission. Meanwhile the housing allocation at Crewe Green is maintained – providing for around 150 homes.
- 12.5 To the south of Crewe it is proposed to maintain the allocation at South Cheshire Growth village, but to reduce the likely capacity to around 650 homes – to reflect updated information on heritage and landscape matters. The allocations at East Shavington (275 dwellings) and the Triangle both now have planning permission. However it is proposed to increase the capacity of the latter to 400 homes in recognition of the opportunity for a more effective use of the site.
- 12.6 In terms of employment land, provision for 24 ha will be made at Basford East and a further 22ha at Basford West. The site at Leighton West will include a further 5ha of land for business.

### *Principal Towns - Macclesfield*

- 12.7 The Spatial Distribution proposes that 4,250 homes be provided in Macclesfield along with 20 ha of Employment land (an increase from 3,500 homes and 15 ha in the submitted plan). As at 30 September 2015, there had been 512 net housing completions within the plan period and commitments totalled 847 units.
- 12.8 It is proposed to allocate 500 homes within the Central Macclesfield Strategic location, effectively capturing redevelopment opportunities within the main urban area. It is then proposed to maintain South Macclesfield as a major site for mixed use development. This area represents the only significant undeveloped land outside of the Green Belt within the Macclesfield area. The capacity of the site has been re-appraised, but remains as before at 1,050 homes / 5 ha employment.
- 12.9 The remainder of development needs can only be accommodated by taking land out of the Green Belt. It is proposed to identify South West Macclesfield as the main area for future growth and development in the town. It is proposed to allocate 300 homes and 10 ha of Employment Land at Congleton Road and a further 200 homes south of Chelford Road. Each site will require a new access suitable of accommodating a new distributor road. Whilst not a bypass as such, this road will be a principal route through the urban area capable in due course of linking Chelford Road and Congleton Road. The greater part of South West Macclesfield (around 103 ha) will not be available for development in the plan period but rather safeguarded for construction after 2030. Accordingly, the new through route would only be completed after the current plan period.



- 12.10 In addition to this, it is proposed to allocate three further sites around the periphery of the town. Land at Fence Avenue is proposed for allocation, as before, and could accommodate some 250 homes, linked to the potential relocation of Kings School. Land at Gaw End Lane is also proposed for the development of around 300 homes – an increase on the previous proposal. Finally, a new development site is proposed at Chelford Road / Whirley Road which will enable the construction of around 150 homes.

### *The Key Service Centres*

#### *Alsager*

- 12.11 The Spatial Distribution proposes that 2,000 homes be provided in Alsager along with 40 ha of Employment land (an increase from 1,600 homes and 35 ha in the submitted plan). As at 30 September 2015, there had been 98 net housing completions within the plan period and commitments totalled 530 units. It is proposed to once again allocate the major brownfield site at the former MMU campus – capable of accommodating around 400 new homes, alongside the retention of key sporting facilities. The large Brownfield site at Twyford / Cardway is also proposed for allocation – with capacity for around 550 units. Finally, the site at White Moss Quarry is once again proposed for allocation – the site already has planning consent for 350 homes.

- 12.12 In terms of employment land, it is proposed once again to support the redevelopment of areas within the existing Radway Green site. Alongside this a new allocation of some 12 ha is proposed to the north to allow for localised business expansion. To the south it is also proposed to remove 25 ha of land from the green belt for larger scale expansion. The exceptional circumstances for this allocation rest on the specific characteristics of this site – the potential for large footprint development, the opportunity to improve the access of the existing Radway Green site and the chance to reach an improved M6 Junction 16 without crossing the railway line.

#### *Congleton*

- 12.13 The Spatial Distribution proposes that 4,150 homes be provided in Congleton along with 24 ha of Employment land (an increase from 3500 homes in the submitted plan). As at 30 September 2015, there had been 610 net housing completions within the plan period and commitments totalled 1,122 units. More recently developments have since been resolved to approved or granted consent on large sites at Tall Ash Farm and Lamberts Lane.
- 12.14 The significant feature of development in Congleton remains the proposal for a link road across the north of the town allied to significant new development. Since the publication of the Submission Plan the route of the road has been consulted upon and is now the subject of a planning application. This provides the greater certainty to translate the previous strategic locations into clearly defined strategic sites. These provide firm allocations for housing, employment, commercial and recreational uses.

- 12.15 The strategic site at Back Lane is expected to yield around 750 homes, spread across several parcels, combined with just over 7ha of employment land and related community uses. The extension to Congleton business park will deliver at least 15 ha of employment land and around 625 homes once completed. When combined with existing commitments of 3.8ha these two sites will fulfil the future employment needs of the town. Further to the east, strategic sites are maintained at Giantswood Lane (around 650 homes) and Manchester Road (450 homes).

### *Handforth*

- 12.16 The Spatial Distribution proposes that 2,200 homes be provided in Handforth along with 22 ha of Employment land. As at 30 September 2015, there had been 63 net housing completions within the plan period and commitments totalled 322 units. Employment land Commitments total nearly 10Ha.
- 12.17 The Council has re-assessed the merits of providing a large-scale stand-alone development in Handforth. NPPF advice at paragraph 52 suggests that new settlements may provide the best way of achieving sustainable development. It is the principles of sustainable development that underpin the continued case for the North Cheshire Growth Village. By planning comprehensively, it is possible to better mitigate the impact of new development and address local infrastructure issues. Accordingly it is proposed to maintain the allocation of some 1650 homes, plus up to 12 ha of employment land.
- 12.18 In addition, a further new site is proposed west of the town. Land at Sagars Road is recommended for allocation – and it is capable of accommodating around 250 homes. 14ha of land south of the Growth Village is also proposed for safeguarding – for development after 2030.

### *Knutsford*

- 12.19 The Spatial Distribution proposes that 950 homes be provided in Knutsford along with 15 ha of Employment land (an increase from 650 homes and 10Ha in the submitted plan). As at 30 September 2015, there had been 25 net housing completions within the plan period and commitments totalled 50 units.
- 12.20 Knutsford has a variety of development options around the town. Factors including green belt, transport, landscape and heritage have featured in the site assessments. Land at Parkgate forms the only sizeable area outside of the green belt – and has planning permission for 200 homes. In addition, it is proposed to allocate 500 homes on three parcels on the North west side of Knutsford – around 250 homes east of Manchester Road and 175 homes on Northwich Road. A further 75 homes and 7.5 ha of employment land is proposed on the western side of Manchester Road.
- 12.21 It is further proposed to allocate 150 homes on land south of Longridge. The remainder of this area will be safeguarded for future development. Additional safeguarded land will be provided in North West Knutsford (22ha) and adjacent to Booths Hall (8.7ha).

## *Middlewich*

- 12.22 The Spatial Distribution proposes that 1950 homes be provided in Middlewich along with 75 ha of Employment land (an increase from 1,600 homes in the submitted plan). As at 30 September 2015, there had been 335 net housing completions within the plan period and commitments totalled 352 units
- 12.23 It is proposed to retain the allocation at Glebe Farm to the south of the town; this will accommodate around 525 new homes and affords the opportunity to link Warmingham Lane with the main A533 Booth Lane. This will be supplemented by a new allocation for around 225 homes to the west of Warmingham Lane. This will adjoin recently approved development to the north and east.
- 12.24 It is also proposed to retain the strategic location at Brooks Lane as an area of mixed development including around 400 homes. This site has potential to capitalise on the adjoining canal, but will require the relocation of a number of existing businesses. To the East of Middlewich, it is recommended that the significant employment area at Midpoint 18 be retrained and expanded. It is anticipated that some 75 ha will be developed within the plan period – but with further phases available for after 2030. This area has potential access to the railway line as well as good links to Junction 18. It will also incorporate the route of the Eastern Bypass.

## *Nantwich*

- 12.25 The Spatial Distribution proposes that 2,050 homes be provided in Nantwich along with 3 ha of Employment land (an increase from 1,900 homes in the submitted plan). As at 30 September 2015, there had been 394 net housing completions within the plan period and commitments totalled 687 units.
- 12.26 It is proposed once again to allocate significant development on land at Kingsley Fields, to the North West of the town. This area will provide for around 1,100 new homes, new employment and community facilities. Outline Planning permission was granted for the site in January 2016 and a reserved matters application is now being prepared. A further strategic site is located at Snow Hill, identified for mixed use development.

## *Poynton*

- 12.27 The Spatial Distribution proposes that 650 homes be provided in Poynton along with 10 ha of Employment land (an increase from 200 homes and 3 ha of Employment in the submitted plan). As at 30 September 2015, there had been no net additions to the housing stock within the plan period. This unusual situation is brought about by primarily by the demolition of sub-standard flats in the village and a corresponding very low level of house building. Housing commitments totalled 39 units.
- 12.28 In the Submission Local Plan Strategy no Strategic Sites were proposed in Poynton. It is now recommended that three small sites be allocated on the edge of the village; each will require a revision to the green belt boundary. It is proposed to

allocate land at Sprink Farm on Dickens Lane for around 150 homes, this site is closely related to the existing built up area and near to the High school. Land off Hazelbadge Road is also proposed for around 150 homes. This site is very close to the Station and town centre. It also adjoins Lower Park Primary school, and accordingly improvements to parking, turning and access are integral to the scheme.

- 12.29 The final residential site is land off Chester Road. This area is located on the western edge of Poynton and particular care will be required to avoid coalescence with housing in Stockport. The site is closely defined by existing buildings and other features; it is near to Lostock Hall Primary School, but just over a mile from the town centre. It will accommodate approximately 150 houses
- 12.30 The planned construction of the Poynton Relief Road provides the opportunity to expand Adlington Industrial Estate. Land east of the current employment area is no longer required for the route and can now be allocated, for business use, whilst land to the south and west, between the current buildings and new road alignment is also earmarked for development. In all this accounts for 10Ha of new business land. To the north, between the village and the relief road it is proposed to allocate 20 ha of safeguarded land for future development. This is located at the eastern end of the former airfield.

### *Sandbach*

- 12.31 The Spatial Distribution proposes that 2,750 homes be provided in Sandbach along with 20 ha of Employment land (an increase from 2,200 homes in the submitted plan). As at 30 September 2015, there had been 624 net housing completions within the plan period and commitments totalled 1,877 units. Sandbach more than any other town has a significant proportion of its development already approved across a variety of sites on the edge of town.
- 12.32 It is proposed to maintain the Strategic Site known as Capricorn off Old Mill Road. This will provide for 20 ha of new employment land and 450 homes. The housing is specifically intended to support the development of land for business through the provision of new infrastructure, particularly a bridge through the wildlife corridor. Some 300 homes and about 4 ha of business space already have consent on the site.

### *Wilmslow*

- 12.33 The Spatial Distribution proposes that 900 homes be provided in Wilmslow along with 10 ha of Employment land (an increase from 400 homes and 8 ha in the submitted plan). As at 30 September 2015, there had been 87 net housing completions within the plan period and commitments totalled 312 units.
- 12.34 The one area of safeguarded land from previous Local Plans (land at Adlington Road) has now obtained consent and is under construction. Therefore to meet future needs additional allocations are proposed, all of which require amendment of the Green Belt boundary. It is proposed to maintain the allocation at Royal London for mixed use but to include land west of Alderley Road within the

developable area. This will now provide for around 175 homes and 5 ha of employment land.

- 12.35 Further housing allocations are now proposed at Little Staneylands and Heathfield Farm. The former will accommodate around 150 homes on land off Stanneylands Road, situated adjacent to the Dean Valley. This site is located close to existing facilities and provides the opportunity for improved public access to open land along the valley. Heathfield Farm at Dean Row Road is located on the eastern edge of the town and can accommodate around 150 homes. It will be accessed by the existing large roundabout. The remainder of this land; extending to some 9 ha towards Cross Lane will be safeguarded for future development after the end of the plan period.
- 12.36 A further area of safeguarded Land is proposed between Upcast Lane and Cumber Lane. This extends to approximately 15 ha and is closely related to the urban area on the south western side of Macclesfield. Finally, it is proposed once again to allocate land west of the A34 close to Wilmslow High School for employment use. This will provide business space in a prominent location with good rail and road connections.

### *Other Development*

- 12.37 Economic Prosperity is a key objective of the Plan – whilst the increased housing requirement follows directly from a revised employment growth projection of 0.7% pa. Accordingly, it is important that the Local Plan Strategy makes suitable provision for economic development.
- 12.38 The plan therefore contains three distinct stand alone proposals linked to current and future employment opportunities. Each are very much derived from the site specific circumstances at each location.
- 12.39 It is proposed to once again allocate land at Wardle for employment purposes. This former airfield already includes a variety of industries – and further land will consolidate and improve this as a business location. Meanwhile at Alderley Park it is recommended that the particular opportunities at this site be continue to be recognised in the Plan. The site will remain in the Green Belt, but revisions are proposed to the site policy which take account of the Alderley Park Development Framework and recognise the redevelopment opportunities for both employment and supporting housing, having regard to the exceptional qualities of the site.
- 12.40 Alderley Park exemplifies the type of site which collectively form the north Cheshire Science Corridor. This grouping of specialist technology and science orientated business sites are a vital component of the local and regional economy. Looking to the future, it's important that sites are available to maintain growth within this sector. The construction of the new A556 route between the M6 and M56 presents a site specific opportunity for land to be reserved for this future development. Land known as the Cheshire Gateway, ringed by the new road at its junction with the M56 is entirely contained by the new infrastructure and has potential to form a specialist science and technology park. The site specific characteristics of this site are considered to create the Exceptional circumstances

necessary to justify removing 9ha of land from the green belt and reserving it as safeguarded land.

- 12.41 Aside from those above, Strategic Sites are not identified at this stage within Local Service Centres or the villages and rural areas. Sites for development, plus safeguarded land (in Green Belt areas, where necessary) will be allocated in the second part of the Local Plan. It is however proposed in the Local plan strategy that the scale of development be increased in these areas. Local Service Centres will accommodate 3,500 homes and Other Settlements / Rural Areas will accommodate 2,950 homes (an increase from 2,500 and 2,000 respectively).

