

Cabinet Agenda

Date: Tuesday, 5th December, 2017
Time: 2.00 pm
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

It should be noted that Part 1 items of Cheshire East Council decision-making meetings are audio recorded and the recordings are uploaded to the Council's website.

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

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

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

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

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

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

4. **Questions to Cabinet Members**

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

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

5. **Minutes of Previous Meeting** (Pages 5 - 18)

To approve the minutes of the meeting held on 7th November 2017.

6. **Council Tax Base 2018/19 - Domestic Rates** (Pages 19 - 24)

To consider a report which sets out the Council Tax base calculation for 2018/19 for recommendation to Council.

7. **Non-Domestic Rates Taxbase 2018/19** (Pages 25 - 32)

To consider a report on the Non-Domestic Rates Taxbase for 2018/19.

8. **North West Crewe Package Scheme Delivery and Funding** (Pages 33 - 46)

To consider a report which sets out a proposed delivery and funding strategy for the North West Crewe Package Scheme.

9. **Commissioning of Accommodation with Care (Residential and Nursing Care Homes)** (Pages 47 - 58)

To consider a report which sets out the rationale for commissioning accommodation with care provision for existing and future residents of Cheshire East.

10. **Commissioning of Care at Home (Domiciliary Care)** (Pages 59 - 72)

To consider a report which sets out the rationale for re-commissioning care at home provision for adults and older people with low level, non-complex care and support needs residing in Cheshire East.

11. **Respite Review and Re-commissioning** (Pages 73 - 80)

To consider a report which asks Cabinet to endorse the development of a new model as the basis to recommission respite care.

12. **Partnership Agreement with Cheshire West and Chester Council for the delivery of Healthwatch Cheshire** (Pages 81 - 86)

To consider a report on a proposed partnership arrangement to deliver the statutory requirements of a Local Healthwatch and Independent Health Complaints Service across the footprint of Cheshire East and Cheshire West and Chester Borough Councils.

13. **Substance Misuse Service Re-commissioning** (Pages 87 - 98)

To consider a report on the provision of a new model for Substance Misuse Services in Cheshire East.

THERE ARE NO PART 2 ITEMS

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 7th November, 2017 at Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor L Wardlaw (Chairman)

Councillors A Arnold, P Bates, J Clowes, J Saunders and D Stockton

Members in Attendance

Councillors G Baxendale, J Bratherton, D Brown, S Corcoran, L Durham, S Edgar, R Fletcher, S Gardiner, S Hogben, A Kolker, R Menlove, J Nicholas, J Rhodes, B Roberts, A Stott, B Walmsley, M Warren and G Williams

Officers in Attendance

Frank Jordan, Peter Bates, Mark Palethorpe, Dan Dickinson, Jan Willis, Andrew Ross and Paul Mountford

Apologies

Councillors Rachel Bailey (Leader of the Council) and J P Findlow, and Kath O'Dwyer, Acting Chief Executive.

Councillor L Wardlaw, Deputy Leader of the Council, welcomed everyone and announced that in the Leader's absence she would be chairing the meeting.

69 DECLARATIONS OF INTEREST

There were no declarations of interest.

70 PUBLIC SPEAKING TIME/OPEN SESSION

David Reeves, Managing Director of D&G Bus Ltd., spoke in relation to the Supported Local Bus Service Review and specifically the decision by the Council not to re-tender unaffected services which he felt was unacceptable on the basis that some operators would benefit from the decision not to re-tender unaffected services. He felt that all services included in the Supported Bus Service Review should be put out to competitive tenders. The Portfolio Holder for Finance and Communication, as the Cabinet member now responsible for the review, replied that it would be inappropriate to comment at this stage as it was not possible to say which services would need to be retendered until the matter had been considered by Cabinet later in the meeting.

Carol Jones was concerned at the proposed withdrawal of the weekday evening bus service 6E from Brookhouse to Leighton Hospital. She said that this service was crucial to people's health and wellbeing and that

there were cost-effective alternatives which would allow the service to continue. She also criticised the way in which the public consultation had been carried out.

Andrew Needham of CPRE Cheshire commented that the figures quoted in the Government's consultation document on the options for the Crewe HS2 Hub and the Council's response were not BCR (benefits to costs ratio) but rather net transport benefits. In order to work out BCR it was necessary to know the capital cost. In this respect he commented that Scenario 3 as outlined in the document would require a new Junction at Wimboldsley/Stanthorne/Minshul Vernon, the capital cost of which was not known but could be as much as £1bn. Accordingly he believed it was quite possible that Scenario 1 and Scenario 2 would have a better benefits to cost ratio. Mr Needham also referred to a recent public meeting at which Esther McVey MP appeared to question the need for HS2. The Chairman undertook to provide a written reply.

Jonathan Parry of Middlewich Town Council had submitted a question which had been received after the deadline for questions. In view of the weight of business before Cabinet and the lateness of the question, the Chairman was not minded to accept the question. However, as the question had been asked and answered on a number of previous occasions, the Chairman undertook to provide Councillor Parry with a written response.

Sinead Wheeler referred to the bus consultation report considered by the Environment and Regeneration Overview and Scrutiny Committee at its meeting on 23rd October 2017. The report had been circulated to follow and members had only one working day's time in which to read the 264 page document which would have a serious impact on the lives of thousands of residents. She commented that the report contained numerous anomalies and contradictions and that the proposals would result in many people losing their bus links to employment, health and social support. She called on Cabinet to defer a decision on the bus consultation report as she felt that the process leading to its consideration by the Overview and Scrutiny Committee had been wholly unsatisfactory. She also commented on an unrelated matter concerning a payment of £2.4M to ANSA and asserted that this had been a write-off and not a loan.

Terry Price of Twemlow Parish Council expressed concern at the withdrawal of the 319 bus service (Sandbach – Holmes Chapel – Goostrey), with an alternative service to Twemlow between 11.00 am and 3.00 pm which was an excessively long period of time for some pensioners. In addition, people in Twemlow, Goostrey, Cranage and the surrounding area would be unable to visit the doctors surgery.

Mike Blomeley of Holmes Chapel Parish Council, whilst welcoming the continuation of the 42 bus service, stressed the need for evening services to be maintained, particularly for hospital appointments, and felt that leaving this to the tendering process was unsatisfactory. He was

disappointed with the decision to withdraw the 319 service which he said was a vital service for isolated communities and particularly elderly residents who would be denied access to essential services.

Hazel Faddes commented that following the supported bus service review, a number of bus routes with relatively low numbers of passengers and which had attracted a relatively small number of responses during the consultation process were now being retained whilst a number of other routes with many more passengers and which had attracted a significantly larger number of consultation responses were being reduced and retendered. She felt that this was unfair and questioned the reasoning behind it.

The Chairman thanked all the speakers for attending the meeting.

71 QUESTIONS TO CABINET MEMBERS

Councillor J Bratherton questioned the usefulness of the Cheshire East Homelessness Strategy which she said contained no practical solutions. She asked when it would be submitted to the overview and scrutiny committee for detailed consideration. She also asked about the role and function of the Homelessness team and what support was being offered to those in greatest need. Finally, she expressed disgust at a notice produced by ANSA in co-operation with the Homelessness Team and left under the old library building in Crewe which indicated that any belongings left there would be removed and destroyed. The Portfolio Holder for Housing, Planning and Regeneration responded that the Housing Team as a whole were immensely caring people and provided a range of services to support the homeless. He added that ANSA had given an apology for the notice posted under the old library building, the wording of which had been ill-judged. He would be more than happy to discuss the Council's Homelessness Strategy and the work of the Homelessness Team further with Councillor Bratherton outside the meeting.

Councillor B Walmsley referred to proposed changes to the No 37 bus service (Crewe – Sandbach – Middlewich – Winsford) and urged the Council not to leave Middlewich cut off. Residents of the town had to travel elsewhere to access post 16 education and leisure and entertainment facilities and the bus service was therefore vitally important.

Councillor M Warren referred to a proposal in the Macclesfield Movement Strategy approved by Cabinet in October 2014 to establish a local member forum to review the delivery of the Strategy. He asked if local members could be given an opportunity to review progress with the Strategy before any further works were undertaken and if the local member forum could now be appointed. The Portfolio Holder for Environment indicated that he was happy to discuss the matter with local members and he undertook to provide a written response.

Councillor S Corcoran welcomed the independent review of the Council's culture and asked if the Deputy Leader could give some reassurance to staff on how they could participate in the review without fear of repercussions and without their identity being revealed. He also asked if the Deputy Leader would agree that any member who revealed information about a vulnerable member of staff should not hold a position of authority in the Council. He added that the review should be conducted on a cross-party basis. The Deputy Leader responded that the review would be an independent review and that there would be various ways in which members of staff could make their views known whilst protecting their anonymity and privacy.

Councillor S Hogben commented that during consideration of the budget at the Council meeting in February 2017, an amendment had been moved that during 2017/18 the Council consult on a compulsory residential landlord licensing scheme for all privately-let residential accommodation in Cheshire East, including all houses in multiple occupation (HMOs), the administration of the scheme to be cost-neutral, with its set-up and running costs to be covered by income from licence and inspection fees within the forthcoming three year budget cycle. The amendment had been withdrawn after the then Portfolio Holder for Finance and Assets undertook to submit a report on the matter to a future Cabinet meeting. Councillor Hogben asked what progress had since been made. The Portfolio Holder for Housing, Planning and Regeneration undertook to provide a written response by the end of the week.

Councillor A Stott referred to the review of supported bus services and asked Cabinet members to support the suggestion referred to in the report that extending the hours of operation of Route F be incorporated into the proposals.

72 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 10th October 2017 be approved as a correct record.

73 SUPPORTED LOCAL BUS SERVICE REVIEW - PROPOSALS FOR IMPLEMENTATION

Cabinet considered a report on the outcome of the bus service review and an approach to implement a new network of supported local bus services for Cheshire East.

A comprehensive public consultation had been completed, based upon on a consulted network of supported bus routes. The Consultation Summary Report was attached as Appendix 3 to the report. It was recommended that a set of modifications be made to the routes as consulted on in order to better reflect the needs of residents as identified during the public

consultation. A summary of the resulting network and the changes from the consulted network was attached at Appendix 1 to the report.

The recommended approach could require some relaxation of the funding targets stated in the Medium Term Financial Strategy. The approach would realise savings in excess of £1m in 2018/19 whilst responding positively to issues raised in the consultation.

The Portfolio Holder for Finance and Communication reported the recommendations of the Environment and Regeneration Overview and Scrutiny Committee at its meetings on 23rd October and 2nd November 2017 as appended to these minutes.

RESOLVED

That Cabinet

1. approves the proposals for the new network of supported local bus services as set out in the report, as a basis for commencement of a suitable procurement process;
2. authorises the Executive Director of Place, in consultation with the Portfolio Holder for Finance and Communication, to finalise costed proposals for the network proposals, to commence from April 2018 subject to satisfactory tender returns from operators;
3. subject to the outcome of the procurement process, agrees that the Executive Director of Place, in consultation with the Portfolio Holder for Finance and Communication, identify any additional enhancements to the proposals for supported local bus services, informed by the evidence base from this review and public consultation and taking into account the Medium Term Financial Strategy; and
4. notes that any material changes to the proposals arising as a result of the procurement process will be reported to Cabinet at the appropriate time, for instance, should any route attract no bids or there are significant changes to the commercial bus network.

74 CREWE HS2 MASTERPLAN

Cabinet considered a report which sought authority to launch a consultation on the draft HS2 Masterplan Vision for Crewe.

The draft Masterplan vision provided a strategic framework for the town, showing how development and infrastructure interventions could be delivered over time to capture the local growth and transformative benefits of HS2 and the Crewe hub station, thus acting as a catalyst for growth and regeneration for Crewe. The outputs of the draft Masterplan Vision would also inform the Constellation Partnership Growth Strategy.

The report also sought the approval and authorisation of Cabinet to the proposed consultation and stakeholder engagement plans as set out in the report.

RESOLVED

That Cabinet

1. authorises the Executive Director of Place to commence a full public consultation on the draft Masterplan Vision for Crewe;
2. authorises the Executive Director of Place to enter into engagement with key stakeholders groups regarding the draft Masterplan Vision;
3. approves the use of the draft Masterplan Vision to inform the Crewe Hub Station Campus Integrated Study including the hub station design;
4. notes the potential future consideration of any necessary changes to planning policy that may be required to support the implementation of the Masterplan Vision; and
5. notes that a final Masterplan for Crewe will be presented to Cabinet following any responses from the public consultation being received.

75 STRATEGIC EVENTS

Cabinet considered a report presenting the Strategic Events Framework for consideration as an important pillar in delivering the Council's strategic priority of 'Quality of Place'.

The Framework at Appendix 1 to the report set out the Council's priorities with regard to strategic events – events which had the potential to generate visitors, economic value, inward investment and place marketing benefits, as well as helping to achieve council outcomes and to support or celebrate local communities. The Framework would also help to guide the strategic approach of the Council's partners and stakeholders, national agencies, the voluntary sector, commissioners of public services and event organisations.

RESOLVED

That Cabinet

1. endorses the Strategic Events Framework for delivery from April 2018; and
2. delegates decisions made within the Framework to the Head of Rural and Cultural Economy in consultation with the Portfolio holder responsible for Culture and Visitor Economy at the time, in line with financial regulations.

76 CONNECTED COMMUNITIES - CONNECTED TO DECISION-MAKING

Cabinet considered a report setting out a work plan on how Cheshire East Council could apply the principles of Participatory Budgeting in the mainstream commissioning cycle to allow communities to be better informed and part of the decision-making process.

RESOLVED

That Cabinet

1. notes how the principles of Participatory Budgeting can be used to inform mainstream commissioning and to ask Cabinet;
2. endorses the existing Open Data and Transparency agenda, including formally launching the website and committing existing resources (staff) to achieve this, as well as launching a collaboration with residents to help prioritise the publication of Open Data items, similar to the award winning Back Hacked;
3. acknowledges the range of community partnerships and networks that have been established across the Borough in towns and areas of deprivation;
4. recognises the importance of Community Development work to support and establish resident-led initiatives, and recognising that this work is supported and needs intelligence to provide evidence-led decisions; and
5. notes that the Council will need new community-led approaches to develop community-based solutions that will support the Council to overcome challenges (such as the increasing demand on services such as Adult Social Care), which will result in enhanced community empowerment.

77 CHESHIRE EAST INTEGRATED CARERS HUB

Cabinet considered a proposal to develop an all age (Young Carers and Adult Carers) Integrated Carers Hub for Cheshire East.

The development of an Integrated Carer's Hub model was an integral part of the Carers Strategy and Delivery Plan and contributed to a 'Whole System Redesign' for Carers outcomes, services and pathways. The service would provide a single point of contact for Carers, professionals and the community across the whole of Cheshire East offering both access to a range of intervention and support services, and a route through to other appropriate support services.

RESOLVED

That Cabinet

1. approves the development of a Cheshire East Integrated Carers Hub to provide a single point of contact for carers of all ages through the coordination and delivery of a wide range of services;
2. delegates authority to the Executive Director of People:
 - (a) to award a contract for an initial period of 2 years (with options to extend for a maximum of 2 years) following a compliant OJEU procurement process; and
 - (b) in consultation with the Acting Director of Legal Services, to enter into a contract with the successful bidder; and
3. notes and approves the use of funding available through the Better Care Fund to commission the Cheshire East Integrated Carers Hub.

78 CONSTRUCTION RELATED CONSULTANCY SERVICES FRAMEWORK

Cabinet considered a report on the establishment of a framework agreement through which to commission construction-related consultancy services.

Current arrangements for the delivery of construction and development projects included the commissioning of external construction-related consultancy services, such as those provided by architects, engineers and surveyors, via the Council's own Framework. This Framework was due to expire on 31st October 2018 and could not be extended within EU Procurement Rules. An analysis of options had been undertaken with the conclusion that a replacement Framework would be the preferred option

RESOLVED

That Cabinet

1. approves the establishment of a Framework Agreement through which to commission construction-related consultancy services;
2. delegates authority to the Executive Director of Place, in consultation with the Portfolio Holder for Housing, Planning and Regeneration, to award contracts to providers meeting the requirements of the Framework; and
3. delegates authority to the Executive Director of Place, in consultation with the Portfolio Holder for Housing, Planning and Regeneration, to

abort the procurement, should the need for the Framework no longer be required.

79 LOCAL FLOOD RISK MANAGEMENT STRATEGY 2017

Cabinet considered a report recommending the adoption of a Local Flood Risk Management Strategy.

The Strategy formalised and developed the Council's partnerships in respect of flood risk, setting out the links between Cheshire East Council and the other risk management authorities with responsibilities for dealing with flooding. As required by the Flood and Water Management Act 2010, the Council had consulted other risk management authorities and the public that may be affected by the Strategy and the document had been updated to reflect the results of that consultation.

RESOLVED

That the Local Flood Risk Management Strategy 2017 be approved and adopted in accordance with Section 9 of the Flood and Water Management Act 2010.

80 MID-YEAR REVIEW OF PERFORMANCE 2017/18

Cabinet considered a report on the Mid-Year Review of Performance for 2017/18.

The report outlined the budgetary pressures facing the Council and the mitigation measures used to address forecast overspends. The report also highlighted examples of good performance in Quarter 2.

Annex 1 to the report set out details of how the Council was performing in 2017/18 and was structured into three sections:

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

RESOLVED

That Cabinet

1. notes the mid-year review of 2017/18 performance in relation to the following issues:
 - The summary of performance against the Council's six Strategic Outcomes (Section 1 of the report);
 - 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 179 to 187, Appendix 4 and Appendix 5);
 - Fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (Appendix 6);
 - Changes to Capital Budgets made in accordance with the Finance Procedure Rules (Appendix 9);
 - Treasury management investments and performance (Appendix 10);
 - Management of invoiced debt (Appendix 12);
 - Use of earmarked reserves (Appendix 13);
 - Update on workforce development and staffing (Section 3);
 - The intention of the S.151 Officer to identify further financial mitigation, in relation to the Council's 2017/18 revenue budget, through a review of the calculation of the Minimum Revenue Provision, (Appendix 15) and the funding of other revenue costs through capitalisation or the appropriate use of available reserves;
 - The intention to implement a flexible use of capital receipt strategy to be approved by full council (Appendix 14).
2. approves supplementary revenue estimates to be funded by additional specific grant (Appendix 11);
3. recommends that Council approve:
- (a) Fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 8.
 - (b) The Supplementary Capital Estimate of £12.6m for Poynton Relief Road as detailed in Appendix 8 and paragraphs 183-185.
 - To approve the forward funding of developer contributions to the scheme and to approve the underwriting, in principle, of any necessary gap funding required to deliver the proposed relief road.
 - That the scheme budget profile be adjusted accordingly in the capital programme.

- (c) The use of the flexibility to apply capital receipts to fund transformation projects as detailed in Appendix 14.
- 4. recommends that Council note the financial implications of the change in the Minimum Revenue Provision (MRP) policy to the use of the annuity method as detailed in Appendix 15.

The meeting commenced at 2.00 pm and concluded at 4.00 pm

Councillor L Wardlaw (Chairman)

**Environment and Regeneration Overview and Scrutiny Committee
23 October and 2 November 2017**

Recommendations to Cabinet on the Supported Bus Service Review

On 23 October consideration was given to the final proposals following the Councils review of its local supported bus network to assess whether the services best met the needs of residents and represented value for money. The following comments were made:

1. That if there was an additional cost saving resulting from the tendering process, the funding should be used for the provision of evening and weekend services to the principal towns.
2. The proposals did not take into consideration the long term costs to Council (e.g. additional road maintenance costs).
3. If an evening service was not to be provided, there would be no evening public transport to or from Middlewich.
4. The aspirations of the Council would not be achieved if access to the night time economy was not provided.
5. The number 38 bus service should provide an evening service as a matter of priority.
6. A further root and branch holistic transport review should take place in the future to investigate what services are required, including new, existing routes and extra services, be carried out.
7. The possibility of providing a 'Smart Ticket' option should be investigated.

The Committee then agreed to adjourn the meeting to give consideration to financial information and resolved that the press and public be excluded from the rest of the meeting. The Committee reconvened on 2 November and made the following additional comments:

- 75 The bus operators be requested to provide a more direct bus service from Northwich to Middlewich to Crewe.
- 76 Rural communities, particularly High Legh would become isolated due to the removal of services.
- 77 The Council should consider options such as providing community buses to mitigate the impacts.
- 78 The Council should consider utilising financial contributions from developers and any government funding streams available.
- 79 As an unintended consequence of the review, residents may become reliant on taxis; therefore robust licensing enforcement should be in place.
- 80 A clover leaf service linking Upton Priory, Weston and Moss Rose estates in Macclesfield should be considered as an alternative to the number 19 service.
- 81 Manchester Airport be requested to provide financial contributions towards the number 200 service.

- 82 Connectivity between the various modes of public transport should be optimised. Information on bus services should also be improved at railway stations.
- 83 An update report be brought back to the Committee prior to any changes to the little bus service being made.

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Cheshire East Council

Cabinet

Date of Meeting:	5 th December 2017
Report of:	Director of Finance & Procurement
Subject/Title:	Council Tax Base 2018/19 – Domestic Rates
Portfolio Holder:	Councillor Paul Bates, Finance and Communication

1.0. Report Summary

- 1.1. This report sets out the Council Tax base calculation 2018/19 for recommendation from Cabinet to Council.
- 1.2. The calculation sets out the estimates of new homes less the expected level of discounts and the level of Council Tax Support (CTS). This results in a band D equivalent tax base position for each Town and Parish Council.
- 1.3. The tax base reflects growth of £3.9m (1.9%) on the 2017/18 position highlighting the positive changes locally. Additional new homes and more properties brought back into use over the last eight years, have increased the taxbase by 11%.