### **13.0 Next Steps**

- 13.1 Once approved, it is recommended that the 'Cheshire East Council Proposed Changes to the Local Plan Strategy' be subject to full public consultation for a period of six weeks. This is provisionally set between 4 March and 19 April 2016, depending on the decision made on 26 February 2016.
- 13.2 All responses received will then be logged and assessed following the close of consultation. Once analysed, consideration will be given as to the need for further proposed changes to be made to the Local Plan Strategy as a consequence of the representations made. After this assessment is complete, all consultation responses, together with the Proposed Changes will be submitted to the Local Plan Inspector, Mr Stephen Pratt. It is then anticipated that the Examination Hearings will resume in September 2016.
- 13.3 Given the need to make timely progress with the Local Plan Strategy, it is not proposed to refer any further proposed changes to a meeting of Council at this stage. It is suggested that the decision on this matter be delegated to the Executive Director of Growth & Prosperity in consultation with the Portfolio Holder, party leaders and the Chairman and Vice Chairman of Strategic Planning Board. On that basis, Council will next consider the Local Plan Strategy following receipt of the Inspector's Final Examination Report.

### **14.0 Access to Information**

- 14.0 The background papers relating to this report can be inspected by contacting the report writers:

Name: Adrian Fisher  
Designation: Head of Planning Strategy  
Tel No: 01270 685893  
Email: [adrian.fisher@cheshireeast.gov.uk](mailto:adrian.fisher@cheshireeast.gov.uk)

**Appendix 1 – Proposed Changes to the Local Plan Strategy February 2016**

**Appendix 2 – Site Selection Methodology Summary**

**Appendix 3 – Table of Housing and Employment Requirements & Commitments**

**Appendix 4 – Town Reports – summary of site recommendations**

**Appendix 5 – The Habitats Regulations Assessment and Sustainability (Integrated)  
Appraisal Addendums:**

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

**Appendix 6 – Supporting Documents:**

Documents providing context and support for this report are uploaded here:

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

Further Evidence and Documentation is uploaded in the Examination Library:

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

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## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 23<sup>rd</sup> February 2016  
**Report of:** Executive Director of Economic Growth  
**Subject/Title:** Congleton Public Realm Enhancements  
**Portfolio Holder:** Cllr D Brown, Highways  
Cllr D Stockton, Regeneration and Assets

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#### 1. Report Summary

- 1.1 As the third largest town in Cheshire East, Congleton is key to the economic prosperity of the Borough. A planned 38% increase in housing provision demonstrates that Congleton is a place where people wish to live and plans are now needed to enhance the town centre as a place to visit and shop.
- 1.2 In 2011 the Town Council produced and consulted on their Public Realm Strategy. This proposed scheme is the first phase to be considered and seeks to conform with the principles of the local strategy. The scheme is supported through the developing regeneration plan, including planned new LifeStyle Centre and provides a complementary link with the adjacent Bridestones development.
- 1.3 The public realm enhancement aims to maximise the opportunities to grow Congletons' economy by stimulating the physical and economic regeneration of the town centre's retail core which will act as a catalyst for:
  - Increasing commercial investment by developers and occupiers
  - Improving the physical appearance of the town centre, and its connectivity, benefitting residents, visitors and businesses
  - Enhancing the 'offer' of the town to residents and visitors, resulting in increased footfall and retention of local spend
  - Extending dwell time and therefore increasing spending opportunities within the local economy
  - Improving the quality of the environment for those who live, work and shop within the town.
- 1.4 The proposed £1m investment to deliver the concept is shown in Appendix A and requires junction enhancements and improved local environment. The existing footways through Bridge Street would be integrated into the scheme and linked to the rest of the town centre. It is proposed that implementation of the scheme would be through the Council's Highway Services Contract.

- 1.5 The scheme proposes creative design features, lighting and street furniture to add interest to the town to create a space people would want to use and dwell in. An area adjacent to Moody St and High Street is intended to be a flexible space for local events. Overall decluttering through the pedestrianised area will visually improve the street, with minimal cost; help support the surface improvements and streetscape features to create a distinct identity for Congleton

## **2 Recommendation**

- 2.1 It is recommended that Cabinet

- Endorse the design concept illustrated in Appendix A of this report.
- Give approval to undertake public consultation on the design concept in consultations with the Portfolio Holders for Highways and Regeneration and Assets.
- Delegate to the Head of Strategic Infrastructure, in consultation with the Portfolio Holders for Highways and Regeneration and Assets, approval for officers to develop this scheme through to construction, including any future revisions to the design, subject to sufficient support for the scheme following Public Consultation.
- Give approval to procure the works through the Council's Highway Services Contract, subject to them securing best value through market testing.
- Note the programme for this scheme.
- Delegate to the Head of Strategic Highways in consultation with the Portfolio Holders for Highways and Regeneration and Assets, the details of a post opening scheme monitoring and benefits realisation report.

## **3. Other Options Considered**

- 3.1 Five variations for the proposed scheme have been investigated, all centred around material quality and scheme extents. The strategy document, which was consulted on in 2011 by the Town Council, included improvements either end of Bridge Street and the existing pedestrianised area.

- 3.2 The variants considered were:

- Improvements at the Market St / High Street junction; referred to as Festival Square; along with enhancements and replacement of the materials throughout the pedestrainised area and the adjacent side streets. This created a visually shortened , and unimproved, Bridge Street which was necessary to allow for 'tie in' for any subsequent phases of the strategy.
  - Improvements at the Swan Bank / Bridge Street Street junction along with enhancements and replacement of the materials throughout the pedestrainised area and the adjacent side streets. This created a visually shortened retail area and exceeded the budget .
  - Improvements at both the Festival Square and Swan Bank / Bridge Street junctions. This created a disparate and unrelated improvement for the Town Centre
  - Deep Cleaning of the surfacing throughout the pedestrainised area and the adjacent side streets, replacement of the street planters, improved drainage planting and lighting scheme. This variant would not have delivered the aspirations of the Public Realm Strategy with no associated benefits for the town and its local economy.
  - The proposed scheme is for junction improvements at each end of the pedestriansied area,integrated and connected by footway improvements, design features, improved lighting and street scene decluttering through Bridge Street. The cost estimate for this is £1.03m
- 3.3 It is recognised that to realise the Public Realm benefits the finish must be higher quality as this is the first element of the strategy and sets the standard to which all others will aspire. A mid range cost material finish has been selected on the basis that this will give a visually improved Public Realm which is maintainable within existing budgets .
- 3.4 New appropriately designed surfacing will reduce the need for future maintenance, introduction of low power LED lighting, and improvements to drainage will also make a positive contribution to the highways revenue budgets.
- 3.5 It is considered that doing nothing is not an option, due to the high public expectation that this scheme will be delivered, the need to undertake an element of highway maintainance anyway and the need to support the local economy of Congleton.

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

- 4.1 Improvements to the core shopping area of Congleton will help attract inward investment and thereby maintain higher occupancy of vacant retail units. Congleton has the third highest rate of vacant retail units in Cheshire East of 13% against a Cheshire East average of 11.2%.
- 4.2 The intersection areas at the junctions of Mills St /Swan Bank and Market St /Moody St /Bridge St /High St (referred to as Festival Square) will create high quality multi-use spaces. The vision is for Festival Square to be used for occasional markets, festivals, street activity and performances. It will provide a flexible space that will act as a focus for the town centre. Features such as a mounting post for the Christmas tree, retained post boxes and cycle stands make the space not only aesthetically pleasing and suitable for larger gatherings but also functional on a day to day basis.
- 4.3 It is intended that the Swan Bank area will create a connection that enhances the pedestrian experience and contributes towards creating a more accessible town. This area comprises mainly of a one way street running up from Mountbatten Way into the conservation area. It will form part of a shopping circuit linking the currently outlying retail areas back to the town centre core.
- 4.4 The current pedestrianised area of Bridge Street and Duke Street is an important area for key improvements opportunity. The focus is on improving the space through the removal of the posts, bollards and street clutter. This will create improved views and enhance the appearance of the existing buildings and architectural features. The addition of higher quality street furniture, trees, lighting and surface improvements will create a positive pedestrian environment.
- 4.5 Street furniture is a key part of a town's character. If well designed and positioned it contributes to the town's identity and helps to generate income by welcoming and encouraging visitors to use and stay within the public realm enabling them to focus on the retail offering. The street furniture will complement the sponsored Millennium benches that already exist in the Town.
- 4.6 The need for a well lit public realm, ensures safety and ease of movement around the town, as well as the use of light for aesthetic purposes. Feature lighting will highlight interesting buildings and features, under seat lighting will provide interest at street level and create pools of softer lighting and creative fibre optic lighting will add interest as a design feature. Highway lighting will be designed to support the decluttered space. The lighting will not purely be about function, but it will be an important contribution to the town's unique brand.
- 4.7 The paving of surfaces is an important element that will ground the built form and street furniture of the town - The quality of these horizontal planes will contribute to the overall character and sense of place that ultimately promotes 'Quality of Life' within the immediate locality. The quality and finishes of

materials reflect the nature of the project in respect of the use by the pedestrian, rather than the vehicle user and it will have significant importance in the overall improvements to the town.

- 4.8 A simple planting palette will emphasise the street and space hierarchy within the town centre and will complement the other elements of street furniture, lighting and paving materials. Trees and planting will help to frame views and buildings, cast dappled shade, reduce wind tunnelling and bring an element of the natural environment into the very heart of the town.
- 4.9 A Public Consultation exercise will be needed to assess the support for the scheme, develop design elements and give the Town of Congleton the ability to influence the out turn look and finish of the scheme within the budget available.
- 4.10 The scheme will be procured through the Council's Highway Services Contract. This route will ensure the scheme can be influenced by CEC at critical points as necessary. The Council's Service Provider will be responsible for procuring a contractor to undertake the construction works through a competitive tendering process and will ensure a seamless transition and co-ordination with utility works .

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

- 5.1 A Public Realm Strategy document was published by Congleton Town Council in 2011. The Strategy is a progression from the Town Centre Plan (2008), which recommended that a public realm plan be prepared to tie together the range of development sites and economic development opportunities identified.
- 5.2 It provides the guidance for Congleton Town Centre, to ensure there is an integrated strategy in place to improve the quality of the environment. It focuses on 12 projects within 10 character areas which are designed to deliver transformational change within the public realm. A number of the project areas were noted as priority for improvement including the Pedestrianised Area (Bridge Street/ Duke Street/ Little Street) and Festival Square (Junction of High Street/ Bridge Street/ Market Street. These would act as a means of facilitating and promoting further development; setting the standard for the remainder of the town's public realm and would also have the most effect on the physical appearance of the town to visitors and shoppers.
- 5.3 In early 2014 the Council announced that £1million for Public Realm improvements would be made available. In December 2014 CEC reviewed the costings, forming part of the Public Realm Strategy document, for the pedestrianised area and Festival Square. This identified that £1m funding would not be sufficient to support the original level and detail of improvements that the strategy document consulted on.

5.4 Throughout 2015 a number of variants were explored, scoped, costed and presented to Congleton Town Council. The current design option is within budget and supported by Congleton Town Council. The Design includes enhancements to either end of the pedestrianised area at both Festival Square and Swan Bank, with footway replacement, streetscene decluttering and improved Public Realm features being introduced in Bridge St to integrate the junctions and avoid them looking disparate and unrelated. An outline plan of the area and improvements is included in Appendix A to this report.

5.5 The scheme was endorsed through the TEG and EMB process in January 2016.

## 6. Wards Affected and Local Ward Members

6.1. All Congleton Councillors

## 7. Implications of Recommendation

### 7.1. Policy Implications

#### 7.1.1 OUTCOME 1 *Our local communities are strong and supportive*

Congleton is seeking to re-establish itself as an attractive location to work and shop as it is to live, providing a desirable, inclusive, sustainable and distinct Town Centre. The pedestrianised main shopping area is a dated and deteriorating environment and is at the end of its maintenance life.

Undertaking transformative changes to the area is necessary to realise benefits for the town in line with the Council's objectives.

#### 7.1.2 OUTCOME 2 *Cheshire East has a strong and resilient economy*

Improvements to the central shopping area of Congleton will help attract inward investment and thereby maintain higher occupancy of vacant retail units.

#### 7.1.3 OUTCOME 4 *Cheshire East is a green and sustainable place*

The improvement elements for the Town are part of a wider strategy for Congleton which is designed to provide guidance for ensuring that an integrated strategy is in place to improve the quality of the environment for those who live, work and shop within the town.

The elements of the strategy proposed focus on improvements to the Public Realm to support sustainable mode of travel. In terms of cycling Congleton is a popular destination for day cyclists exploring the Peaks and cycling routes are important for tourism throughout Cheshire East. In terms of walking, the town is compact, however, the lack of sufficient crossings and

direct safe routes means that walking is not as common as it potentially could be.

### **7.1.4 OUTCOME 5 *People live well and for longer***

The use of the street for leisure and recreational purposes will be supported through the application of creative design, street furniture and materials which are sympathetic to the town and environment. A comfortable and stimulating public realm that encourages social interaction requires detailed attention to the structure of a space and the elements it contains. It also requires that the issues of security, public art, street furniture, lighting and signage and so on to be looked at in tandem.

## **7.2. Legal Implications**

7.2.1 The Highway's Services Agreement between the Council and Ringway Jacobs (the Agreement) includes within its scope the planned and reactive improvement to street lighting and public realm associated with the Area Network, including detailed design and planned improvement schemes. When commissioning work under the Agreement the Council needs to be mindful of the contract value. The Estimated Total Value (ETV) of the Agreement has not been exceeded and the work can be procured compliantly through the Agreement. Although the Council can use the Agreement it is not obliged to do so. The contract states that the Council may at its sole discretion ask the Contractor if it is interested in providing these services and that they may be delivered on the basis of the Agreement. There is an express statement that for schemes in excess of £250 000 the Council reserves its right to let schemes to other contractors. Schemes of this value are subject to inclusion on the annual/three year work plan and require approval by the Strategic Board, a board made up of Council officers and Ringway Jacob's officers in equal numbers. The market should be tested to ensure that delivery by Ringway Jacobs provides the Council with best value. If the Agreement is not used the Council will need to undertake a compliant procurement process.

7.2.2 There will be a need to modify parking restrictions in High Street to accommodate the shared space principles area at Festival Square. This will require a separate legal process to be undertaken involving a notification/consultation process. The decision whether to alter the existing restrictions must be taken having due regard to any representations received through that process. These are considerations that will be factored in to the overall delivery of the scheme.

7.2.3 In conducting any consultation the Council must adhere to the following:

- (a) the consultation must take place at a time when the proposals are still at a formative stage;
- (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response;
- (c) adequate time must be given for consideration and response;
- (d) the product of the consultation must be conscientiously taken into account in finalising the proposals.



### 7.3. Financial Implications

7.3.1 A budget of £1.1m is included within the 2015/19 capital programme and approval to spend the budget is subject to the Council's governance arrangements.

£1m will be funded from borrowing and £100k from S106 monies already held

Danebridge - Currently holding £92, 500.61 (Ref 06/1323/FUL)

and

Lowe Avenue/ Townsend Road/Walworths Bank Currently holding £11,000 (Planning reference 30376/3) £701.09 (Planning Reference 30482/3)

Congleton Town Council will take responsibility for the maintenance of all feature lighting , projector operation and maintenance, planting maintenance and street furniture maintenance.

The WiFi zone will be further explored in the preliminary design phase of the project. Consultation with Congleton Town Council will determine whether this will be offered as a 'free to use', but restricted download, service.

### 7.4. Equality Implications

7.4.1 Consideration will be given to those people with particular mobility and disability issues in the design and features of the proposed scheme.

### 7.5. Rural Community Implications

7.5.1 None

### 7.6. Human Resources Implications

7.6.1 None

### 7.7. Public Health Implications

7.7.1 None

### 7.8. Other Implications (Please Specify)

7.8.1 None

## 8. Risk Management

Risk	Management Action
The overall scheme fails to meet expectations of the Public.	Public Consultation Planned
Ground conditions result in additional works being required thus eroding the budget available for feature elements.	Contingency budget set at 15%
Proposed gas works through Congleton are further delayed thus disrupting the programme for the scheme	In dialogue with utility company
Public Consultation revealing lack of support for the revised design concept	Scheme does not progress
Unforeseen price increases in commodities and materials results in insufficient budget being available to deliver the scheme	Contingency budget set at 15%
Reputational risk of delivering a scheme that is phased (Bridge St 'tie in' is a reduced design solution)	Public Consultation to promote the positive aspect of the scheme

## 9. Programme

Feb 16	Cabinet Report for approval to proceed
Mar	Preparation of engagement materials and stakeholder engagement
April	Public Engagement and feedback
May – Aug	Detailed Design and Tender
Sept / Oct	Award contract
Late 2016 / Early 2017	Construction begins (projected to be 6 month build period)

## 10. Contact Information

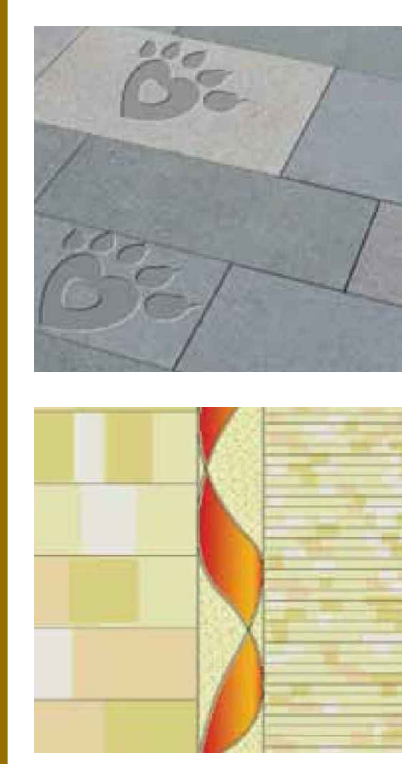
10.1 Contact details for this report are as follows:-

**Name:** Paul Traynor  
**Designation:** Strategic Highways Commissioning Manager  
**Tel. No.:** 01270 371055  
**Email:** Paul.traynor@cheshireeast.gov.uk





GRANITE COLOUR OPTIONS



DETAILS



STREET FURNITURE



ARCHITECTURAL LIGHTING EXAMPLES



LIGHTING - PROPOSED STREET LIGHTS



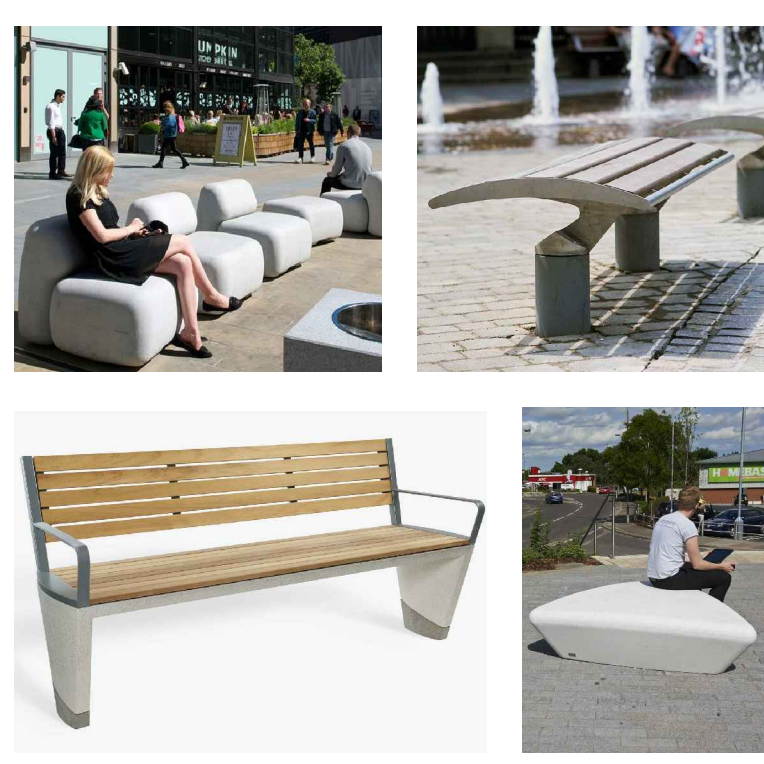
STREET FURNITURE - PLANTER



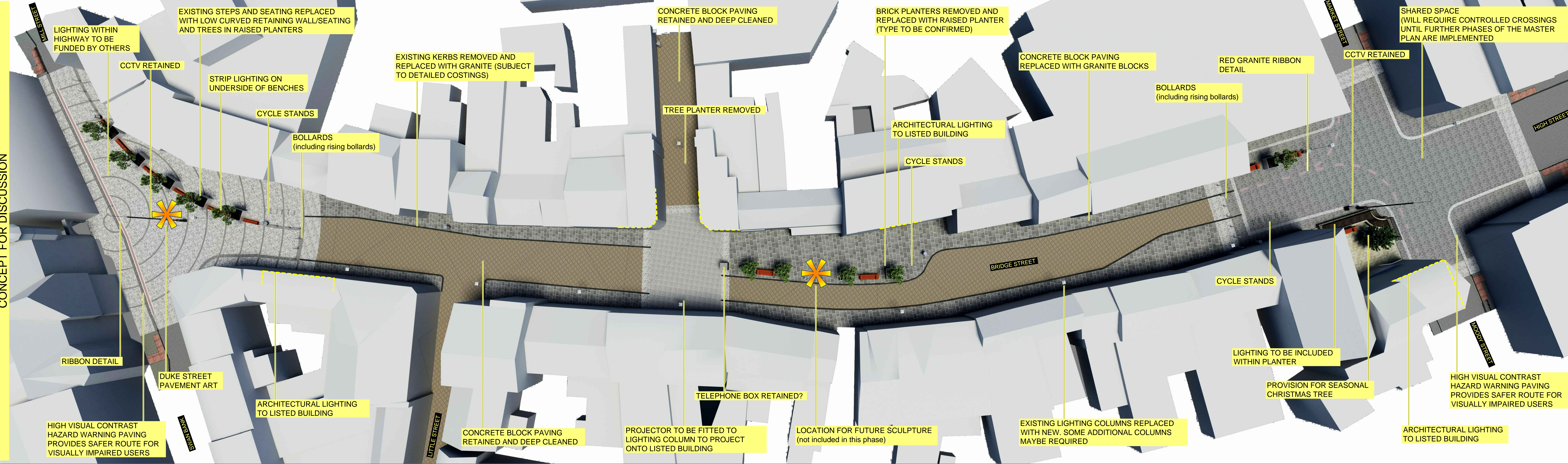
OTHERS FOR CONSIDERATION



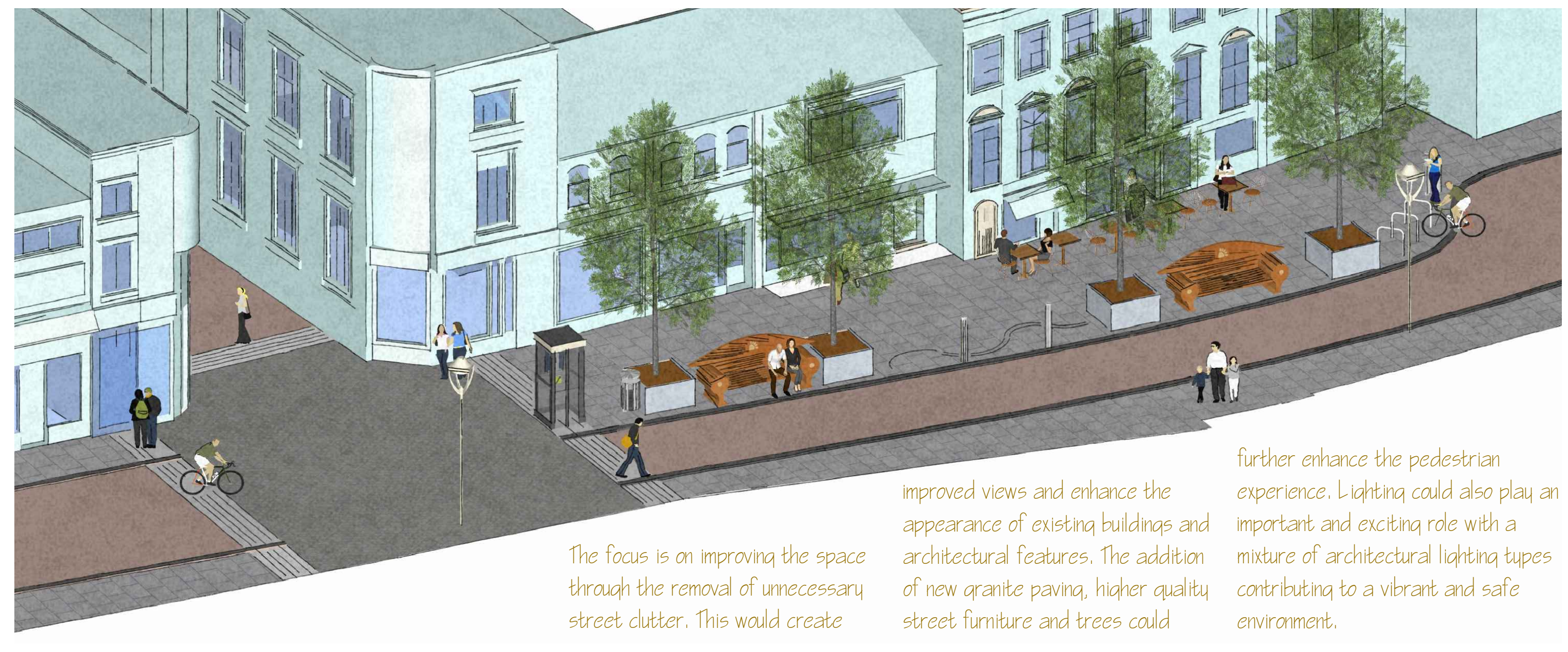
STREET FURNITURE - TIMBER BEAR BENCH



OTHERS FOR CONSIDERATION



Swan Bank comprises mainly of a one way street running up from Mountbatten way into the conservation area. A new square and shared surface could be created using higher quality materials to create a public realm including a curved feature bench, cycle stands and street trees in raised planters. The ribbon motif in the paving would link to the heritage and history trail. Listed buildings in this zone could be illuminated with architectural lighting and low level lighting could be incorporated into the underside of the curved bench. The space could also include a 'Free WiFi' to encourage pedestrians to spend more time in the high street.



The focus is on improving the space through the removal of unnecessary street clutter. This would create

improved views and enhance the appearance of existing buildings and architectural features. The addition of new granite paving, higher quality street furniture and trees could

further enhance the pedestrian experience. Lighting could also play an important and exciting role with a mixture of architectural lighting types contributing to a vibrant and safe environment.

Festival Square lies at the junction between High Street, Moody Street, Market Street and the pedestrian zone. In time this new public realm could become a multi-use space accommodating events such as; occasional markets, festivals, street performances etc and will act as a focus for the town centre. It would be primarily a pedestrian priority surface however, until traffic numbers are significantly reduced (future phase) it will also need to retain the capacity to accommodate existing traffic levels. High visual contrast hazard warning paving and controlled crossings could be incorporated into the design to provide a safe route allowing visually impaired and more vulnerable users to navigate the space safely.

The ribbon motif will feature in the paving within the square linking it into the heritage and history trail.



COST ESTIMATE	
£1,035,768	
PLEASE SEE B1832063 QS PRGM US FOR DETAILS	
Client	CONGLETON TOWN CENTRE ENHANCEMENTS CONCEPT PROPOSALS
Project	LAND
Location	Swan Bank, Bridge, Festival Square and modified Bridge Street MID COST (Granite)
Drawn by	B1832063
Checked by	AB111-12-285
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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	9 <sup>th</sup> February 2016
<b>Report of:</b>	Executive Director of Economic Growth and Prosperity
<b>Subject/Title:</b>	Low Value Construction Services
<b>Portfolio Holder:</b>	Councillor D Stockton, Regeneration and Assets

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#### 1. Report Summary

- 1.1. Cheshire East Council has ambitious growth plans and continues to take a pro-active approach to development, construction and strategic use of its assets. The local plan strategy sets out the Council's overall vision and planning strategy for sustainable economic growth, including 36,000 new homes and identifies 3,080 hectares of strategic employment land across the Borough for development by 2030.
- 1.2. Specifically in relation to construction, it is undertaking some major schemes to enhance Public Services, such as developing the Lifestyle concept to provide integrated services that citizens need in relation to their Lifestyle all in one place. This is exemplified in the £15m Lifestyle Centre in Crewe and the development of similar facilities in Congleton.
- 1.3. Within the current Capital and Major Change programmes for 2015-2016, Assets are supporting the delivery of smaller value projects, across the whole spectrum of the Council's property Portfolio, ranging in scale and complexity from minor adaptation works within an existing Day Centre of £30,000 through to refurbishment and extensions to the existing Crematorium in Crewe of £1.5m. The current value of construction projects managed by the team is in excess of £30m.
- 1.4. In this fast moving environment, it is essential that key enabling systems are maintained to ensure that effective, value for money, compliant and controlled project delivery mechanisms are in place. Current arrangements for the delivery of construction and development projects includes the commissioning of external contractors via a range of both regional and bespoke in-house frameworks agreements. The Council's own Framework agreement for low value construction services expires on 6<sup>th</sup> January 2017 and cannot be extended within EU Procurement Rules.
- 1.5. An analysis of the options has been undertaken (Appendix 1), with the conclusion that a replacement Framework Agreement would be the preferred option, with a clear procurement strategy that continues to promote the social value aspects of local economic growth, spending, supply chain, employment, training and apprenticeships, through the contractor selection process,

together with any lessons learnt from the current arrangements and review the numbers of lots and bandings and enhance performance mechanisms ensuring greater value-for-money.