2.0 Recommendation

- 1.4. That Cabinet, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, recommend to Council the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2018/19 as **147,003.80** for the whole area.
- 1.5. No changes are made to the Council Tax Support Scheme for 2018/19, other than the annual increase in the allowances used and clarification following changes in other state benefits.

3.0 Other Options Considered

- 1.6. None.

4.0 Reason for Recommendation

- 1.7. In accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 Cheshire East Council is required to agree its tax base before 31st January 2018.

5.0 Background/Chronology

- 1.8. Cheshire East Council is required to approve its tax base before 31st January 2018 so that the information can be provided to the Cheshire Police and Crime Commissioner and Cheshire Fire Authority for their budget processes. It also enables each Town and Parish Council to set their respective budgets. Details for each parish area are set out in **Appendix A**.

- 1.9. The tax base for the area is the estimated number of chargeable dwellings expressed as a number of band D equivalents, adjusted for an estimated number of discounts, exemptions and appeals plus an allowance for non-collection. A reduction of 1% is included in the tax base calculation to allow for anticipated levels of non-collection.
- 1.10. Processes to collect Council Tax locally continue to be effective and collection rates of 99% continue to be achieved over two years. Changes to Council Tax discounts, specifically the introduction and subsequent amendments to the CTS scheme are being managed and the forecast level of non-collection at Cheshire East has been maintained at 1% for 2018/19.
- 1.11. The tax base has been calculated in accordance with the Council's policy to offer no reduction for empty properties. However discretionary reductions will continue to be allowed, for landlords, under Section 13A of the Local Government Finance Act 1992 for periods of up to eight weeks between tenancies. This is no change from 2017/18.
- 1.12. Analysis of recent trends in new homes, and homes being brought back into use, suggest an increase of nearly 4,000 homes is likely between the setting of the 2017/18 taxbase in October 2017 and the 31st March 2019. The impact of this growth is affected by when properties may be available for occupation and the appropriate council tax banding and this is factored into the tax base calculation.
- 1.13. The tax base also reflects assumptions around CTS payments. The Cheshire East CTS scheme was introduced in 2013/14 and subsequently amended following consultation for 2016/17. The history of the scheme including budgets available compared to actual payments made is shown in **Table 1** below.

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

Taxbase Year	CTS Payments £m	Risk Allowance £m	Resulting CTS Budget £m
2013/14 (original scheme)	18.2	0.7	18.9
2014/15	17.7	1.4	19.1
2015/16	17.7	0.9	18.6
2016/17 (revised scheme)	15.7	1.9	16.7
2017/18 (estimated)	15.0	1.2	16.2
2018/19 (estimated)	15.0	1.2	16.2

- 1.14. This level of budget will allow a risk factor of £1.2m to remain within the scheme. The ongoing level of risk reflects a number of possible influences on the scheme such as:
 - Challenges over the medium term economic position.
 - The risk of a major employer leaving the area.
 - The risk of delay in the significant development projects delaying employment opportunities.
 - The prospect of a greater number of residents becoming of pensionable age and potentially becoming eligible for CTS.

- The risk of increased non-collection due to the increasing demand on non-protected residents.

1.15. No changes are proposed to the Council Tax Support Scheme for 2018/19 other than to amend the allowances used within the calculation to mirror those used within the calculation of Housing Benefit and clarification following changes in other state benefits.

6.0 Wards Affected and Local Ward Members

1.16. All

7.0 Implications of Recommendations

1.17. Policy Implications

1.17.1. None.

1.18. Legal Implications

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

1.19. Financial Implications

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

1.20. Equality Implications

1.20.1. None.

1.21. Rural Community Implications

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

1.22. Human Resource Implications

1.22.1. None.

1.23. Public Health Implications

1.23.1. None.

1.24. Other Implications (please specify)

1.24.1. None.

8.0 Risk Management

- 1.25. Consideration and recommendation of the Tax Base for 2018/19 to Council ensures that the statutory requirement to set the taxbase is met.
- 1.26. Estimates contained within the Council Tax Base calculation, such as the loss on collection and caseload for Council Tax Support, will be monitored throughout the year. Any significant variation will be reflected in a surplus or deficit being declared in the Collection Fund which is then shared amongst the major precepting authorities.

9.0 Contact Information

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

Name:	Jan Willis
Designation:	Director of Finance & Procurement
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Email:	jan.willis@cheshireeast.gov.uk

APPENDIX A

COUNCIL TAX - TAXBASE 2018/19

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 99.00%
Acton	163.82	162.18
Adlington	613.67	607.53
Agden	72.04	71.32
Alderley Edge	2,699.00	2,672.01
Alpraham	195.94	193.98
Alsager	4,498.81	4,453.82
Arclid	154.71	153.17
Ashley	164.05	162.41
Aston by Budworth	181.97	180.15
Aston-juxta-Mondrum	89.56	88.66
Audlem	937.36	927.98
Austerson	49.34	48.85
Baddiley	129.37	128.07
Baddington	61.63	61.02
Barthomley	98.14	97.16
Basford	92.23	91.31
Batherton	24.47	24.23
Betchton	277.16	274.39
Bickerton	125.31	124.05
Blakenhall	70.16	69.46
Bollington	3,159.33	3,127.74
Bosley	208.63	206.54
Bradwall	85.68	84.82
Brereton	650.89	644.38
Bridgemere	66.74	66.07
Brindley	73.30	72.56
Broomhall	87.47	86.59
Buerton	222.95	220.72
Bulkeley	141.33	139.92
Bunbury	638.73	632.34
Burland	298.50	295.51
Calveley	134.56	133.21
Checkley-cum-Wrinehill	47.11	46.64
Chelford	634.56	628.22
Cholmondeley	85.68	84.82
Cholmondeston	96.03	95.07
Chorley	270.65	267.95
Chorley (Crewe)	60.08	59.47
Chorlton	510.93	505.82
Church Lawton	860.12	851.52
Church Minshull	212.17	210.05
Congleton	10,043.55	9,943.11
Coole Pilate	32.66	32.34
Cranage	676.57	669.81
Crewe	13,888.18	13,749.29
Crewe Green	116.65	115.48
Disley	2,022.00	2,001.78
Dodcott-cum-Wilkesley	207.97	205.89
Doddington	21.10	20.89
Eaton	226.06	223.80
Edleston	225.24	222.99
Egerton	38.00	37.62
Faddiley	73.68	72.95
Gawsworth	830.04	821.74
Goostrey	1,076.61	1,065.85
Great Warford	457.81	453.23
Handforth	2,313.29	2,290.16
Hankelow	148.72	147.23
Haslington	2,565.17	2,539.52
Hassall	113.17	112.03
Hatherton	181.46	179.65
Haughton	101.68	100.67
Henbury	357.81	354.23
Henhull	25.94	25.68
High Legh	904.46	895.41
Higher Hurdfield	333.20	329.87
Holmes Chapel	2,654.40	2,627.85
Hough	340.00	336.60
Hulme Walfield & Somerford Booths	172.67	170.94
Hunsterson	79.76	78.96
Hurleston	35.69	35.34

COUNCIL TAX - TAXBASE 2018/19

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 99.00%
Kettleshulme	166.87	165.20
Knutsford	5,813.84	5,755.70
Lea	20.78	20.57
Leighton	1,770.68	1,752.97
Little Bollington	88.34	87.45
Little Warford	37.82	37.44
Lower Peover	75.81	75.05
Lower Withington	308.54	305.45
Lyme Handley	74.74	74.00
Macclesfield	18,407.42	18,223.35
Macclesfield Forest/Wildboardclough	112.25	111.13
Marbury-cum-Quoisley	128.25	126.97
Marton	113.19	112.06
Mere	445.42	440.96
Middlewich	4,887.05	4,838.18
Millington	101.43	100.42
Minshull Vernon	149.65	148.16
Mobberley	1,458.35	1,443.77
Moston	277.53	274.76
Mottram St Andrew	416.18	412.02
Nantwich	5,345.68	5,292.23
Nether Alderley	386.48	382.61
Newbold Astbury-cum-Moreton	374.85	371.10
Newhall	413.32	409.18
Norbury	104.94	103.89
North Rode	125.29	124.04
Odd Rode	1,995.13	1,975.18
Ollerton with Marthall	320.92	317.71
Over Alderley	215.95	213.79
Peckforton	71.36	70.65
Peover Superior	405.34	401.29
Pickmere	377.92	374.14
Plumley with Toft and Bexton	403.89	399.85
Poole	75.45	74.69
Pott Shrigley	145.27	143.82
Poynton with Worth	5,896.63	5,837.67
Prestbury	2,218.44	2,196.26
Rainow	606.84	600.77
Ridley	79.59	78.79
Rope	862.30	853.67
Rostherne	80.67	79.86
Sandbach	7,692.24	7,615.32
Shavington-cum-Gresty	1,922.42	1,903.20
Siddington	186.24	184.38
Smallwood	340.02	336.62
Snelson	100.94	99.93
Somerford	329.72	326.43
Sound	134.71	133.36
Spurstow	197.16	195.19
Stapeley	1,612.42	1,596.29
Stoke	114.58	113.43
Styal	369.91	366.22
Sutton	1,152.87	1,141.34
Swettenham	178.29	176.51
Tabley	226.27	224.01
Tatton	10.28	10.18
Twemlow	114.50	113.36
Walgherton	67.69	67.01
Wardle	52.57	52.04
Warmingham	121.66	120.44
Weston	951.19	941.68
Wettenhall	118.08	116.90
Willaston	1,361.82	1,348.21
Wilmslow	11,610.06	11,493.96
Windle	94.44	93.50
Wirswall	41.74	41.32
Wistaston	3,041.10	3,010.69
Woolstanwood	246.87	244.40
Worleston	124.46	123.22
Wrenbury	471.64	466.92
Wybunbury	634.67	628.32
	148,488.68	147,003.80

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Cheshire East Council

Cabinet

Date of Meeting: 5th December 2017
Report of: Director of Finance & Procurement
Subject/Title: Non-Domestic Rates Taxbase 2018/19
Portfolio Holder: Councillor Paul Bates, Finance and Communications

1.0. Report Summary

- 1.1. Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km² for over 370,000 residents. The budget to deliver these services in the period April 2017 to March 2018 is around £720m, which is raised from a combination of local taxes (business rates and council tax), national taxes (in the form of Government Grants) and payments direct from service users.
- 1.2. Cheshire East Council collects c.£139m (before accounting adjustments) in Business Rates from over 14,000 business premises and this funding is distributed between central government (70%*), Cheshire East Council (29%*) and Cheshire Fire Authority (1%). The amount of business rates collected in Cheshire East per head is higher than the North West average and the number of VAT registered businesses is as high as the number in central Manchester at over 18,000.
- 1.3. The purpose of the report is to continue to raise awareness of the increasing importance of Business Rates in local government and improve overall understanding of how changes in business rates affect the Council's finances and improve medium term forecasting.
- 1.4. Cheshire East Council is reporting a Non Domestic Rates taxbase in rateable value (RV) terms of £351m for 2018/19. This is an increase of £2m (0.6%) on the RV level as at September 2016. The net yield is estimated to be c.£134.7m after the deductions of exemptions, discounts, losses in collection and provisions for appeal losses. Collection rates continue to hold at 99% over a two year period which is high against national comparisons.
- 1.5. The overall financial health at Cheshire East Council is strong, according to external assessments, despite freezing Council Tax for five out of six consecutive years up to and including 2015/16. The 2016/17 accounts were signed off by the Council's external auditors, without qualification, and savings are consistently achieved through efficiency, removing duplication of effort, making reductions in management costs, and planned programmes of asset disposals. The approach continues to protect funding provided to front line services.