- 1.6. The value of the services procured means it will be subject to EU Procurement Rules requiring a contract notice to be published in the OJEU (Official Journal of the European Union). The project plan (Appendix 2) requires an OJEU Notice to be placed in March 2016.

## **2. Recommendation**

- 2.1. That Cabinet

- 2.1.1. Approve the establishment of a Framework of contractors through which to commission low value construction services.
- 2.1.2. Delegate authority to the Director of Economic Growth and Prosperity, in consultation with the Portfolio Holder for Regeneration and Assets to award and enter into Framework Agreements with providers meeting the requirements of the Framework.

## **3. Other Options Considered**

- 3.1. A wide range of alternative options for the future delivery of low value construction services have been considered, following the consultation process with key stakeholders within the Council, ranging from the creation of an 'in-house' contractor provision through to the procurement of a single service provider. The full details are outlined in (Appendix1) including the advantages and disadvantages.

## **4. Reasons for Recommendation**

- 4.1. To ensure that the commissioning of low value construction services complies with the Public Contracts Regulations 2015 and the Council's Finance and Contract Procedure Rules
- 4.2. To explore all options for securing value for money in the delivery of low value construction services.
- 4.3. To avoid the need for time-consuming and costly individual procurements that would otherwise be required for each construction contract and each property project.

## **5. Background/Chronology**

- 5.1. The current arrangements for the delivery of property projects includes commissioning construction works from a range of regional and bespoke in-house Framework Agreements, including :-
  - 5.1.1. North West Construction Hub (NWCH) Frameworks:-
    - 5.1.1.1. Low Value £0.5million to £2million (go live date December 2015)
    - 5.1.1.2. Medium Value £2million to £9million (go live date February 2015)

- 5.1.1.3. High Value £9million plus (go live date August 2014)
- 5.1.2. Cheshire East Council's own Framework for low value construction services (works up to £500,000).
- 5.1.3. Salford City Minor Building Works Framework has been used for projects with a value between £0.5million and £1million although the use of this Framework will cease once the NWCH Low Value Framework goes live.
- 5.2. The various NWCH frameworks are operational up to four years from the respective go live dates. The Council's own low value construction services framework expires on the 6th January 2017.
- 5.3. Approximately £11.4m per year is spent through the various frameworks, £6.7m via the NWCH and £2.7m via the low value construction services framework and in the absence of a framework that complies with the European Procurement Rules, the Council would need to procure each individual construction project in accordance with procurement thresholds adding cost and delay to the process.
- 5.4. A new responsive and maintenance contract has been procured with Cofely Workplace Limited which allows orders to be placed direct for construction projects up to a maximum of £250,000. Although this provides a solution to some smaller schemes as there is only one provider competitive tension does not exist beyond any contract rates/percentages.
- 5.5. Following consultation with key stakeholders within the Council, and adopting lessons learnt, procurement best practice, a number of options for the future delivery of low value construction services have been considered (Appendix1) including:-
  - 5.5.1. In-house provision – effectively the 'insourcing' of a 'contractor' team to undertake the project works directly.
  - 5.5.2. Individual tendering – the individual procurement and tendering of construction works on a project by project basis.
  - 5.5.3. CEBC Framework – the procurement and tendering of a bespoke, Cheshire East framework to appoint contractors as and when required on a 'call-off ' basis to undertake project works. (The framework will cover construction projects between £ 0 and £ 800,000 in value.)
  - 5.5.4. External Frameworks – utilising all of the available external frameworks to procure construction works on a project by project basis.
  - 5.5.5. Single Service provider – the procurement and tendering of one contractor to undertake the entire construction project works.
  - 5.5.6. Programme of Works under Higher Value Framework - the procurement and tendering of one framework contractor from a Higher Value Framework to undertake an agreed programme of construction projects.

- 5.6. On analysis, taking the advantages and disadvantages of each option into account, it has been concluded that whilst the above options may provide some flexibility for the procurement of construction works, the future delivery of low value construction services would be best met by the establishment of a replacement low value construction services framework agreement (Option 3).
- 5.7. The anticipated aggregate financial value of the services to be procured through the proposed framework, in the order of £10million (including allowances for ASDV's, Third Parties, Schools and Academies, Town and Parish Councils), means that it will be subject to EU Procurement Rules and will require a contract notice to be published in the OJEU (Official Journal of the European Union). The project plan for procurement (Appendix 2) requires an OJEU notice to be placed in March 2016 to ensure that the new arrangements are in place when the existing framework expires.
- 5.8. Whilst we commission significant construction works through the framework, there is no contractual obligation to procure work through the arrangement. This means the Council is not contractually 'locked in' to this arrangement. It should also be noted that whilst the OJEU procurement process needs to be commenced immediately to ensure continuity of service, the recommended OJEU procurement processes for low value construction services can be terminated at any time, the only loss being abortive officer's time.

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

- 6.1. All

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. The recommendations in this report support the delivery of the council's priorities by ensuring that key compliant mechanisms are in place to enable the controlled delivery of construction projects.

### **7.2. Legal Implications**

- 7.2.1. The aggregate value of the requirement for low value construction services is such that these services must be procured in accordance with the Public Contracts Regulations 2015 ('The Regulations') and the Council's Finance and Contract Procedure Rules
- 7.2.2. A Framework enables the Council to meet its need for a service, supply of goods or works for a set period of time in order to obviate the need to undertake a wide competitive process in relation to each individual procurement. It complies with the Regulations and the Council's rules.
- 7.2.3. The Regulations allow local authorities to enter into Framework Agreements with a number of service providers, following a competitive tendering process, and to thereafter select from those service providers



particular services, as and when required for a maximum period of four years. The Council can choose to call-off contracts under the Framework by appointing a supplier directly (direct award) based on the pricing and / or other selection criteria established in the original tender process or, if the price cannot be directly determined or in order to ensure best value, it can hold a mini-competition between the suppliers appointed to the framework in order to award a call-off contract.

7.2.4. In order to evidence value for money, the Economic Growth and Prosperity service will engage with Legal Services to ensure the Framework Agreements contain provisions such that the Framework Agreements can be terminated in the event that the service cannot be provided on the terms that remain acceptable to the Council. The Framework Agreements do not contain any guarantee of work volumes to the appointed providers and can be utilised with other options.

7.2.5. The Economic Growth and Prosperity Service have been advised and will engage with Legal Services to ensure that the duties under the Public Services Social Value Act, as it applies to the framework agreements, are fulfilled. The Act requires the Council to:

7.2.5.1. Consider how what is proposed to be procured might improve the social economic well-being of the relevant area, with a strong focus on increasing and improving local spend, local employment, training and apprenticeships and skills development,

7.2.5.2. How in conducting a procurement process it may well act with a view to securing that improvement, through the framework contractor and supply chain partners selection process,

7.2.5.3. Whether to undertake any community consultation on their proposals,

### **7.3. Financial Implications**

7.3.1. The recommendations within this report support the delivery of property projects and ensure that low value contractors selected for the Framework satisfy the requirements of the Council's Financial Rules and comply with EU requirements.

7.3.2. Value for money will be assured by taking into account tendered rates for directly awarded call-offs or by undertaking mini competitions to all the Contractors within the Framework.

### **7.4. Equality Implications**

7.4.1. The formal OJEU procurement process will ensure that consideration is given to all equality implications.

### **7.5. Human Resources Implications**

7.5.1. The proposed OJEU procurement process will be undertaken by Property Projects officers support by Procurement and Legal Services colleagues,

therefore there are no external costs for undertaking this procurement other than nominal costs for local advertising. However, there is an 'opportunity cost' of undertaking this task in officer time which has been estimated at a maximum of £60,000 including oncosts. Significant officer time will not be required until May – August 2016, when the 2 stage tendering process is undertaken.

**7.6. Public Health Implications**

7.6.1. None

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

7.7.1. None.

**8. Risk Management**

8.1. A failure to establish a replacement Framework Agreement for Low value construction services through which construction services can be purchased will mean that the construction services for each project will need to be tendered individually. This is prohibitive both in terms of time and cost.

**9. Access to Information/Bibliography**

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

**10. Contact Information**

Contact details for this report are as follows:

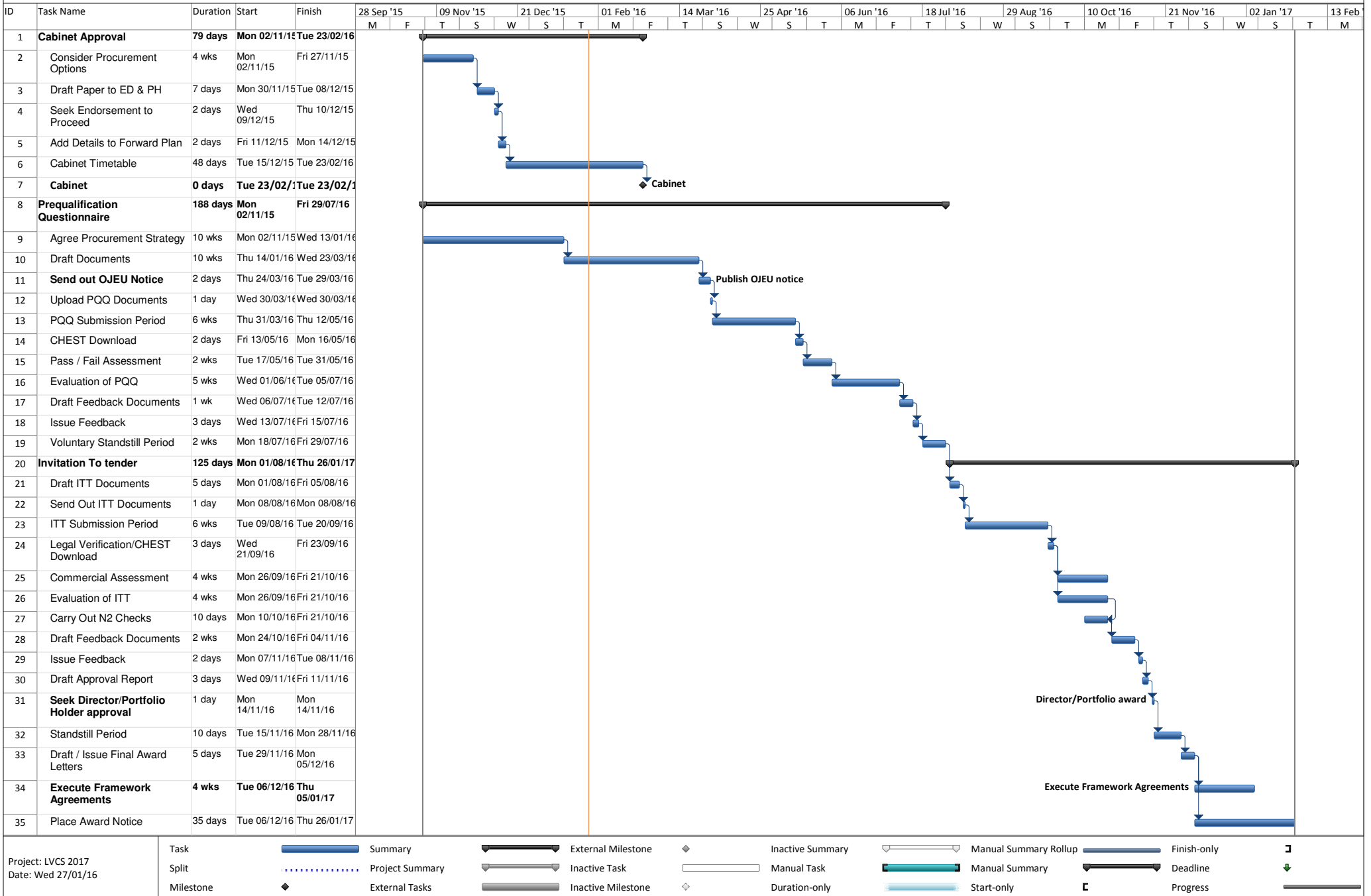
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**APPENDIX 1 – Option Analysis**