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*includes the payment of the fixed rate tariff from CE to DCLG due as part of the Business Rates Retention Scheme

2.0 Recommendation

1.6. That Cabinet consider the information given in this report and note that:

1.6.1. The non domestic rates estimates and calculations for 2018/19 will be calculated in accordance with the regulations as follows:

	2018/19	£m
	Projected NDR net income after accounting adjustments	134.7
Less	Payable to DCLG (50% share)	-67.4
Less	Payable to Fire Authority (1% share)	-1.3
	Cheshire East Council proportionate share	66.0
Less	Fixed Tariff payable to DCLG	-24.2
Add	Pooling arrangement levy reduction	+0.8
Add	Section 31 Compensation grant*	+0.5
	Cheshire East Council Retained share	43.1

** to compensate for additional business rate discount measures introduced by DCLG since the inception of the BRRS scheme in April 2013*

1.6.2. The Director of Finance and Procurement in consultation with the Portfolio Holder for Finance and Communication will finalise these estimates based on the latest data for submission to the Department for Communities and Local Government (DCLG) in January 2018.

3.0 Other Options Considered

1.7. None.

4.0 Reason for Recommendation

1.8. In line with the setting of the Domestic Tax base, which is in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 where Cheshire East Council is required to agree its tax base before 31st January 2018, this report sets out the calculation of the Non Domestic rates taxbase for noting purposes only.

5.0 Background/Chronology

Background

- 1.9. The Local Government Finance Act 2012 gave local authorities the power to retain a proportion of funds obtained from business rates in their area.
- 1.10. The introduction of the Business Rates Retention Scheme in April 2013 allowed local authorities to retain a share of the income they collect from business rates as funding to meet the cost of service provision. Before this date, all business rates collected in England were paid to central Government from the billing authorities, and a proportion was then paid back to each authority as Formula Grant.
- 1.11. The scheme provides for non-domestic rates collected by a billing authority to be shared between itself, its major precepting authorities and central government in the following shares:

- Central Government – 50%
- Cheshire East Council – 49%
- Cheshire Fire Authority – 1%

- 1.12. The statutory framework requires a billing authority, before the beginning of the financial year, to forecast the amount of business rates that it will collect during the course of the year and, from this, to make a number of allowable deductions in order to arrive at a figure for its non-domestic rating income.
- 1.13. There is no change to the way business rates are calculated; these continue to be set nationally.
- 1.14. Any difference between forecast amounts and final outturns will result in a surplus, or deficit on the billing authority's Collection Fund. Any such surplus or deficit is shared between the parties in the same proportionate shares as set out above.
- 1.15. The retained business rates for Cheshire East are then reduced by a Tariff and a Levy on business rates growth (if applicable). The tariff payment is made to central Government in order to fund other authorities where their business rates are disproportionately low compared to their need. For 2018/19, the tariff payment estimated to be payable by Cheshire East Council is £24.2m.
- 1.16. Cheshire East Council continues to be in a pooling arrangement with the Greater Manchester (GM) Authorities plus Cheshire West and Chester for the purposes of Business Rates Retention. The purpose of the pool is to maximise the retention of locally generated business rates to further support the economic regeneration of GM and Cheshire Councils. As a pool the members will be entitled to retain the levy charge on growth that would normally be paid over to Central Government. Cheshire East will retain 50% of "levy charges" locally before paying the remainder over to the pool. This saving is estimated to be £0.8m.
- 1.17. The Cheshire and GM Pool are also continuing to take part in a pilot scheme where the pool is able to retain locally the 50% of "additional growth" in business rates which in the usual Business Rates Retention Scheme would be paid directly to DCLG.

Setting the Business Rates Baseline

- 1.18. Officers from the Revenues, Finance, Regeneration and Planning teams work together to ascertain potential impacts of the business rates retention scheme as well as aiming to predict the likely economic and rateable value growth for the coming financial year. Current and historic data is being used to forecast changes in rateable value due to growth, decline and appeals.
- 1.19. The Council has information available from several sources to judge likely levels of economic growth including:
 - Information from the business engagement team
 - Data from the Council's planning system
 - Data from the team working to generate capital receipts.
 - Data from the Revenues collection service in terms of appeals and expected growth.
 - Data from the Valuation Office Agency

- Strategy Finance knowledge of the BRRS calculations

1.20. During 2017/18 work has continued to monitor the growth predictions that were noted in Annex 6 of the [Medium Term Financial Strategy 2017-20](#). This has continued to be a solid methodology for the calculation of new potential growth.

1.21. **Annex 1** sets out the profile of the current business rates taxbase made up by each type of business. This is shown alongside the profile as at September 2016 (used to set the taxbase for 2017/18). Growth and/or decline in each sector are as a result of actual business additions or changes. The increase in RV to July 2017 is £1.0m

1.22. Cheshire East Council's estimated business rate income for 2018/19 has been calculated as follows –

- The total gross business rate yield which is the rateable value of properties within Cheshire East, multiplied by the non-domestic rating multiplier (estimated for 2018/19).
- Deductions are then made for estimated mandatory and discretionary reliefs and exemptions, based on local intelligence and past trends.
- Deductions are also made for estimated losses in collection, based on historical trends and local intelligence and to meet the cost of collection as prescribed by Government.
- Deductions are made for the estimated impact of changes to rateable values through new notified appeals.
- An adjustment is also made to reflect local intelligence on the estimated impact of anticipated future changes to business activity in the year. This could be demolitions or change to current business in the taxbase or anticipated new growth into the area.

1.23. **Annex 2** sets out the summary calculation resulting in a final estimated net rates value of £134.7m for 2018/19. Cheshire East's share of this revenue stream after the fixed rate tariff payment (£24.2m) is **£43.1m**. This is an increase in net rates of £2.1m (5%) on the 2017/18 retained rates level.

6.0 Wards Affected and Local Ward Members

1.24. All

7.0 Implications of Recommendations

1.25. Policy Implications

1.25.1. None

1.26. Legal Implications

1.26.1. None

1.27. Financial Implications

1.27.1. The calculation of the tax base is a professional judgement which provides an estimate that contributes to the calculation of overall funding for Cheshire East Council in each financial year.

1.27.2. The Council works with the Valuation Office Agency to ensure non-domestic properties are correctly rated, so that ratepayers are billed correctly and that financial forecasts are reasonable. Changes in the number of businesses, (although not all VAT registered businesses will occupy separately rated premises), and the fact that all premises may be subject to business rate discounts, exemptions or appeals against rates payable are factors that could affect the estimated tax base.

1.28. Equality Implications

1.28.1. None

1.29. Rural Community Implications

1.29.1. This report provides details of taxbase implications across the Borough.

1.30. Human Resource Implications

1.30.1. None

1.31. Public Health Implications

1.31.1. None

1.32. Other Implications (please specify)

1.32.1. None

8.0 Risk Management

1.33. Consideration and recommendation of the Non Domestic Tax Base for 2018/19 to Council ensures that the statutory requirement to set the taxbase is met.

1.34. There are a number of significant risks associated with the business rate retention scheme, such as:

- Reduction in collectable business rate income due to an unpredictable increase in exemptions and reliefs due to different property usage and successful business rate appeals. The risk of a reduction in business rate income remains with the local authority, each authority can lose up to 7.5% of their baseline Funding level (c.£10m for Cheshire East), before a safety net compensation payment applies.
- Future business rate baseline resets which will assume the growth achieved to date within a revised funding baseline.
- An increase in the cost of successful appeals above the estimated levels.

- A decrease in the level of collected business rates due to uncollectable debt as a result of potential worsening economic conditions.

9.0 Contact Information

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

Name:	Jan Willis
Designation:	Director of Finance and Procurement
Tel No:	01270 686979
Email:	jan.willis@cheshireeast.gov.uk

Annex 1

Business Type		Business Numbers (Sept 2016) <i>Number</i>	Rateable Value (Sept 2016) <i>£m</i>	Business Numbers (July 2017) <i>Number</i>	Rateable Value (July 2017) <i>£m</i>	Change <i>£m</i>
Commercial	Advertising Rights and Stations	60	0.08	65	0.11	0.03
	Camping Sites, Holiday Centres etc	22	0.14	24	0.16	0.01
	Petrol Filling Stations, Garages etc	301	10.51	297	10.49	-0.02
	Hotels, Boarding Houses etc	131	7.16	138	7.08	-0.08
	Licensed Properties	498	14.91	487	14.70	-0.21
	Markets	11	0.40	11	0.39	-0.01
	Offices	3285	55.95	3432	56.13	0.18
	Car Parks and Parking Spaces	408	3.31	509	3.52	0.21
	Restaurants, Cafes etc	208	5.20	212	5.15	-0.06
	Shops, Banks, Post Offices etc	3469	86.22	3458	87.99	1.77
	Warehouses, Stores etc	1365	44.83	1382	44.79	-0.04
	Other Commercial	400	9.04	451	9.65	0.61
	TOTAL Commercial	10,158	237.76	10,466	240.16	2.40
Educational , Training and Cultural	Local Authority Schools and Colleges	156	13.44	157	13.67	0.22
	Museums, Libraries etc	30	1.14	30	1.13	-0.01
	Day Nurseries	124	2.61	130	2.58	-0.03
	Private Schools and Colleges	24	1.90	24	1.92	0.02
	Universities	2	0.99	2	0.86	-0.13
	Other Educational and Cultural	10	1.57	12	1.60	0.03
	TOTAL Educational, Training and Cultural	346	21.66	355	21.76	0.10
Formula Assessed Public Utilities	Docks and Harbours	0	0.00	0	0.00	0.00
	Electricity	8	0.34	11	0.38	0.04
						0.00
	TOTAL Formula Assessed Public Utilities	8	0.34	11	0.38	0.04
Industrial	Factories, Workshops etc	1743	50.77	1753	50.30	-0.47
	Mineral	21	1.59	21	1.61	0.02
	Other Industrial Mineral	19	0.69	20	0.58	-0.11
	Other Industrial	28	1.45	30	1.44	-0.01
	TOTAL Industrial	1811	54.49	1824	53.93	-0.57
Leisure	Clubs, Community Centres etc	179	4.78	178	4.77	-0.01
	Beach Huts	0	0.00	0	0.00	0.00
	Indoor Sports Facilities	6	0.72	5	0.64	-0.09
	Sports Grounds etc	99	2.16	98	2.15	-0.01
	Theatres, Cinemas etc	13	0.41	13	0.41	0.00
	Other Leisure	318	2.66	367	2.77	0.11
	TOTAL Leisure	615	10.74	661	10.74	0.00
Miscellaneous	Cemetery and premises	15	0.22	15	0.22	0.00
	Private Hospitals, Clinics etc	174	7.65	174	7.50	-0.15
	Local Government Offices	8	0.71	8	0.71	0.00
	Police Stations, Courts, Prisons	15	1.34	15	1.40	0.06
	Residential Homes, Hostels etc	11	0.20	14	0.21	0.01
	Fire and Ambulance Stations	21	0.54	21	0.53	-0.01
	Communications Stations, Public Telephones	363	2.90	361	2.91	0.01
	Other Misc (Communications)	1	1.20	1	0.81	-0.39
	Other Misc	95	6.12	106	5.63	-0.49
	TOTAL Miscellaneous	703	20.88	715	19.92	-0.96
Non Formula Assessed Public Utilities	Transport	12	0.22	12	0.21	-0.01
	Water	45	2.77	45	2.78	0.01
	Other Non Formula	36	0.02	47	0.02	0.00
	TOTAL Non Formula Assessed	93	3.01	104	3.01	0.00
Treasury (Crown)	Forces Careers Offices Auxiliary Defence (TA)	1	0.01	1	0.01	0.00
	Royal Palaces, Other Crown	13	0.14	13	0.14	0.00
	TOTAL Treasury (Crown)	14	0.16	14	0.16	0.00
TOTAL RATING LIST		13,748	349.04	14,150	350.05	1.01

Projected Business Rates Income 2018/19		
	%	£m
Gross Rateable Value July 2017)		350.0
Estimated Growth in RV to March 2018		1.0
Estimated Rateable Value for 2018/19		351.0
Assumed Small Business Rates Multiplier 2018/19	0.478	
Estimated Gross Yield		167.8
Projected Reliefs/Discounts:		
Small Business Rate Relief		-13.5
Empty Property		-3.8
Mandatory Relief		-8.2
Discretionary Relief		-0.5
Total Deductions		-26.0
Less Cost of Collection		-0.6
Estimated Net Rates before Accounting Adjustments		141.1
Losses in collection (non exceptional items)		-2.0
Additional Provision for Appeals		-3.9
Disregarded Amounts (Enterprise Zone/Renewable Energy Growth)		-0.5
Net Rates Payable		134.7
Proportionate Shares:		
Central Government	0.50	67.4
Cheshire East Council	0.49	66.0
Cheshire Fire Authority	0.01	1.3
Cheshire East Retained Rates -		
Fixed Rate Tariff to DCLG		-24.2
Pooling arrangement - 50% of levy charge retained		0.8
Section 31 compensation grants*		0.5
Total Retained for 2018/19 to take to General Fund		43.1

* to compensate for additional business rate discount measures introduced by DCLG since the inception of the BRRS scheme in April 2013

Cheshire East Council

Cabinet

Date of Meeting:	5 th December 2017
Report of:	Executive Director Place
Subject/Title:	North West Crewe Package Scheme Delivery and Funding
Portfolio Holder:	Cllr Don Stockton, Environment

1. Report Summary

- 1.1. The Council has set out a clear vision and strategy for sustainable economic growth in the recently adopted Local Plan. A key element of this strategy is a significant investment programme in transport infrastructure to support the housing and jobs in the Borough.
- 1.2. Significant progress has been made in delivering the Council's strategic infrastructure programme. Recent years have seen the completion of schemes such as Crewe Green Link Road, Basford West Spine Road, Alderley Edge Bypass, the M6 Junction 16 and 17 Pinch Point schemes, and the new Rail Exchange and car park interchange facility at Weston Road, Crewe. A number of other schemes in the Council's Local Plan Infrastructure Development Plan are either on site or being developed.
- 1.3. The Leighton West area on the edge of Crewe includes the Leighton strategic housing sites all of which were allocated in the Local Plan. The allocation was supported by a proposal for new highway infrastructure to provide additional capacity on the highway network and access to the new sites. This is referred to as the North West Crewe Package.
- 1.4. The proposal is included in the Infrastructure Delivery Plan and includes; a north-south spine road, the realignment of Smithy Lane, an east-west Link Road from A530 to the Spine Road and a series of junction improvements. A plan is included as Appendix 1.
- 1.5. The North West Crewe Package forms a key part of the Local Plan infrastructure programme for wider Crewe, which will deliver an improved highway network for the town. The benefits of the North West Crewe Package also extend to unlocking a number of other housing and employment Local Plan allocation sites by improving wider traffic movements and transport links, particularly in North Crewe.

- 1.6. As such, the delivery of the North West Crewe Package is important to achieving a supply of development sites in the wider Crewe area and to uphold the Local Plan strategy. The housing sites that would be opened up would also make a significant contribution to maintaining the Council's 5 year housing supply and therefore enable the effective management of any planning applications for land not allocated in the Local Plan. The successful delivery of these sites will also support the emerging strategy development work in the Crewe Masterplan and HS2 Constellation Partnership.
- 1.7. The new infrastructure will also provide a new access to Leighton Hospital. These improvements to the Hospital access junction will provide capacity for the predicted growth in traffic during the Local Plan period up to 2030.
- 1.8. This report sets out a proposed delivery and funding strategy for the package of improvements in support of the masterplan for Leighton. It would minimise the traffic and road safety impacts of the developments by building the road infrastructure in advance of the development. This will also ensure that construction traffic can make use of the new roads.
- 1.9. This report sets out the progress to date with the scheme and makes recommendations to continue work towards the submission of a planning application for all phases of the package next year. A high level programme for delivery is also included.
- 1.10. The report also details the current funding assumptions for the package of works relating to grant funding, developer contributions, capital receipts from Council owned development land and direct Council contribution.

2. Recommendation

2.1. The Cabinet is recommended :

- i. To note the latest total scheme cost estimate for all phases of the North West Crewe infrastructure package is £41.6 million.
- ii. To recommend to Council that the scheme budget profile be adjusted in line with the attached appendices in the Council's capital programme.
- iii. To note that the bid for £5m to the National Productivity Fund (Local Roads element) has been successful and that this money needs to be spent by March 2020.
- iv. To note that a bid has also been made for £10m to the Housing Infrastructure Fund to support this scheme and that the outcome of this bid is expected by the end of this year, but is not guaranteed.
- v. To authorise the Executive Director Place in consultation with the Director of Legal Services and the Portfolio Holder for Environment, to complete the assembly of the necessary land

and third party funding contributions required for delivery of the scheme.

- vi. To authorise the Executive Director Place, in consultation with the Portfolio Holder for Environment to proceed with all necessary technical work for the submission of a planning application and to finalise detailed design for all phases of the works, including site investigation and any required early diversions of statutory undertaker's apparatus, to a maximum scheme budget of £2.53m. (Prior years expenditure is approximately £330k)
- vii. To note that further Cabinet reports will be coming forward with recommendations on the procurement process and the statutory process to deliver this package of works.

3. Reasons for Recommendation

- 3.1. This strategic scheme includes a package of measures in the Leighton area of Crewe which will enable the delivery of the Local Plan allocated strategic sites at Leighton West (850 homes - site ref LPS4), Leighton (500 homes – site ref LPS5). The scheme will accommodate the traffic impacts arising from planned housing growth in the North Crewe corridor, support the proposals for Bentley Motors, address congestion issues in the area and improve access to the hospital.
- 3.2. The Council are owners of a significant element of the Leighton West site, so the development of this site will also generate a capital receipt.
- 3.3. The package of measures include :
 - a new north – south spine road to connect the east-west link road to the new hospital access and to provide access to the Leighton West strategic site.
 - a realigned Smithy Lane to connect the new roundabout above to the A530 and provide a new access to the hospital.
 - a new roundabout on Flowers Lane to serve the Leighton Development.
 - a new east – west link road to connect Minshull New Road to the A530
 - A remodelled junction between Flowers Lane and the A530 and Eardswick lane.

A general arrangement of the proposed scheme is attached as Appendix 1.

- 3.4. Further cabinet reports will follow in due course on the procurement and statutory processes for the package.

- 3.5. The proposal is subject to planning approval and it is envisaged that it will be delivered in 3 phases, subject to funding availability. The first phase of the package, for the delivery of the north-west spine road, realigned Smithy Lane and associated junctions is estimated to cost approximately £20m.
- 3.6. The strategy assumes developer contributions to the package which are consistent with the contributions obtained from other development sites in North Crewe.
- 3.7. The Council recently received the news that a bid for £5m to the Local Roads element of the National Productivity Investment Fund had been successful. This national fund is aimed at removing transport infrastructure related blockages to housing delivery. This element of funding will need to be spent by March 2020.
- 3.8. The Council has also submitted a bid for £10m to the Housing Infrastructure Fund which is another government fund targeted at enabling early delivery of housing development. If successful, this element of funding will need to be spent by March 2021.
- 3.9. This scheme is in the early stages of development prior to a planning submission for the whole package planned for spring 2018. Appendix 2 shows a high level programme and the funding assumptions for all phases of the NW Crewe package based on current cost estimates. It shows how the projected £11m of Council funding (inc prior years expenditure) will be combined with approximately £15m of grant funding and approximately £15m of developer contributions and capital receipts to fund the whole package.
- 3.10. To ensure that the infrastructure can be delivered prior to the housing and therefore in advance of the receipt of the developer contributions, it is envisaged that the Council will forward fund the developer S106 contributions so that contracts for the delivery of the infrastructure can be entered into, subject to planning approval.
- 3.11. Appendix 2 also indicates the cost estimates for each of the proposed phases of the scheme and the assumed allocation of the various funding sources to each phase. The precise timing of the delivery of the phases will depend on detailed traffic modelling work that will accompany the planning applications for the strategic housing sites, the detail of any planning conditions and the rates at which the housing is built out. However, as a minimum it is assumed that Phase 1 (Sections 1 and 2) will need to be delivered in advance of the development so that access can be provided to the Leighton West strategic site to allow construction to commence and to provide the capacity on the local network for the traffic demand created by the new development.
- 3.12. Approval is now sought to progress the scheme to a planning submission in Spring 2018 which will include pre-planning public consultation. This will take scheme expenditure to an estimated £2.53m (including approx. £0.33m prior year expenditure). This budget will also allow some limited

early statutory service diversions if required. Further reports will look at the continuation of the funding strategy once the outcomes of the current bids are known.

4. Other Options Considered

Option - Ceasing work on developing the package of highway works.

Option - Reducing the Council's contributions to the North West Crewe Infrastructure Package before replacement external funding is identified.