<b>Option</b>	<b>Advantages</b>	<b>Disadvantages</b>
<b>1 – In-house provision, including substantial insourcing</b>	<ul style="list-style-type: none"> <li>• Direct control over resources and priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Inflexible resource levels with costs incurred even when workload reduces</li> <li>• Recruitment difficulties with specialist staff</li> <li>• Doesn't fit with Strategic Commissioning Council model</li> </ul>
<b>2 – Tender each project</b>	<ul style="list-style-type: none"> <li>• Greater market choice</li> <li>• Ultimate competition achieved with every project open to the entire market.</li> </ul>	<ul style="list-style-type: none"> <li>• Time delays and resources required to advertise and procure each project would be unacceptable adding significant cost and delay.</li> <li>• Provides no ongoing relationship, so cannot develop a partnership approach with continuous improvement in line with Government Best Practice</li> </ul>
<b>3 – CEC Framework</b>	<ul style="list-style-type: none"> <li>• Tailored to suit CEC's particular requirements</li> <li>• Tailored to suit the requirements of the Council's Alternative Service Delivery Vehicles</li> <li>• Ability to benchmark performance, develop ongoing relationships, build specific loyalty to CEC within a clear mechanism for continuous improvement</li> <li>• Maintains competitive tension amongst Framework contractors</li> <li>• Allows the ability to directly appoint in certain circumstances</li> <li>• Of interest to regional companies</li> </ul>	<ul style="list-style-type: none"> <li>• Costs and resources associated with bespoke procurement of CEC framework.</li> <li>• Need to have sufficient throughput to maintain the interests of contractors</li> <li>• The appetite to bid may be reduced as there is no guarantee of work.</li> </ul>
<b>4 – External Frameworks (EFA Framework, Fusion 21, LHC Framework, Salford City, SCAPE etc.)</b>	<ul style="list-style-type: none"> <li>• Maintains competitive tension amongst framework contractors (where more than one contractor)</li> <li>• Allows ability to directly appoint in certain circumstances</li> <li>• Potential for reduced costs by avoiding costly procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Frameworks not tailored to CEC operational requirements</li> <li>• Framework contractor loyalty can be divided or skewed towards the "host" authority</li> <li>• Less chance than option 3 to build continuous improvement</li> <li>• Contractors tend to be large national companies</li> <li>• Frameworks operate differently and could introduce consistency issues</li> </ul>
<b>5 – Single Service provider</b>	<ul style="list-style-type: none"> <li>• A single point of contact</li> <li>• No delays in appointing at the earliest opportunity for each project</li> <li>• Ultimate opportunity to build partnership working with ongoing relationships and shared objectives</li> </ul>	<ul style="list-style-type: none"> <li>• May attract the interest of national contractors with consequently higher preliminaries values</li> <li>• Need to have sufficient throughput to maintain the interest of the contractor</li> <li>• Difficult to address complacency by the single</li> </ul>

		provider when competitive tension is not present during the life of the contract
<b>6 –</b> Programme of work through a higher value Framework	<ul style="list-style-type: none"> <li>• A single point of contact</li> <li>• No delays in appointing at the earliest opportunity for each project</li> <li>• Good opportunity to build partnership working with ongoing relationships and shared objectives</li> <li>• Opportunity to include competitive tension at the end of each programme of work</li> </ul>	<ul style="list-style-type: none"> <li>• Difficult to address complacency by the single provider when competitive tension is not present during the programme of works</li> <li>• Difficulty in getting departments to agree a programme of works at the outset</li> <li>• Will not provide for one off projects</li> </ul>

# Appendix 2 - Low Value Construction Services 2017 Procurement Programme



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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	23 <sup>rd</sup> February 2016
<b>Report of:</b>	Executive Director of Economic Growth & Prosperity
<b>Subject/Title:</b>	Starter Homes
<b>Portfolio Holder:</b>	Councillor A. Arnold, Housing and Planning

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#### 1. Report Summary

- 1.1 Cheshire East are committed to providing appropriate housing solutions for our residents, part of which is ensuring that first time buyers have the ability to access the housing market. It is an ambition we share with the Government and one which David Cameron is personally championing. In December 2014 the Government announced its intention to consult on proposals to reform planning to support the development of 100,000 new high quality, Starter Homes for first time buyers.
- 1.2 The aim of the Government's policy is to advance equality of opportunity and to help prospective homeowners who are in the age group which has been disproportionately affected by the rise in the house price to earnings ratio over the last 20 years.
- 1.3 In August 2015 the Government announced a one-off £36 million funding package to help deliver the first wave of Starter Homes and on 12<sup>th</sup> October the Government released the prospectus. It was open to Councils across England and gave them the opportunity to bid for a share of £10 million of capital grant funding. The aim of the funding is to assist Councils to bring forward additional land which has not previously been considered for housing and make it viable for Starter Homes, by helping to fund preparation and site clearance work.
- 1.4 Cheshire East took advantage of the opportunity to put forward a bid for two sites in the local authority's ownership which had previously not been considered for residential use. On the 16th December 2015 notification was received that retrospective grant was to be made available to Cheshire East to undertake site investigation, survey, remediation and demolition works, which had to be undertaken and claimed by the 31<sup>st</sup> March 2016. Due to the time constraints Cheshire East would only be in a position to procure site investigation and ecology surveys.
- 1.5 This is an exciting opportunity for Cheshire East to demonstrate our commitment to deliver a Government priority, which could have the potential to strengthen our working relationships with them and position ourselves for future projects. It also provides an opportunity for the authority to use its land

assets to help local first time buyers to access the housing market and it also has the potential to provide construction opportunities for Small and Medium Sized Enterprises (SME).

## **2. Recommendations**

- 2.1. To approve the Council's bid to the Homes and Communities Agency for the Starter Homes grant funding.
- 2.2. To grant approval to the Executive Director of Economic Growth & Prosperity to enter into the funding agreement with the Homes and Communities Agency in order to access grant funding to procure site investigations and ecology surveys.
- 2.3. To approve the commissioning of Engine of the North to undertake the pre development investigations to enable a delivery strategy to be developed.
- 2.4. To grant approval to the Section 151 Officer to confirm to the Homes and Communities Agency that Cheshire East have the resources to fund any viability gap and to use such resources to ensure that the Starter Homes Development is achieved in accordance with the agreement.

## **3. Other Options Considered**

- 3.1. Cheshire East could take the decision not to enter into the Homes and Communities Agency agreement, but continue to show our commitment to the initiative by undertaking the site investigation work via Engine of the North. The results of the site investigation would then determine if the site is a viable option. If we pursue this route then the Council could not take the opportunity to be reimbursed for the expenditure incurred for the site investigation work.
- 3.2. Cheshire East could take the decision not to progress the Browning Street site, but this could have reputational issues with both the Homes and Communities Agency and the Department for Communities and Local Government (DCLG)

## **4. Reasons for Recommendations**

- 4.1. The Local Plan creates a vision for the future which is to deliver jobs-led growth and sustainable vibrant communities. Affordable housing in Cheshire East plays a fundamental role in realising this ambition. Access to affordable housing creates balanced, sustainable communities whilst driving superior health and well-being for modest-income households. Moreover, it provides the vital impetus for economic activity and aspiration. The provision of affordable housing can stimulate spending and governmental yields, and crucially equips an area with the long-term capacity for labour and economic fluidity that will attract and develop business.
- 4.2. As such, Cheshire East has a robust strategy to appropriately grow our provision of affordable housing options, underpinned by a number of innovative policies. This will ensure that the housing composition in Cheshire



East has the diversity to cater for every element of society and engage the entire community in a mutual drive for greater prosperity.

- 4.3. Across Cheshire East affordability is an issue, residents are struggling to access the housing market. In Cheshire East the average lower quartile house price, which is the usual access point for first time buyers, is £122,500. Average lower quartile incomes are £18,559 which represents 6.6 times income levels in order to purchase a property. Starter Homes whilst currently not under the definition of affordable housing represents an opportunity for first time buyers to access the home ownership as the product is sold at a 20% discount.

## **5. Background/Chronology**

### **5.1 The definition of a Starter Home is:**

- A new dwelling
- Is available for purchase by qualifying first time buyers only (under the age of 40)
- Is to be sold at a discount of at least 20% of the market value,
- Is to be sold for less than the price cap (Greater London £450,000, Outside Greater London £250,000)
- Is subject to any restrictions on sale or letting specified in regulations made by the Secretary of State.

- 5.2 Starter Homes are included within the Housing and Planning Bill which is currently making its way through the House of Lords having had its second reading on the 26<sup>th</sup> January 2016. The Bill places a general duty on all planning authorities to promote the supply of Starter Homes, and provides a specific duty, which will be clarified in later regulations, to require a certain number or proportion of Starter Homes on development sites.

- 5.3 Under the current National Planning Policy Framework Starter Homes do not come under the definition of “affordable homes” and therefore there is no current requirement to accept these as part of the affordable housing requirement, however it is encouraged by Government. This does not preclude local authorities from bringing forward Starter Homes opportunities in addition to those presented for affordable housing.

- 5.4 The starter homes initiative is clearly a major government priority and they have demonstrated this by providing significant funding in the spending review as well as proposing significant changes to planning legislation and guidance to support its development. Cheshire East is in a good position to

take forward the opportunities that this presents and provide housing provision for our first time buyers.

- 5.5 Following the release of the Government prospectus, Cheshire East took advantage of the opportunity to put forward a bid for two sites in the local authorities ownership which had previously not been considered for residential use. Following submission, we have withdrawn one of the sites due to identified abnormalities on the site which would make it undeliverable for residential use. We are seeking approval to progress with the remaining site which will enable us to demonstrate our commitment to the Starter Homes initiative to Government.
- 5.6 The appropriate approval route has been considered and due to the terms of the agreement it is felt that a Cabinet decision is required. This is due to the fact that entering into the agreement will legally bind the authority to deliver the Starter Homes Development within the specified time frame, which could open the authority up to an unknown cost at this stage in the process. There is the a further requirement for the Section 151 Officer to provide an unequivocal statement that in the event that there is a viability gap, the Council has sufficient resources to fund the gap and that it will use such resources to ensure the Starter Homes Development is achieved in accordance with the agreement. The current viability gap has been identified as £76,000 as outlined within the financial section, but this could be reduced with an increase of properties on the site.
- 5.7 The grant agreement relates to 4 Starter Homes being developed on a former car park in Browning Site, Crewe, which has been declared surplus. It is estimated that the site could accommodate additional units, but this can only be determined following site investigation.
- 5.8 The Council will commission Engine of the North (EOTN) to undertake the pre-development work.

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

Crewe Central – Councillor Irene Faseyi

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. In March 2015 the Government published the response to their consultation on Planning reform to include Starter Homes and announced changes to national planning policy, which requires local planning authorities to work in a positive and proactive way with landowners and developers to secure a supply of sites suitable for housing for first time buyers. Local Authorities are required to look for opportunities to create high quality, well designed starter

homes through exception sites on commercial and industrial land that is either under-used or unviable in its current or former use, and which has not currently been identified for housing.

- 7.1.2. Whilst Starter Homes do not currently come under the definition of affordable homes, the expectation is that following the enactment of the Housing and Planning Bill, we will see further amendments to the National Planning Policy Framework which it likely to amend the definition of affordable homes to include Starter Homes.

## **7.2. Legal Implications**

- 7.2.1 The Homes and Communities Agency agreement will open the Council up to a number of potentially significant risks. The Funding is conditional on the “Milestones” being achieved. The Funding is for the very start of the Programme but the Milestones go all the way to the practical completion of the Starter Homes by 31st March 2019. So if any of these are missed, CEC will be in breach of the Agreement and liable to repay the Funding, which if drawn down would be £45,000 plus administration fees.
- 7.2.2. The Agreement is onerous as it makes the Funding conditional on the delivery on successful delivery of the units and on time. Consideration has to be given to the potential risk of being able to deliver the site successfully as things do go wrong and this would enable the HCA to clawback the Funding
- 7.2.3. Most significantly the HCA could enforce the part of the agreement that compels the Council to build out the site irrespective of the cost to the Council (rather than claw back the Funding). This would be the case even if the Council decides not to draw down the Funding. As the agreement is worded, only the HCA have the ability to terminate the agreement and they could choose not to do this.
- 7.2.4. The Funding Pre-Conditions (at Schedule 4) contain a “Viability Gap” paragraph at 1.4. This is essentially a guarantee by CEC that it will fund the preparation of the site if the funding is not sufficient. If no environmental studies have been carried out this could be a very expensive blank cheque. For example, if CEC start site investigations and serious contamination is found, CEC will be obliged to remediate this problem. This sort of remediation work can be very expensive; Prior to entering into the agreement the Section 151 has to provide in writing an unequivocal statement that, in the event that there is a Viability Gap the Council has sufficient resources to fund the Viability Gap and that those resources will be used to ensure that the programme is achieved. As set out above this guarantee in effect not only covers the Viability Gap but also any unforeseen costs required to ensure that the Programme is achieved (i.e. that the site is built out).

### 7.3. Financial Implications

- 7.3.1. The financial figures submitted to the Homes and Communities Agency are outlined below, however these figures are based on estimates prior to any site investigation taking place. Whilst the HCA offered £105,000 in grant, in reality due to the time constraints we will only be able to contractually engage a contractor to undertake the site investigation and ecological works, which increases the viability gap from £16,000 to £76,000. There is currently no capital allocation to undertake the development activity, as the delivery route will be determined following completion of site investigation. Under the terms of the HCA agreement the S151 Officer has to confirm that the Council will fund any viability gap, which could be under or above the figures outlined.

Costs based on the development of 4 units	
Overall development costs	£533,000
Overall Gross Development Value (GDV)	£412,000
Land Value (negative; i.e land development cost)	-£121,000
Available DCLG funding	£105,000
Potential Viability Gap	-£16,000
Due to time constraints we are only likely to be able to claim site investigation and ecological surveys	£45,000
Minimum likely funding gap – potentially to be mitigated by increasing the number of units on site	-£76,000

- 7.3.2. Engine of the North will be directly commissioned to undertake the pre development work; and the costs will be covered by virement from capital scheme budgets within the Council's land development programme for housing and jobs.
- 7.3.3. Once site investigations are completed and a planning application is prepared (including an assessment of the site's capacity) a decision will need to be made about whether to develop this site through EOTN or whether a disposal is more appropriate. If the site is to be direct developed, a further capital funding bid will be required in due course to cover the cost of development, which is currently estimated at £412,000 (excluding pre development costs). Following Site Investigation if the project does not progress due to viability then the pre development costs will need to be written off to revenue.

- 7.3.4. Cheshire East can elect not to draw down the funding from the HCA or if claimed have the ability to repay it if it is felt after site investigation that the scheme is not financially viable due to abnormalities. If doing so the Council will have to be mindful that under the terms of the Agreement as stated in 7.2.3 the HCA could compel the Council to build out the site and incur the costs of the same.

**7.4. Equality Implications**

- 7.4.1. This scheme is only available to first time buyers under the age of 40, and therefore will exclude residents who do not fall within these eligibility criteria.

**7.5. Rural Community Implications**

- 7.5.1. No implications at this stage, however there is the potential to provide Starter Homes within some of our rural communities in the future, as access to affordable homes in our rural communities is increasing becoming an issue. Some residents are priced out of the communities in which they reside and are forced to seek more affordable homes in other areas.

**7.6. Human Resources Implications**

- 7.6.1. No identified implications at this stage. Engine of the North will be commissioned to undertake the initial pre development work. If the Council elect to pursue further opportunities to develop Starter Homes then additional skills and resources may be required.