- 4.1. The options above would put at risk the delivery of this key element of the Council's growth strategy for North Crewe. This would lead to non-achievement of the Council's ambitions for plan led growth as set out in the Local Plan, as the development of the key strategic housing and employment sites enabled by the highway infrastructure could not be demonstrated to be deliverable. This would leave delivery of the Local Plan Strategy at risk, and lead to unwanted planning applications and appeals on land not allocated in the Local Plan.
- 4.2. The Local Plan Strategy was underpinned by evidence that the Council was committed to maintaining a supply of development sites and to meeting the challenge of delivering the transport infrastructure required to enable delivery of those sites as detailed in the Infrastructure Delivery Plan. It is therefore important in terms of maintaining delivery of housing and jobs related growth that the supply of development sites is achieved. The success of the newly adopted Local Plan Strategy is therefore fundamentally linked to the continued commitment to deliver the necessary infrastructure to support the planned growth.

Option - Halting the forward funding approach to developer contributions so that the contract for delivery of the highway work would not be entered into until the developer contributions have all been received.

- 4.3. The development of the Leighton West strategic site is dependent for its highway access on the north-south link road, so development of the site cannot progress until the road is constructed (subject to the planning process). The Council is not therefore able to wait for receipt of the S106 developer contributions and the capital receipt before awarding a contract for the delivery of the highway improvement works, so forward funding of this element will be necessary. Forward funding developer/landowner contributions is not guaranteed and therefore the Council would fund this element if less s106 planning obligation contributions are received than predicted.

5. Background

- 5.1. The Vision for Crewe identified in the recently adopted Local Plan Strategy is that “by 2030, as a gateway to the North West, Crewe will be a nationally significant economic centre; one of the leading advanced engineering and manufacturing centres in England; and a sought-after place to live and do business in Cheshire.”
- 5.2. As a principal town, Crewe was identified in the Local Plan as being required to accommodate in the order of 65ha of employment land and 7,700 new homes.
- 5.3. To contribute to the required housing supply, in north Crewe, strategic housing allocations were identified in the Local Plan at Leighton West, Leighton, Sydney Road, Broughton Road and Crewe Green, in addition to other previously committed sites in the corridor.
- 5.4. The “Leighton West” strategic site allocation (reference LPS4) for 850 homes and the “Leighton” strategic site allocation (reference LPS5) for 500 homes are both directly unlocked by the North West Crewe package of highway measures. Local plan policies in place for both sites require highway improvements that need to be phased with the development of the site and also delivered through masterplanning of the overall area. Local Plan policies also require both sites to contribute to the highway improvements.

6. Wards Affected and Local Ward Members

6.1. Wards Affected

- 6.1.1. Leighton Ward

6.2. Local Ward Members

- 6.2.1. Cllr. Derek Bebbington.

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1. It relates directly to the delivery of the Council's Corporate Plan, **Outcome 2 – Cheshire East has a strong and resilient economy.**
- 7.1.2. The recently adopted Local Plan Strategy is the Council's most important tool for shaping development in Cheshire East over the period to 2030. The Strategy supports the Council's priority of jobs-led growth. The plan has been developed to support the generation of jobs focused around Crewe High Growth City, the M6 Corridor and the North Cheshire Science Corridor. In addition, there is provision for extended employment sites in our main towns.

- 7.1.3. As part of the Local Plan Strategy the Council identified in the Infrastructure Development Plan (July 2016) what infrastructure of strategic significance is needed to support the scale of development proposed and how such infrastructure can be provided. Infrastructure of strategic significance is defined as that which is over and above the normal provision that is part and parcel of developing a site.
- 7.1.4. The North West Crewe Package of schemes is in the Council's strategic highways programme and is included in the Infrastructure Delivery Plan.
- 7.1.5. The North West Crewe Package of new highways and junction improvements is closely linked to the delivery of significant numbers of new houses and to supporting the Bentley Masterplan and is referred to as Local Plan Sites LPS4 Leighton West and LPS5 Leighton.
- 7.1.6. The North West Crewe Package aligns strongly to both the Economic Development Strategy and the Vision and Strategy for Economic Growth.
- 7.1.7. It is included in the Local Transport Plan 2015 Policy B2 – Enabling Development.

7.2. Legal Implications

- 7.2.1. A planning application will need to be submitted prior to any works taking place and any requirements of such permission will need to be met as detailed in that permission.
- 7.2.2. The Heads of Terms and Legal agreements to secure land for the highway infrastructure have yet to be finalised. Further advice will need to be taken once the land issues have been fully investigated. This information will be contained within a subsequent Land and CPO Strategy Report.
- 7.2.3. The Council is subject to strict rules on the pooling of funds through Section 106 agreements and cannot pool more than 5 contributions from such agreements. Additionally, there are some risks in the Council forward funding infrastructure projects on the basis of potential Section 106 funds. For example, the receipt of section 106 monies is conditional on the terms of the individual section 106 agreements and the ability of the developer to pay. There is therefore a risk that valid section 106 agreements never lead to the receipt of funds so this funding stream cannot be absolutely guaranteed at this stage.
- 7.2.4. Use of the National Productivity Investment Fund (NPIF) will be subject to specific conditions of the grant(s). As at the date of this report the specific legal terms are unknown but HM Treasury has indicated that the use of the National Productivity Investment Fund may be assessed by third parties. It is understood that Local Road Network element of NPIF must be spend no later than FY 2019/20 and that the Housing Infrastructure Fund element of NPIF must be spent by FY 2020/21.

- 7.2.5. The Council will therefore need to ensure that the use of the NPIF grant accords with the specific grant conditions and that any third party assessment concurs with the Council's allocation of this funding to the North West Crewe Package of infrastructure works.
- 7.2.6. There is therefore a risk that the NPIF grant is not allocated to the current scheme despite the council's best efforts and that additional funding is required from the Council to complete the scheme.

7.3. Financial Implications

- 7.3.1. The approved 2017-20 Capital Programme includes £1.7m in the current financial year, with £0.33m prior year expenditure. Future years budget totalling £24.7m are included in the Addendum to the capital programme.
- 7.3.2. The revised scheme cost of £41.6m will be included in the 2018/21 Capital Programme Addendum and reported to Council as part of the Medium Term Financial Strategy on 22nd February 2018.
- 7.3.3. The impact of the additional funding requirement from Cheshire East resources will be considered as part of the overall affordability of the capital programme.
- 7.3.4. If, ultimately, the scheme is not funded the resources set aside for the development of the scheme will have to be met from the revenue budget.

7.4. Equality Implications

- 7.4.1. There will be provision in the package of works for non motorised users in line with current design standards.

7.5. Rural Community Implications

- 7.5.1. There will be no rural community implications as a result of this recommendation.

7.6. Human Resources Implications

- 7.6.1. There will be no human resource implications as a result of this recommendation.

7.7. Health and Wellbeing Implications

- 7.7.1. The final design of the scheme will accommodate both pedestrian and cyclists to prevent, so far as is reasonably possible, the new infrastructure acting as a barrier to those wishing to walk or cycle to access North West Crewe inner town centre facilities, Leighton Hospital, residential and employment sites including Bentley Motors.
- 7.7.2. The design will be subject to a safety audit process to ensure that vulnerable road users, including pedestrians and cyclists are taken in to account in the final scheme.
- 7.7.3. The scheme will have environmental benefits, through reducing traffic congestion, improving travel times and reliability and encouraging multi modal forms of transport such as cycling and walking.

7.8. Implications for Children and Young People

- 7.8.1. There will be no implications for children and young people as a result of this recommendation.

7.9. Overview and Scrutiny Committee Implications

- 7.9.1. There will be no scrutiny committee implications as result of this recommendation.

7.10. Other Implications (Please Specify)

- 7.10.1. There will be no other implications as a result of this recommendation.

8. Risk Management

- 8.1. Robust governance arrangements for the scheme have been operating within the Strategic Infrastructure project management framework and a risk register and issues log are in place, which include monitoring and effective control of identified risks and issues.
- 8.2. The assumed funding from Section 106 agreements is not all secured so there remains a funding risk. Mitigation of this risk is underway via close working with the planning team and negotiations with developers to ensure that sufficient contribution will be secured.
- 8.3. Similarly, the outcome of one of the two bids to the National Productivity Investment Fund is not yet known. The project management framework adopted in the Strategic Infrastructure Service includes a gateway review

process that identifies key points in a project lifecycle where approvals are required. These review points will include when the outcomes of the bids are known.

- 8.4. In addition, Local Enterprise Partnership (LEP) funding of £600k is sought as a contribution to the project as the Connect2 cycleway will go through the wider area. A business case to secure the funds is likely to be required to release the funding
- 8.5. Land for delivery of the scheme is dependent on dedication of the route corridor by planning condition when the application for the strategic housing sites are determined by the council. Discussions with the prospective developers are underway on the basis that this condition will be in place.

9. Access to Information

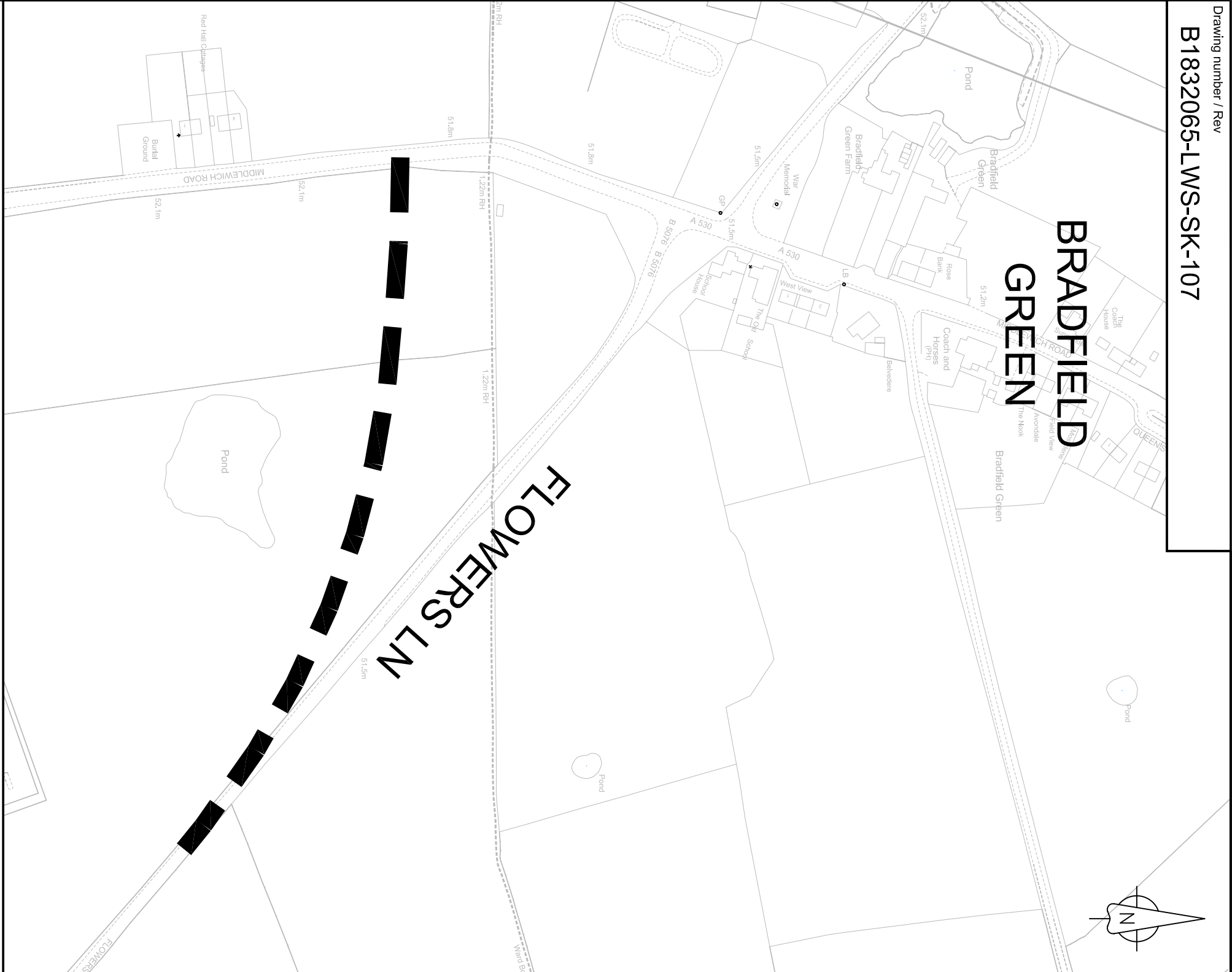
- 9.1. The background papers relating to this report can be inspected by contacting the report writer.

10. Contact Information

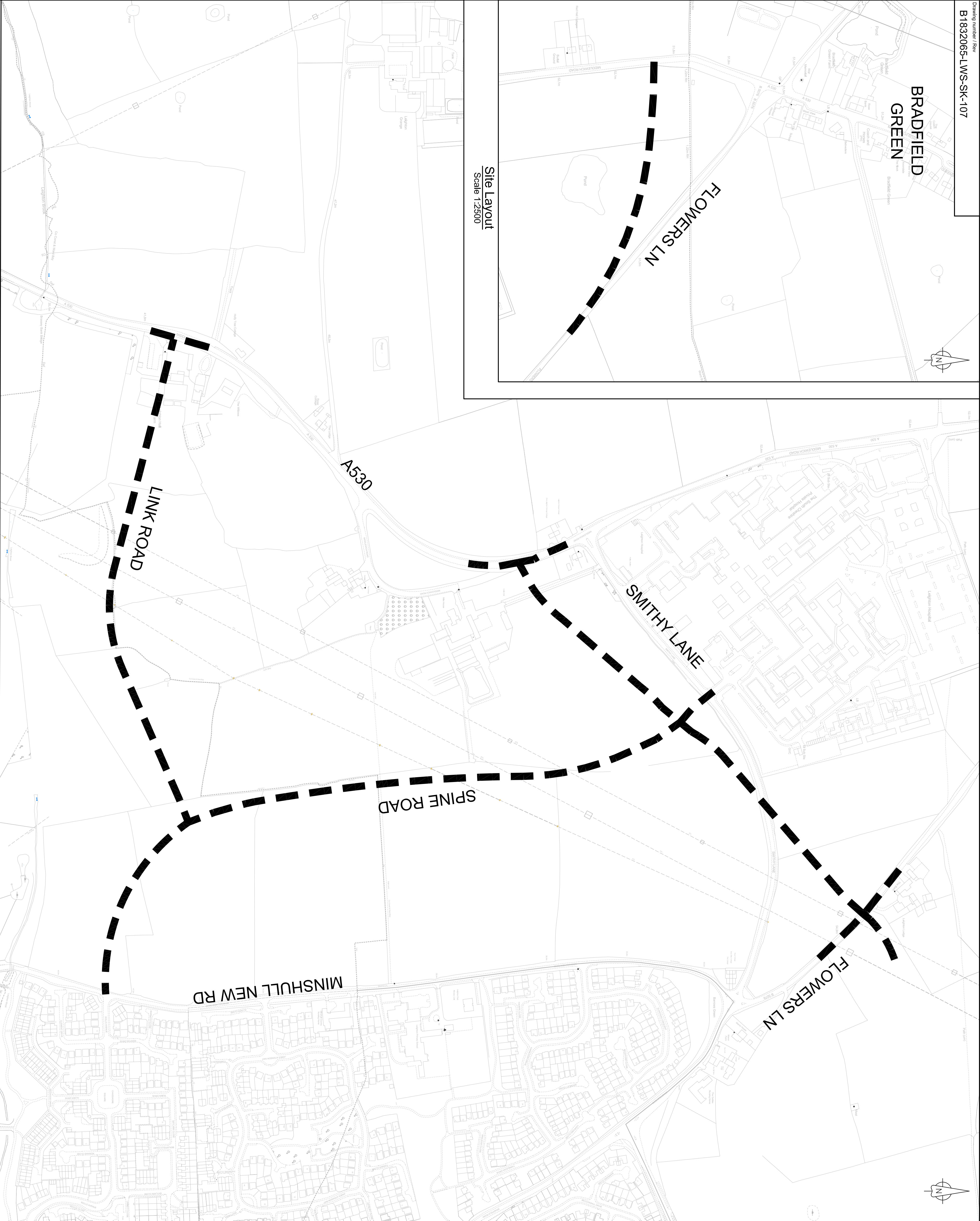
Contact details for this report are as follows:

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Drawing number / Rev
B1832065-LWS-SK-107



Site Layout
Scale 1:2500

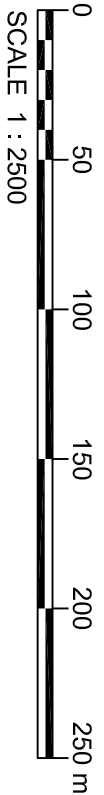


Site Layout
Scale 1:2500

Notes

1. All dimensions are in metres unless stated otherwise.

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0	09/11/17	Purpose of revision	Drawn	Checked	Revised	Approved

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Project
**APPENDIX 1
PHASING PLAN (SCHEMATIC)**

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Scale	1:2500 @ A1	
Jacobs No.	B1832065	
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Appendix 2 - Scheme Costs, Funding Assumptions and High Level Programme

Current Estimated scheme costs by phase (subject to change)	Phase 1		Phase 2	Phase 3	
	Section 1	Section 2	Section 3	Section 4	
	Spine Road	Smithy Lane	Link Road	Junction Improvements	Total
Project cost	£	£	£	£	£
Estimated Construction cost	4,817,150	3,036,445	3,616,600	6,400,560	17,870,755
Estimated Development cost (includes professional fees, CEC costs, Utilities, procurement)	5,326,948	2,843,743	2,650,694	3,286,612	14,107,997
Risk (optimism bias at 44% applied to estimated construction cost and professional fees)	2,563,593	1,637,978	2,059,858	3,388,012	9,649,442
Totals	12,707,692	7,518,166	8,327,152	13,075,184	41,628,193

Funding:

	£m
Cheshire East Council Contribution	10.98
Developer Contributions	9.10
Capital Receipt	6.00
NPIF Grant (bid successful)	5.00
HIF Grant (bid outcome awaited)	9.95
Connect2 extension contribution	0.60
	41.63

High Level Programme										
	Financial Year (ending 31 March)		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Onwards
Programme (Phase 1, 2 and 3)										
Inception and Feasibility										
Options Phase										
Development Phase										
Procurement										
Construction (phase 1, 2 and 3)	Phase 1 delivered first, sequence of phases 2 and 3 to be confirmed									

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Cheshire East Council

Cabinet

Date of Meeting:	5 th December 2017
Report of:	Mark Palethorpe (Acting Executive Director of People)
Subject/Title:	Commissioning of Accommodation with Care (Residential and Nursing Care Homes)
Portfolio Holder:	Cllr Janet Clowes, Adult Social Care and Integration

1. Report Summary

- 1.1** The purpose of this report is to set out the rationale for commissioning accommodation with care provision for existing and future residents of Cheshire East.
- 1.2** Adult Social Care is proposing to undertake the recommissioning of accommodation with care for the residents of Cheshire East, to answer the following commissioning question:

“How does Cheshire East Council commission an appropriate offer of permanent accommodation with care and how do we ensure we have a consistent outcomes led offer that is affordable?”

The aim is to build a vibrant and sustainable accommodation with care market for the future which meets the needs and expectations of those individuals requiring 24 hour care.

- 1.3** The accommodation with care market in Cheshire East will offer a personalised service which is flexible, responsive and focused on helping people achieve what is important to them. There will be a choice of quality assured residential and nursing care options available to older people and working age adults with disabilities, not only to meet people’s long term needs but also to support and care for those with short term needs to enable people to recover and maintain the maximum independence, well-being and achieve the best outcomes for their personal circumstances.

2. Recommendations

- 2.1** Cabinet approve Cheshire East undertaking the commissioning of accommodation with care services in partnership with both Eastern and South Cheshire Clinical Commissioning Groups, with CEC as the lead Commissioner.

2.2 Cabinet note that independent consultants have been appointed to undertake a review of care fees to inform the new commission and that accommodation with care fees are held at the current market price until the new contracts commence.

2.3 Authority be delegated to the Acting Executive Director of People in consultation with the Portfolio Holder for Adult Social Care and Integration to;

2.3.2 to award contracts to suppliers; and

2.3.3 in consultation with the Director of Legal Services to enter into a contracts with the successful suppliers.

3. Reasons for Recommendations

3.1 Cheshire East Council has a duty under Section 5 of the Care Act to promote the efficient and effective operation and sustainability of a market in services for meeting the care and support needs of individuals. There are increasing financial pressures on the social care market, for example National Living Wage, recruitment and retention issues which is resulting in a rise in care costs.

3.2 This means transforming the care and support offer to ensure Cheshire East has a greater capacity and an improved range of services. It is intended that the Clinical Commissioning Groups together with Cheshire East Council jointly commission the new offer and include: discharge to assess beds, step up/step down beds, more specialist provision for complex needs that promote quality of care under the system beds programme and in accordance with the Clinical Commissioning Groups commissioned report into Older Person's services undertaken by Fusion 48 (Fusion 48 are a consultancy organisation who are leading on the older persons service transformation).

3.3 The joining up of commissioning and contracting with partners will provide an opportunity to promote and champion a single and shared view of high-quality care and support. With our partners, we need to ensure that health and social care services provide people with safe, effective, compassionate, high quality care and that we encourage care services to improve, this may include quality payment premiums to providers.

3.4 The key risk to Social Care is maintaining the quality, capacity and sustainability of the care market. Any market failure or disruption will have a huge impact not only on delayed transfers of care but the critical care provided in the community to vulnerable individuals.