**7.7. Public Health Implications**

- 7.7.1. The provision of decent accommodation can have significant health benefits for residents. Poor housing can impact on a persons mental and physical health.

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

- 7.8.1. None identified

**8. Risk Management**

- 8.1. It was a condition of this grant funding stream that the sites included in the bid could not have been previously considered for housing, so very little due diligence has been carried out on this site. Therefore, it is impossible to assess the significance of this risk at present both in terms of scale and likelihood.
- 8.2 As outlined within the legal implications the agreement opens the Council up to risk. These risks have to be considered and one risk is that if we enter into the agreement but do not feel after site investigations that the site is financially viable then we will have to repay any funding which has been drawn down plus administration fees. This could equate to £45,000 plus admin fees. The most significant risk is that the Homes and Communities Agency could hold the council to the terms of the agreement which could result in the authority having to fund remediation works, cover any viability gaps and ultimately build out the site at the Council's cost rather than repay the funding.

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

9.1. N/A

## **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>	23 <sup>rd</sup> February 2016
<b>Report of:</b>	Kath O'Dwyer, Director of Children's Services
<b>Subject/Title:</b>	Review of 2016-17 Schools Funding Formula
<b>Portfolio Holder:</b>	Councillor Rachel Bailey, Children and Families

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#### 1.0 Report Summary

##### 1.1. This report asks Cabinet to

- consider and approve the proposed options for the schools funding formula for 2016-17
- consider levels of engagement in the process in relation to their local schools

#### 2.0 Recommendations

##### 2.1 This report makes the following recommendations to Cabinet for the 2016-17 Schools Funding Formula:

1. reduce the lump sum from £130,000 to £115,000;
2. maintain all other existing formula factors at their current level, as agreed with Schools Forum; and
3. continue to support the rural proofing strategy for schools

#### 3.0 Reasons for Recommendations

- 3.1 Schools in Cheshire East continue to perform well, delivering an excellent standard of education, despite Cheshire East being one of the lowest funded education authorities in the country. Great results continue to be achieved and 92% of our schools are assessed to be either Good or Outstanding by Ofsted. With parental choice being a key element of the Council's strategy, the fact that 94% of pupils get their first choice of school place is another significant achievement.
- 3.2 The natural assets of Cheshire East in terms of the beauty of the countryside and the wide geographical expanse have resulted in the need for in excess of 150 school establishments. The Council is committed to ensuring that families have excellent educational opportunities as close to their own communities as possible. This makes the allocation of schools funding a complex and tricky task of balancing the amount of monies available against residents and school expectations. The proposed schools funding formula is a perfect

example of constructive partnership working resulting in an excellent outcome, which strikes the right balance.

- 3.3 The additional money added into the 2015-16 Dedicated Schools Grant by the Department for Education (DfE) to be allocated to the least fairly funded education authorities has been confirmed again for 2016-17. Cheshire East received an additional £5.7m, all of which was delegated out to schools through the funding formula.
- 3.4 The proposals for the schools funding formula have been discussed by the Schools Forum on 1 October 2015 and 3 December 2015. The proposals for the lump sum were discussed at the Schools Forum on 3 December 2015, and approved at that meeting for recommendation to Cabinet. The final formula has been submitted to the DfE by their deadline of 21<sup>st</sup> January 2016, subject to ratification by Cheshire East Council.
- 3.5 Following a consultation exercise with all head teachers, governors and business managers over the summer of 2015, Cheshire East Council has worked closely with the Formula Working Group, a sub group of the Schools Forum, to develop a proposed formula which aims to minimise turbulence and maximise funding for schools.

#### **4.0 Wards Affected**

- 4.1 All wards are affected by the changes to the schools' funding formula.

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

- 5.1 All local ward Members will need to be aware of the changes for the schools in their ward.

#### **6.0 Policy Implications**

- 6.1 N/A

#### **7.0 Financial Implications**

- 7.1 The schools funding formula is the mechanism through which the Dedicated Schools Grant is delegated to schools. Cheshire East currently delegates 93% of funding to schools through the funding formula, retaining 7% held centrally to fund non schools expenditure, which is mainly SEN placements in independent provision and out of borough.

#### **8.0 Legal Implications**

- 8.1 The Local Authority has the statutory responsibility to set the funding formula for schools, following consultation with the Schools Forum.



## **9.0 Risk Management**

9.1 N/A

## **10.0 Background and Assumptions made in the formula**

- 10.1 Cheshire East has already made significant changes to the schools funding formula following the Funding Reform introduced in 2013-14, and following consultation with Schools Forum, did not make any of the further changes allowable in 2014-15 or 2015-16. The additional funding of £5.7m received in 2015-16 was delegated using the AWPU factor in the formula, and this funding has been confirmed as being included in the DSG again for 2016-17.
- 10.2 The Government distributed this additional funding by applying minimum funding levels for some of the factors used in the formula, although the Government did make it clear that there was NO requirement on local authorities to use these MFLs in their local formulas, and schools should not assume they would be getting budgets calculated using these formula factor values.
- 10.3 Cheshire East has adopted a policy of minimising turbulence for schools budgets, following the significant changes in the funding in 2013-14. However the Government has clearly stated its intention to move towards a National Funding Formula in the future, although not for 2016-17, and in reviewing some of the formula factors, Cheshire East are not within the average range for all factors.
- 10.4 Cheshire East chooses to use the Low Cost High Incidence formula factor as a means of identifying SEN funding within schools, and currently puts £12.9m through this factor. Schools Forum Formula Working Group have not made any recommendations to review this as High Needs Funding is likely to be part of the consultation on any potential National Funding Formula.
- 10.5 The Schools Forum are recommending that the Cheshire East schools funding formula should move more in line with the national picture by reducing the lump sum, and allocating this funding through the AWPU instead. It was felt that this proposal fit in with the Government's directive that funding should follow the child.
- 10.6 In the Minimum Funding Levels published by the Government, the Primary Lump sum was set at £115,797. Analysis of all lump sums set in 2015-16 showed that the average lump sum when calculated on a per pupil basis was £114,000. The intention of the schools funding formula is that it is meant to distribute pupil funding fairly and equitably, and should not be used to direct funding towards smaller schools. Schools should be encouraged and supported to work together, either through collaboration or through more formal arrangements such as Multi Academy Trusts. Schools will need to find better ways to organise to succeed financially without any need to close schools.

## **11.0 Minimum Funding Guarantee**

- 11.1 The Minimum Funding Guarantee will continue to apply at -1.5% (excluding the lump sum, post-16 funding, allocations from the High Needs Block, including those for named pupils with SEN, allocations made through the early years single funding formula and rates from the calculations).

## **12.0 Impact of Revised Funding Formula**

- 12.1 Using the revised funding formula for 2016-17, 91 of 154 schools, or 59%, will receive an increase in funding. The average increase in budgets for primary schools is 3.5%, with secondary schools receiving an average increase of 1.3%. 63 schools or 41% will face a decrease in funding. The average budget reduction for a primary school is -2.5%, whilst the average reduction for secondary schools is -3.4%.
- 12.2 The reason for a small number of schools still facing a reduction in budget is due to the long term impact of the Minimum Funding Guarantee. Some schools are still working their way back into a budget that does not need MFG protection, and it is the reduction in MFG protection required year on year that is causing the reduction for some schools, particularly as moving funding from the lump sum into the AWPU affects the budget that is used to calculate any protection needed.

## **13.0 Additional Information**

- 13.1 Schools Forum have approved a new policy for clawback of surplus balances. Where a school holds balances of more than 8% (primary) and 5% (secondary) for 2 consecutive years, the surplus balance above that threshold will be automatically clawed back and returned to the schools funding block for distribution through the schools funding formula the following year. Schools can create earmarked reserves to hold money for specific projects, which takes this money out of the surplus balance calculation for clawback.
- 13.2 Balances at the end of 2014-15 were £8.169m, of which £5.332m is held in uncommitted school balances, with £ 2.132m held in earmarked reserves, and £705k in unspent ringfenced grants. This is a reduction of only £0.8m from 2013/14, but it must be noted that 17 schools converted during the year, thereby excluding themselves from the balance calculation.
- 13.3 Under the Scheme for Financing schools, any school that cannot set a balanced budget has to apply to the Director of Children's Services for permission to set a deficit budget. 5 of the 9 applications received in 2014-15 are now back in balance. 4 schools have had to submit another application in 2015-16, and 3 new schools have also requested permission to set a deficit budget. Of these 7 applications, 4 will come back into balance within three years, and the remaining 3 schools who are unable to set a balanced budget at all are already working closely with the Local Authority and pursuing a path to either collaborate or federate with another maintained school, or convert to academy status with a sponsor.

#### **14.0 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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**Date of Meeting:** 23<sup>rd</sup> February 2016  
**Report of:** Steph Cordon, Head of Communities  
**Subject/Title:** Policy for Support to Voluntary, Community and Faith Sector Infrastructure Organisations 2016/17  
**Portfolio Holder:** Cllr L Gilbert, Communities

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#### 1. Report Summary

- 1.1 As a Residents First Council, Cheshire East Council recognises the invaluable role the Voluntary, Community and Faith (VCF) Sector have in developing stronger communities across the borough.
- 1.2 Infrastructure organisations have an important role in assisting the VCF Sector to work within local communities.
  - They offer specialist advice and guidance, a range of training activities to help strengthen the sector, assist with volunteer recruitment and recognition, and help with writing funding bids and obtaining grant funding.
  - They enable the VCF to help the Council meet our corporate objectives and outcomes
  - They can act as a single point of contact, and are a source of skills and expertise that the Council can draw upon.
- 1.3 Work is ongoing to develop a VCF Commissioning Framework in 2016 which will inform a clear Policy. The revised policy attached at Appendix 1 sets out our ambitions on infrastructure support for the sector.
- 1.4 In order to bridge the gap it is proposed that a grant is awarded to Community and Voluntary Services (CVS) Cheshire East and Cheshire Community Action in order to maintain immediate support for one year whilst the new policy is implemented. This will allow VCFS Infrastructure Organisations to fulfil their outcomes and in turn enable Cheshire East to meet our corporate priorities. By developing a clear VCF Sector Commissioning Framework during 2016 we can go out to a competitive tender and mitigate the risk that State Aid becomes a consideration.

#### 2. Recommendations

- 2.1 To commit to funding infrastructure organisations for one year only from April 2016.

- 2.2 To agree to award grant funding of £147,000 to CVS Cheshire East and £16,000 to Cheshire Community Action from 1 April 2016 until 31 March 2017. This to be subject to grant terms and conditions.

### **3 Other Options Considered**

- 3.1 Funding support could be withdrawn for the sector, but this would significantly reduce their ability to meet outcomes from our corporate priorities.
- 3.2 A reduction in overall grant funding could be considered, as in previous years, by a small annual cut. This is not sustainable as it has been established that further cuts could not be absorbed without organisations reducing services or staff posts.

### **4 Reasons for Recommendations**

- 4.1 The revised Support for Infrastructure Organisations Policy outlines the decision making process which justifies a direct award for the VCF Sector in 2016/17
- 4.2 In previous years funding provided by Cheshire East Council has enabled infrastructure organisations to maintain their core services whilst improving delivery. It is important that funding is maintained during 2016/17 so that organisations can continue to provide specialist advice, guidance and a range of training opportunities to help strengthen the sector, and recruit volunteers to support project delivery.
- 4.3 This in turn will ensure that support for local communities can be maintained whilst work is ongoing in relation to developing a VCF Commissioning Framework

### **5 Background/Chronology**

- 5.1 Infrastructure Organisations have received grant funding from Cheshire East Council. This support has been informed by a Support for Infrastructure Organisations Policy, which has outlined the funding criteria required, and the expected outcomes.
- 5.2 Grants have been directly awarded to named recipients. These organisations have been able to provide high quality specialist and localised support and services to the VCF sector, and strategic support to partner agencies and organisations in both the statutory and private sector, when there has been no-one else in the market to deliver.
- 5.3 Previous grant funding has enabled organisations to achieve a number of outcomes for the benefit of local communities including: - the development of new voluntary organisations; delivery of specialist training for volunteers on a range of subjects; provision and implementation of the GRIPP good practice toolkit to improve services for the community; successful grant funding applications; coordination of volunteer activities and opportunities to

participate in volunteering; befriending and signposting services in rural communities.

5.4 The Support for Infrastructure Organisations Policy has been updated annually since 26 March 2012. Grant funding will be used to achieve the following outcomes:

- VCF Organisations are equipped with the right skills, knowledge and experience to be able to be commissioned by the Council
- The collective voice of VCF organisations and their users is fed into the Council to inform strategy, policy and service delivery for the benefit of local people
- Infrastructure organisations to provide a strong and effective representative role for the sector and advocate on their behalf to the Council
- Infrastructure organisations to provide a communication and consultation and engagement function with the sector on behalf of the Council when requested
- VCF organisations are supported to be able to diversify their income sources and become less reliant on the Council for funding
- VCF organisations are able to become even more resilient by the use of volunteers and the infrastructure organisations to actively facilitate this
- An emphasis to be provided on developing local VCF support where needed, which could be rural or in pockets of deprivation
- To ensure that all voices can be heard especially those that hard to reach.

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

All

## **7 Implications of Recommendation**

### **7.1 Policy Implications**

Positive Impact

### **7.2 Legal Implications**

7.2.1 In deciding whether to directly award a grant consideration must be given to the facts and circumstances in which a direct grant award is being proposed and be satisfied that in making a direct award the Council is meeting its public law duties.

7.2.2 The Council has the powers to award a grant to support the organisations using its general power of competence in Section 1 of the Localism Act 2011. In exercising the power to the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably.

7.2.3 There is currently no overarching Council policy/framework by which grant funding should be allocated and in principle a direct grant award can be made. The revised Policy for Support to Infrastructure Organisations sets out how Cheshire East Council intends to support infrastructure organisations, which assist the Voluntary, Community and Faith Sector (VCFS) across Cheshire East to achieve their aims and objectives, from 1st April 2016 to 31st March 2017.

7.2.4 In awarding a grant the Council cannot exhibit the same amount of control over the organisation as is commensurate with a contract. Essentially the terms of the grant should set out what the purpose of the grant is for and only claim claw back provisions in the case of the grant funding being used for other purposes or otherwise improperly. The Council will not be able to assess the quality of the services that are being provided and determine to withdraw grant funding on that basis (except at the end of the period of the grant funding).

7.2.5 Consideration must be given to State Aid implications of directly awarding a grant.

7.2.5.1 State Aid rules apply where:

- State resources are involved
- The beneficiary is involved in economic activity
- The beneficiary could get an advantage that they cannot normally get from the market
- The services are theoretically tradable across the Member states.

A scheme must meet all four of the above criteria in order to be considered to be State Aid. It is arguable that given the nature of the activity is such that it would not be of interest to other member states.

7.2.6 The revised Policy for Support to Infrastructure Organisations sets out how the Service has determined that the recipients (CVSCE and the CCA) are able to meeting the policy's criteria for funding. It goes on to state that no other infrastructure organisations operating within the Cheshire East area are to meet the criteria. In the event of a challenge, the policy provides some evidence to support the view that the beneficiaries are not being given an advantage (on the basis there is no market) a grant award is not State Aid.

7.2.7 It is noted that the Service intend to put in place a framework by the next financial year by which to determine how to engage with the VCFS and which



it is understood will involve consideration of the procurement of services contracts and competitive grant procedures. Competitive tendering will potentially negate State Aid issues in the future.

- 7.2.6 Continue to provide support to the identified recipients to deliver specialist advice and guidance during 2016/17 whilst a framework is put in place will ensure projects will continue to be delivered and expertise will be retained.

### **7.3 Financial Implications**

- 7.3.1 The recommendations will enable a grant award for 2016/2017 to be funded within existing budget provision.

### **7.4 Equality Implications**

- 7.4.1 Positive impact. Infrastructure organisations provide advice, guidance and examples of good practice.

### **7.5 Rural Community Implications**

- 7.5.1 Positive Impact. Infrastructure organisations work closely with rural communities to provide support, advice and guidance

### **7.6 Human Resources Implications**

- 7.6.1 Resources have been provided as part of existing staff job roles

### **7.7 Public Health Implications**

- 7.7.1 There are no Public Health Implications

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

- 7.8.1 There are no other implications

## **8 Risk Management**

- 8.1 The risk of not agreeing a policy review is that policy may not be fit for purpose. To not agree to commit to funding infrastructure organisations in 2016/17 and loss of funding for infrastructure organisations means that the voluntary and community sector may not receive the specialised support they require in order to both continue and to thrive, resulting in a loss of community benefit.

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

- 9.1 Papers are attached as follows: -

Policy for Support for Infrastructure Organisations

## 10 Contact Information

Contact details for this report are as follows:-

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# Support for Infrastructure Organisations

## APPENDIX 1

<b>Service owner:</b>	<i>Partnerships and Communities</i>
<b>Policy owner:</b>	<i>Kirstie Hercules, Principal Manager Partnerships and Communities</i> <a href="mailto:Kirstie.hercules@cheshireeast.gov.uk">Kirstie.hercules@cheshireeast.gov.uk</a> <i>Tel (01270) 686632</i>
<b>Status:</b>	<i>V0.9</i>
<b>Date:</b>	<i>26<sup>th</sup> March 2012</i>
<b>Consultation:</b>	<i>None</i>
<b>Revision/review/renew date:</b>	<i>30<sup>th</sup> April 2012 for approval</i> <i>9<sup>th</sup> April 2013 for approval</i> <i>21<sup>st</sup> July 2014 for approval</i> <i>27<sup>th</sup> July 2015 for approval</i> <i>Revised August 2015</i> <i>9<sup>th</sup> February 2016 for approval</i>
<b>Key words:</b>	<i>Summarises Cheshire East Council's approach to supporting infrastructure organisations that provide assistance to the Voluntary and Community and Faith Sector (VCFS) in the Borough.</i>
<b>Links:</b>	<i>Community Grants Policy</i> <i>Cross Sector Working Group Good Practice Guidelines</i>

## 1. Summary

This Policy details how Cheshire East Council intends to support infrastructure organisations, which assist the Voluntary, Community and Faith Sector (VCFS), across Cheshire East to achieve their aims and objectives from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017

Previous grant funding has enabled organisations to deliver a wide range of actions for the benefit of local communities. For example :-

Community and Voluntary Services Cheshire East (CVSCE) has been able to;

- Support 352 existing and 11 new organisations with their development
- Carry out over 1690 advice sessions
- Deliver 24 separate training sessions
- Hold a good practice conference with 90 attendees from a range of agencies and organisations

- Develop and implement the GRIPP good practice toolkit to help benchmark performance within organisations, identify areas for improvement, and focus help and support. Support 44 organisations with 51 funding bids worth £2.4 million
- Facilitate the Cross Sector Working Group and develop a stronger voice for the sector
- Email the fortnightly 'Voice News' to over 2200
- Support volunteering good practice and encourage volunteering, advertise volunteering opportunities and handle over 1000 applications from interested volunteers

Cheshire Community Action (CCA) has been able to;

- Focus work in priority rural areas of Audlem, Brereton Rural, Bunbury, Haslington, Odd Rode, Sutton, Wrenbury and Wybunbury and develop an informed network of support
- 34 registered volunteers have supported over 100 people with issues related to accessing services due to rural isolation
- Recruit volunteers to support delivery of the Community Agent project, and train them in specialist areas such as befriending
- Register 5 volunteers as Digital Learning Champions

## 2. Introduction

### 2.1 Background

Infrastructure organisations are those organisations that act as an 'umbrella' organisation for a wide membership and are a first point of contact for partner organisations. Organisations have been in receipt of annual grant funding to support their core objectives since at least 2010.

The Partnerships and Communities Manager manages the Council's budget for supporting infrastructure organisations.

### 2.2 Purpose of Grant Funding

Grant funding has supported organisations to deliver a core provision of services, thereby enabling CEC to fulfil its corporate objectives. Funding has been provided to increase the capacity and capability of the VCFS across Cheshire East, and help them to understand and meet the needs of their communities for the wider benefit of all residents within Cheshire East. Outcomes have been achieved through the provision of advice and guidance, targeted support, outreach services, training and development and other agreed activities. Benefits to date include:-

- Large number of member organisations supported with development advice and funding bids
- Delivery of specialist training sessions on wide range of subjects
- Knowledge sharing across the VCFS and with partner agencies through good practice conferences
- Development and implementation of the GRIPP good practice toolkit
- Facilitation of the Cross Sector Working Group

- Fortnightly 'Voice News' emailed to over 2200
- Support with volunteering good practice , encouraging volunteering and advertising volunteering opportunities with
- Access to skills and expertise relating to rural issues such as community planning, neighbourhood planning, village hall developments, community land trusts
- Developing informal support networks
- Targeted work in priority rural areas

Infrastructure Organisations are able to support and enhance the valuable grassroots work of their members in local communities, and thereby add significant value to the work of the Partnerships and Communities Team through positive contact and direct action, networking and provision of valuable social assets. Providing support for infrastructure organisations is vital to ensure that the VCFS remains strong and can achieve their aims.

### 3. Delivery

#### 3.1 Funding Criteria and Eligibility

Funding is only available to infrastructure organisations that can support the VCFS to achieve their aims and outcomes.

Within the Cheshire East area it has been determined that both Community and Voluntary Services Cheshire East (CVSCE) and Cheshire Community Action (CCA) meet the eligibility criteria for grant funding. These organisations provide high quality specialist and localised support and services to the broad VCF sector across the geography of Cheshire East, and strategic support to partner agencies and organisations in both the statutory and private sector.

In order to be successful it is expected that infrastructure organisations will:

- **Identify and fill the gaps** – equipping the VCFS to tailor their services to the changing needs of the community.
- **Raise standards** – by providing access to information, training and quality assurance standards, ensuring the VCFS have the knowledge, skills and resources they need to support the local community.
- **Enable communication and collaboration** - encouraging the VCFS to share resources and to work collaboratively, by providing opportunities to network, and enabling them to share good practice and expertise.
- **Provide a voice** – acting as a conduit and represent the diverse views of the VCFS to the Councils (Borough and Local) and other public bodies. Promote and facilitate two-way communication and consultations so that the VCFS can contribute to discussions and decision-making at a local level.
- **Promote strategic involvement** – encouraging the VCFS to engage in strategic partnerships and actively work with representatives from partner organisations to ensure they are able to identify and seek joint measures to resolve key local issues.

- **Prepare for a commissioning approach** - to ensure that infrastructure organisations can be funded to meet the needs of their members and in the best way using the resources available.

There are no further infrastructure organisations operating within the Cheshire East area that are able to meet the above criteria.

### **3.2 Funding Process**

The budget is managed by the Partnerships and Communities Manager in the budget year 2016/17. Changes to funding have been decided by the Partnerships and Communities Manager as the budget holder, in consultation with the Department's Portfolio Holder.

Grant funding from 1<sup>st</sup> April 2016 until 31 March 2017 has been agreed as £163,000. This will be divided between Infrastructure Organisations who have been previously funded as follows: -

- £147,000      CVS Cheshire East
- £16,000      Cheshire Community Action

Equality Impact Assessment Screening is carried out annually on all funding changes and if necessary full Equality Impact Assessments undertaken in line with the Council's policy.

### **3.3 Funding Agreement and Monitoring**

Organisations in receipt of funding will be required to sign an annual funding agreement, which will set out expected outputs and outcomes up to 31 March 2017 and provide clear monitoring and reporting arrangements for the financial year.

Funding is paid half yearly, with 50% of the annual allocation being paid from April (as long as ongoing monitoring reports are up to date) and the remainder paid from October. This is upon receipt of satisfactory half yearly reports, or as soon as possible after the receipt of the necessary reports.

## **4. Development in 2016 and support from 2017**

### **4.1 Key Issue**

Cheshire East Council needs to determine what we require from the Voluntary, Community and Faith Sector in order to meet our corporate objectives and how they can best support us.

There are challenges to be addressed in terms of understanding the varied contracts that these organisations will hold from differing areas of the council, and how Cheshire East Council can take steps to reduce unnecessary duplication, save costs and thereby commission more effective and streamlined services.

This is a long term piece of work that will need scoping out and consideration. It is therefore recommended that this policy is agreed for one year whilst a number of policy reviews are carried out on some existing strategies and work is underway to develop new policies. This will allow us

to improve on good work and remove policy that is no longer relevant or fit for purpose, so that we can meet our corporate priorities in more effective ways. Reviews include the Sustainable Community Strategy, and Health and Wellbeing Strategy. This policy will be subject to review as will the funding

### ***4.2 Additional Requirements***

During 2016 it is proposed to develop and agree a VCF Sector Commissioning Framework that will recognise the skills and expertise provided by infrastructure organisations, and enable a transparent approach that will provide funding over a 3 year period and in compliance with any State Aid restrictions. In addition, it is proposed to develop and agree a Cheshire East Social Value Strategy that will provide an additional rationale for providing funding to infrastructure organisations and the VCF Sector.

### ***4.3 Evaluation and Review***

In order to move forward effectively it will be crucial to consult widely with all stakeholders so we have an understanding of what Cheshire East Council expects from the VCF sector and what in turn they are able to deliver in terms of our ambitions.

Working with infrastructure organisations, we will hold a consultation workshop in 2016 with representatives from the VCFS to outline our strategic approaches and to ask them to start consider ways in which they can add value to our key priorities, through tendering their services when we commission for pieces of work.

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## CHESHIRE EAST COUNCIL

### Cabinet

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<b>Date of Meeting:</b>	23 <sup>rd</sup> February 2016
<b>Report of:</b>	Steph Cordon, Head of Communities
<b>Subject/Title:</b>	Proposal for support to Local Councils 2016/17
<b>Portfolio Holder:</b>	Cllr L Gilbert, Communities

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#### 1. Report Summary

1.1 As a Resident's First Council, Cheshire East Council recognises the important and growing role that Town and Parish Councils (Local Councils) have as democratically elected bodies who serve the needs of their local communities. As there are increasing opportunities through devolution for Local Councils to undertake delivery of services and manage assets it is appropriate that we have a proposal which sets out how Cheshire East Council intends to provide funding to enable support for Town and Parish Councils (Local Councils) for 2016/17, and in order to help them to meet outcomes from our corporate priorities.

1.2 It is expected that the support provided to Local Councils will:-

- Identify any remaining unparished areas to be 'parished'
- Provide support to newly established councils and access to information, specialist training and quality assurance standards.
- Promote the NALC Local Council Award Scheme and support all local councils to improve and develop to meet their full potential.
- Review and promote the Code of Conduct
- Encourage Local Councils to share resources and to work collaboratively, and enable them to share good practice and expertise.
- Act as a conduit and represent the diverse views of Local Councils to the Borough Council and other public bodies
- Facilitate two-way communication and consultations so that Local Councils can contribute to discussions and decision-making.
- Support parish councils in making representation to CEC on strategic issues and ensuring that any particular duties and powers are appropriately followed
- Actively support uptake and monitor the number of local councils qualified under the General Power of Competence
- Encourage local councils to engage with voluntary and community groups, and develop joint working practices to address local needs and priorities

- 1.3 This report also proposes the development and implementation of a Local Councils Charter. This will set out expectations and agreements between democratically elected tiers of government, and will help to define and improve our relationship with each other.

## **2. Recommendations**

- 2.1 To agree the proposal for support for Local Councils.
- 2.2 To agree to award funding of £14,213 for 2016/17 to Cheshire Association of Local Councils (ChALC) in order to support Local Councils for purposes as specified in the Proposal.
- 2.3 To agree to the development and implementation of a Local Councils Charter in 2016

## **3. Other Options Considered**

- 3.1 Funding support could be withdrawn. However, without the appropriate notice period infrastructure organisations that support local councils would have a limited opportunity to adjust their plans, and it would significantly reduce their ability to meet the required outcomes.
- 3.2 A reduction in overall grant funding could be considered, as in previous years, by a small annual cut. This may not be sustainable as it has been established that further cuts could not be absorbed without reducing services or staff posts.

## **4. Reasons for Recommendations**

- 4.1 There are increasing opportunities available for Local Councils to take control of services and assets within their local areas, through transfer of assets and devolution of services.
- 4.2 There are many examples of successful transfers made to Local Councils allowing communities to take control and be responsible for the delivery of services at a local level to maximise community benefits. These include: -
  - 4.2.1 Congleton, who are now responsible for the Town Hall
  - 4.2.2 Audlem, who have taken over the public toilet block in the centre of the village
  - 4.2.3 Nantwich, who now run the Civic and Market Halls
  - 4.2.4 Wilmslow and Crewe are now responsible for local allotment sites
- 4.3 Local Councils have helped in the development of the Local Plan by supporting and taking part in consultation events and providing feedback. A number of local councils are also undertaking the development of Neighbourhood Plans, in order to help shape and influence infrastructure in

the future. This is influenced by a strong legacy of community plans, village design statements and housing needs assessments that many local councils have undertaken in the past in order to understand the needs and priorities within their local communities.

- 4.4 In order to have the confidence and skills to pro-actively pursue and manage effective local governance and increase scope to undertake additional activities for the benefit of their local communities, local councils need to have well-trained and qualified clerks and councillors.
- 4.5 Previous funding support has been provided to ChALC through a more general Policy for Infrastructure Organisations. However, this has not recognised the different and more specialised nature of support that is required in order to effectively serve democratically elected bodies with statutory duties and powers.
- 4.6 ChALC is part of a national network that provides support to Local Councils and is the only provider in Cheshire. The proposal sets out our approach to provide grant funding for 2016/17.
- 4.7 DCLG would like to see more local councils qualified under the General Power of Competence as this is useful to increase their scope if devolution takes place. There are examples of parishes setting up charitable trusts to deliver services and accessing new models of community finance, and greater networking opportunities available for councillors and clerks through 'My Community'
- 4.8 A Local Council Charter between Cheshire East Council and Cheshire East Local Councils was established in 2005 under Cheshire County Council. The Charter aims to set out protocols to enhance and develop collaborative working between the Parish and Town Councils and Parish Meetings and Cheshire East Council acknowledging that each play a valuable role in local democracy and service provision. It also sets out principles by which the two tiers of local government can work together in partnership to deliver services, influence policy decisions and overall improve the quality of life for those living, working and visiting in the area. A draft Charter has been prepared during 2015 as an outcome of the funding agreement for 2015/16.
- 4.9 During 2016 a number of policy reviews will be carried out on some existing strategies and new ones will be developed. This will allow us to improve on good work and remove policy that is no longer relevant or fit for purpose, so that we can meet our corporate priorities in more effective ways. Such documents include : - the Sustainable Community Strategy, Health and Wellbeing Strategy, Social Value Strategy as well as the VCF Commissioning Framework
- 4.10 It therefore makes sense to conduct a review and redevelopment of the Local Council Charter at the same time, so a renewed and fit-for-purpose Charter can be informed by changes made to these policies and also help shape their aims and objectives.

- 4.11 It is intended that the chief outcome of such a review will be robust Charter supported by policy that will deliver appropriate funding and in the appropriate way for the support of Local Councils from 2017 onwards.
- 4.12 The Principal Manager for Partnerships and Communities manages the Council's budget for supporting infrastructure organisations. The level of funding available has been decided by the Principal Manager as the budget holder, in consultation with the Department's Portfolio Holder. Funding will be used to achieve the following outcomes on 2016/17 : –
  - 4.12.1 Local Councils have well trained and qualified clerks and councillors
  - 4.12.2 Remaining unparished areas to be identified and evidence of support towards parishing them
  - 4.12.3 Implementation of the Local Council Award Scheme
  - 4.12.4 Opportunities for parishes to network together
  - 4.12.5 Development of shared resource or collaboration schemes
  - 4.12.6 Local councils are signed up to the Code of Conduct
  - 4.12.7 Local Councils are actively looking to take on additional services/duties and work collaboratively through the General Power of Competence

## **5. Background/Chronology**

- 5.1 ChALC has previously received grant funding from Cheshire East Council. This support has been informed by a general Support for Infrastructure Organisations Policy, which has outlined the funding criteria required, and the expected outcomes.
- 5.2 Previous grant funding has enabled ChALC to support local councils and helped them achieve a number of outcomes for the benefit of local communities including:- well trained and supportive parish clerks and councillors, take up of the Code of Conduct, support for the parishing of unparished areas e.g. Hulme Walfield and Somerford Booths Parish Council; developing Rural Forums to look at issues such as planning, partnership working with other agencies and maintaining strategic relationships with Cheshire East Council and other statutory organisations.

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

- 6.1.1 The recommendations relate to all wards and ward members within Cheshire East

## **7. Implications of Recommendation**

### **7.2. Policy Implications**

- 7.2.1. Positive Impact

### 7.3. Legal Implications

7.3.1 In deciding whether to directly award a grant consideration must be given to the facts and circumstances in which a direct grant award is being proposed and be satisfied that in making a direct award the Council is meeting its public law duties.

7.2.2 The Council has the powers to award a grant to support the organisations using its general power of competence in Section 1 of the Localism Act 2011. In exercising the power to the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably.

7.2.3 There is currently no overarching Council policy/framework by which grant funding should be allocated and in principle a direct grant award can be made. The proposal for Support to Local Councils sets out how Cheshire East Council intends to provide support to assist Local Councils across Cheshire East to achieve their aims and objectives, from 1st April 2016 to 31st March 2017. In the event only one organisation, the Cheshire Association of Local Councils (ChaLC) is to receive this funding.

7.2.4 In awarding a grant the Council cannot exhibit the same amount of control over the organisation as is commensurate with a contract. Essentially the terms of the grant should set out what the purpose of the grant is for and only claim claw back provisions in the case of the grant funding being used for other purposes or otherwise improperly. The Council will not be able to assess the quality of the services that are being provided and determine to withdraw grant funding on that basis (except at the end of the period of the grant funding).

7.2.5 Consideration must be given to State Aid implications of directly awarding a grant.

7.2.5.1 State Aid rules apply where:

- State resources are involved
- The beneficiary is involved in economic activity
- The beneficiary could get an advantage that they cannot normally get from the market
- The services are theoretically tradable across the Member states.

A scheme must meet all four of the above criteria in order to be considered to be State Aid. It is arguable that given the nature of the activity is such that it would not be of interest to other member states.

7.2.6 The proposal for Support to Local Councils sets out how the Service has determined that the recipients (ChaLC) is able to meeting the Council's criteria for funding. It goes on to state that no other organisations operating within the Cheshire East area are to meet the criteria. In the event of a challenge, the

policy provides some evidence to support the view that the beneficiaries are not being given an advantage (on the basis there is no market) a grant award is not State Aid.

7.2.7 Payments which are less than the State Aid De minimus threshold (200,000 euros in any rolling three year period) can be made lawfully in any event. However, all sums received by a recipient in a three year rolling period are taken into account.

7.2.7 It is noted that the Service are carrying out a policy review in the next financial year by which to determine how to support Local Councils in the future. Procurement of services via contracts or the implementation of a competitive grant procedures will potentially negate State Aid issues in the future.

7.2.6 Continuing to provide support to the identified recipient to deliver specialist advice and guidance during 2016/17 whilst this review takes place will ensure projects will continue to be delivered and expertise will be retained.

**7.4. Financial Implications**

7.3.1 The recommendations will enable a grant award of £14,213 for 2016/2017 to be funded within existing budget provision.

**7.5. Equality Implications**

7.5.2. Positive impact. Support to Local Councils provides advice, guidance and examples of good practice.

**7.6. Rural Community Implications**

7.6.2. Positive Impact. The provider will work closely with rural Local Councils to provide support, advice and guidance

**7.7. Human Resources Implications**

7.7.2. Resources have been provided as part of existing staff job roles

**7.8. Public Health Implications**

7.8.2. There are no Public Health Implications

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

7.9.2. There are no other implications

## **8. Risk Management**

- 8.2. The risk of not agreeing the proposal is that a considered approach to providing funding against clear outcomes and timescales may not be agreed, and funding is unable to be released
- 8.3. Furthermore, the risk of not being able to fund means that the local councils may not receive the specialised support they require in order to deliver a quality service, resulting in a loss of benefit to the communities they serve

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

- 9.2. Papers are attached as follows: -
- 9.2.2. Proposed Support to Local Councils

## **10. Contact Information**

Contact details for this report are as follows:-

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# Support for Local Councils

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## 1. Introduction

- 1.1 This proposal details how Cheshire East Council intends to support Cheshire Association of Local Councils (ChALC), which provides assistance to Town and Parish Councils (Local Councils) across Cheshire East, from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

## 2. Background

- 2.1 ChALC is an infrastructure organisation that acts as an 'umbrella' organisation for a wide membership, and is a first point of contact for partner organisations. They were originally grant funded by Cheshire County Council and then have been in receipt of annual grant funding to support core objectives since the inception of Cheshire East Council in 2009.
- 2.2 Previous grant funding has enabled ChALC to deliver a wide range of actions for the benefit of local councils and the communities they serve. For example : -
- Develop closer partnership working between local town and parish councils and community and voluntary organisations
  - Work on the Code of Conduct and keep the ChALC database up to date
  - Facilitate the new deal with local councils and support resilient communities through a regular training programme for clerks and councillors
  - Encourage Local Councils to consider the take up the General Power of Competence so they are better placed to take on additional assets and services
  - Support the parishing of unparished areas– in particular the community governance review in Macclesfield
  - Supported newly established councils such as reformed Hulme Walfield and Somerford Booths Parish Council
  - Promote the new Local Council Award Scheme (formerly Quality Council Scheme)
  - Work in partnership with CEC and assist with the Parish Conference in May 2014
  - Develop and deliver a comprehensive training programme to local councils such as planning and the countryside, HR and events and volunteers, social media
- 2.3 The Partnerships and Communities Manager manages the Council's budget for supporting infrastructure organisations, including ChALC.

## 3. Purpose of Grant Funding

- 3.1 Grant funding has supported ChALC to deliver a core provision of services, thereby enabling the first tier of local government to help CEC meet its corporate objectives. Funding has been provided to increase the capability and expertise of Local Councils across Cheshire East, so they can better understand and meet the needs of their local communities as residents within Cheshire East.

- 3.2 Outcomes have been achieved through the provision of advice and guidance, targeted support, outreach services, training and development and other agreed activities. Benefits to date include:-

- Delivery of specialist training sessions on wide range of subjects
- Closer partnership working developed between local town and parish councils and community and voluntary organisations
- Improved governance, awareness and working to implement the Local Council Charter and Local Council Award Scheme
- Local Councils encouraged to take up the General Power of Competence so they are better placed to take on additional assets and services
- Support for the parishing of unparished areas and newly established councils

- 3.3 ChALC is able to support and enhance the valuable work of their members in local communities, through positive contact and direct action, networking and provision of valuable social assets. Providing support for ChALC supports the infrastructure arrangements for local councils, enabling Local Councils to develop and and strengthen their role to achieve their aims.

## 4. Funding Criteria

- 4.1 Funding is only available to support Local Councils to achieve their aims and outcomes. In order to be successful it is expected that ChALC will:-

- **Identify and fill the gaps** – identifying any remaining unparished areas to be ‘parished’
- **Raise standards** – by providing support to newly established councils and access to information, training and quality assurance standards, so that Local Councils have the knowledge, skills and resources they need to provide effective first tier governance for the benefit of their local communities.
- **Promote the NALC Local Council Award Scheme** – which provides a framework to support all local councils to improve and develop to meet their full potential.
- **Review and promote the Code of Conduct** – monitor number of local councils adopting the Code, review and update the current Code and promote
- **Enable communication and collaboration** - encouraging Local Councils to share resources and to work collaboratively, by providing opportunities to network, and enabling them to share good practice and expertise.
- **Provide a voice** – acting as a conduit and represent the diverse views of Local Councils to the Borough Council and other public bodies. Promote and facilitate two-way communication and consultations so that Local Councils can contribute to discussions and decision-making.
- **Promote strategic involvement** – supporting parish councils in making representation to CEC on strategic issues and ensuring that any particular duties and powers are appropriately followed
- **General Power of Competence** - actively support uptake and monitor the number of local councils qualified under GPOC

- **Promote partnership working** – encouraging local councils to engage with voluntary and community groups, and develop joint working practices to address local needs and priorities
- **Support consultation on the Local Councils Charter** during 2016

## 5. Funding Process

- 5.1 The budget is managed by the Partnerships and Communities Manager in the budget year 2016/17. Changes to funding have been decided by the Partnerships and Communities Manager as the budget holder, in consultation with the Department's Portfolio Holder.
- 5.2 Grant funding for 2016/17 has been agreed at £14, 213. This is at the same level as funding for 2015/16. It should be noted that future funding will not be exempt from cuts.
- 5.3 Equality Impact Assessment Screening is carried out annually on all funding changes and if necessary full Equality Impact Assessments undertaken in line with the Council's policy.
- 5.4 ChALC will be required to sign an annual funding agreement, which will set out expected outputs and outcomes for 2016/17 and provide clear monitoring and reporting arrangements for the financial year.
- 5.5 Funding is paid half yearly, with 50% of the annual allocation being paid from April (as long as ongoing monitoring reports are up to date) and the remainder paid from October. This is upon receipt of satisfactory half yearly reports, or as soon as possible after the receipt of the necessary reports.

## 6. Development in 2016 and support from 2017

- 6.1 Cheshire East Council needs to determine what we require from Local Councils, as democratically elected organisations, in order to meet our corporate objectives. We need to determine what benefit is provided through funding ChALC, and how the organisation is able to support us to obtain best value with regard to the above.
- 6.2 In order to move forward effectively, as a first step it will be important to consult with local councils to find out: -
  - What benefits they have received as the result of previous funding that ChALC has received,
  - What barriers they have encountered or why they have not taken up membership or services
  - What improvements or additional services they would like.
- 6.3 During 2016 it is also proposed to develop and agree a Local Councils Charter that will set out the principles by which the two tiers of local government can work together in partnership to deliver services, influence policy decisions and overall improve the quality of life for those living, working and visiting in the area.

- 6.4 This is a piece of work that will need scoping out and consideration. It is therefore recommended that this funding proposal is agreed for one year. Once a baseline has been established, this will inform any future direction and funding agreement from 2017 onwards
- 6.5 A number of policy reviews will be carried out on some existing strategies in 2016, and work is underway to develop new policies and approaches to funding. This will improve on good work and remove any policy that is no longer relevant or fit for purpose, so that corporate priorities can be met in more effective ways.
- 6.6 Reviews include the Sustainable Community Strategy, and Health and Wellbeing Strategy. In addition, it is proposed to develop and agree a Cheshire East Social Value Strategy that will provide an additional rationale for providing funding to infrastructure organisations, such as ChALC, and the broader VCF Sector.