4. Other Options Considered

4.1 The demand for care services will be significant over the next few years and we need to sustain and stabilise the accommodation with care markets alongside managing the budget, therefore doing nothing is not an option.

5. Background/Chronology

- 5.1** For the past two decades the focus of government policy has been to widen choice and increase autonomy for people who receive support services. The Care Act (2014) places responsibility on local authorities to ensure that people's wellbeing and the outcomes which matter most to them will be at the heart of every decision made about the care and support they receive. Every person using health and social care should receive quality services that promote their independence and lead to an improved quality of life.
- 5.2** The Care Act 2014 requires the Council to have regard to the actual cost of care which reflects local market conditions; this makes the future affordability of care homes a challenge for the Council as market prices increase, impacted by National Living Wage, Pension Auto Enrolment and recruitment and retentions difficulties driving up costs.

6.0 Demography and Population level data

- 6.1** The key findings from the Joint Strategic Needs Assessment are as follows:-
- 6.1.1** In Cheshire East the proportion of the population who are aged 65 years and over is around 22% (n≈82,240) in 2015.
- 6.1.2** The number of residents aged 65 years and over varies across the Borough, with over 4 times more pensioners living in some wards compared to others; 3,104 people aged 65 and over live in Poynton West and Adlington compared to 675 in Crewe South.
- 6.1.3** The trend in people living alone is likely to see the largest increase in women aged 75 and over.

7.0 Current Commissioning position

- 7.1** Accommodation with Care is one of the largest contracted services that the Council commissions in the external care market with 1,228 adults and older people living in permanent care home placements within the Cheshire East footprint.
- 7.2** The Council current spends approximately £37.4 million per annum on accommodation with care services within Cheshire East and a further £13 million per annum on accommodation with care services in other local authority areas.
- 7.3** This report discusses the current position and future needs of accommodation with care provision. For the purpose of this report accommodation with care refers to CQC registered care homes. Other models of accommodation with care, such as Extra Care Housing and Supported Living are being reviewed separately at this time, however the various work streams will have cross cutting themes to ensure a joined up approached and prevent duplication.

- 7.4** The current contractual arrangements have been in place since 2013.
- 7.5** The current contractual arrangement is a joint contract with Cheshire East Council and Eastern and Southern Cheshire Clinical Commissioning Groups. There is one standard service specification covering all types of regulated activities undertaken within care homes and care homes with nursing.
- 7.6** Accommodation with Care fees were last reviewed in 2015/16 and uplifted in April 2016.
- 7.7** All current long term provision is commissioned on a 'spot purchase' basis. Providers are signed up to standard terms and conditions called a 'Pre Placement Agreement' and receive individual placement agreements for each resident placed by Cheshire East Council.
- 7.8** The accommodation with care market in Cheshire East is composed of a good mix of small and medium sized providers (SMEs) as well as a number of large, national organisations.
- 7.9** There are 96 Care Quality Commission registered care homes within Cheshire East Council. The Council has pre-placement agreements in place with 95 of these care homes. Of the 31 July 2017 Cheshire East Council only had placements in 88 of these care homes. 49 of these homes are registered to provide residential care and 47 are registered to provide nursing care.
- 7.10** There are 3,878 registered care home beds with Cheshire East Council, however Cheshire East Council only purchase approx. 30% of the available beds. The majority of remaining beds are occupied by self-funding residents.
- 7.11** On average residential care homes in Cheshire East have 10% of beds vacant and nursing homes have on average 15% of beds vacant.
- 7.12** Cheshire East Council commissioned 261 placements in 150 care homes in other local authority areas.
- 7.13** The large number of providers contracted with the Council makes it difficult to develop effective working relationships with commissioned providers.
- 7.14** The Council's approach to commissioning accommodation with care is very traditional, Cheshire East Council currently offer four levels of care and support within a care home setting, residential, residential dementia, nursing and nursing dementia. The recommissioning will explore the use of accommodation with care providers delivering a range of short term as well as long term care provision such as discharge to assess, step up, step down beds and rehabilitation services.

8.0 Commissioning Trends

8.1 The following chart shows the number and type of accommodation with care placements made by Cheshire East Council in county as of 31 July 2017.

8.1.2 Cheshire East Council continues to have a high number of residents placed in standard residential care settings.

Type of Placement	Number
Residential Standard	360
Residential Dementia	294
Nursing Standard	372
Nursing Dementia	255

8.1.3 The majority of accommodation with care placements is for those residents with a primary need for physical support or cognitive impairment.

Primary Client Type	Number of Placements
Learning Disability	51
Mental Health	196
Physical Support	649
Sensory Support	34
Social Support	13
Memory & Cognition	338

8.1.4 The following chart shows the number of accommodation with care placements made by age, under and over 65s as of 31 July 2017.

Age of Placement	Number
Over 65	1176
Under 65	105

8.1.5 The following information breaks down the current accommodation with care provision by Adult Social Care Team area as at 31 July 2017

The Crewe Adult Social Care Team have the highest number of placements in accommodation with care settings.

Team	No. of Placements
Crewe	423
Congleton	289
Wilmslow	233
Macclesfield	258
Mental Health	78

8.1.6 The following chart provides data around the number of placements over Cheshire East Council's current contract rates. It should be noted that Cheshire East Council have not been collecting third party contribution costs when commissioning accommodation with care, therefore we do not have a true picture of the cost of accommodation of care within Cheshire East Council.

Placement type	Number above Contract rate
Residential Standard	90
Residential Dementia	88
Nursing Standard	132
Nursing Dementia	103

Placements at or above contract rate	Number
At Contract Rate	868
Above Contract Rate	413

9.0 Care Quality Commission and Cheshire East Council Quality Ratings of Accommodation with Care Providers

9.1 The Council is responsible for ensuring that all commissioned services are delivering high quality care and support services which meet the needs of our residents.

9.2 Accommodation with Care Providers are subject to inspections by the Care Quality Commission as well as at least annual quality assurance visits from the Council.

9.3 The following data shows the CQC and Cheshire East Council ratings for all 96 registered and commissioned accommodation with care providers delivering services on behalf of the Council as at the 31 July 2017.

The Council's 96 CQC registered, accommodation with care providers are broadly comparable to that of the neighbouring authority (Cheshire West and Chester), the regional and national picture.

CQC ratings	Number of homes	%
Outstanding	1	1
Good	67	70
Requires improvement	27	28
Inadequate	0	0
Not yet rated under new system	1	1
Totals	96	100%

10.0 Care Fees

10.1 The Council last reviewed the care fees paid to accommodation with care Providers during 2015/16. The fee review was undertaken by independent consultants and recommendations were presented to Cabinet in February 2016. Cabinet agreed the recommendations and fees were uplifted to their current levels in April 2016. The percentage increase is as follows:

- Residential Care – 15.6%
- Residential Care (Dementia) – 10.3%
- Nursing – 9.5%
- Nursing (Dementia) – 4.8%

10.2 There is an urgent need to undertake a review of care fees to ensure that the Council is meeting its responsibilities under the Care Act to provide an affordable, viable and sustainable care market. An independent organisation which is a subsidiary to CIPFA has been appointed to undertake the review. They will work with providers to develop the approach to ensure maximum engagement in the process.

10.3 The fees currently paid by the Council to Accommodation with care providers are:

- Residential Care £435.68
- Residential Care (EMI) £515.34
- Nursing Care £474.53
- Nursing Care (EMI) £489.86

NHS funded nursing care is care provided by a registered nurse for people who live in a care home the NHS will pay a flat rate contribution directly to the care towards the cost of this registered nursing care.

11.0 Provider Relationships

11.1 The Council's relationships with its accommodation with care providers in

the past has been limited. Despite this there is a willingness from the key providers in the market to engage with and work with the Council to re-design services.

11.2 Accommodation with Care providers are not completely reliant on Cheshire East Council funding and a number of providers are not prepared to accept Cheshire East Council fee levels. It is therefore essential that commissioners build effective relationships with those providers who do wish to engage and who support the majority of Cheshire East Council residents.

11.3 A series of meetings have been held with accommodation with care providers and senior Council Officers since April 2017 to start building relationships and exploring how both parties can work together to co-produce the new model of accommodation with care provision.

11.4 A provider steering group is now in place and meeting on a monthly basis, the meeting is chaired by the Director of Commissioning to offer assurances to Providers of the Council's commitment to working in partnership.

11.5 One of the key messages to have come out of these meetings, is an urgent need to review the Councils internal processes to ensure that accommodation with care providers receive appropriate information about customers as part of the referral process, that correct contractual agreements are issued in a timely manner, that systems are updated immediately when placements are commissioned or amended to ensure correct payment is made and that reviews take place when requested.

11.6 In addition a series of tasks and finish groups have been set up to work with providers to explore the following areas as part of the recommissioning work:

- Care Fees
- Internal processes
- Recruitment and Retention
- New service model / specialisms
- Contract Monitoring / Quality Assurance

As a result of the above, there is already an improvement in communication and relationships between commissioners and providers, which needs to be built on and maintained moving forwards.

12.0 Timeline

The proposed timeline is as follows

Action	Milestone
Cabinet Decision	5 th December 2017
Tender published	January 2018
Tender awarded	April 2018
New services begin	April 2018

13. Wards Affected and Local Ward Members

13.1 All Ward members

14. Implications of Recommendation

14.1 Policy Implications

14.1.1 The proposal links with the Council's commitment to providing customer choice in social care provision and ensuring best value for service delivery

14.2 Legal Implications

14.2.1 It is proposed that the Council will provide Accommodation with care services in conjunction with Eastern and South Cheshire CCGs, that the Council leads on the commission but the CCGs remain in control of their own budgets and call off their own provision.

14.2.1 If during the course of the procurement process it is decided that there will be a closer collaboration (whereby the Council controls the collective budget and commissions services on behalf of the CCGs) then this a more formal partnership arrangement. The parties would need to enter into a Memorandum of Understanding to set out the obligations of the parties in relation to the provision of services and confirm the funding contributions and the responsibilities of each party in delivery of such a service. Appropriate authority to enter into such a partnership would need to be sought in accordance with the Council's Finance Procedure Rules.

14.2.2 The aggregate value of the accommodation with care provision is such that these services must be procured in accordance with the Public Contracts Regulations 2015 and in compliance with the Council's Finance and Contract Procedure Rules. This will require a fully OJEU compliant procurement exercise. The Service is engaging with Legal Services and the Council's Corporate Procurement Team in this process.

- 14.2.3** Commissioning accommodation with care in collaboration with partners and following a period of review and engagement with service users and stakeholders will assist the Council in meeting its duties under Section 5 of the Care Act to ensure an efficient and effective local market with a view to ensuring that there is a variety of providers and high quality services to choose from. A key tension alongside this duty has been pressure on the sustainability of the current market due to budget pressures for services meeting the care and support needs of individuals. However, statutory guidance accompanying the Care Act 2014 is clear that the way services are commissioned has a direct impact upon 'shaping the market' (Paragraph 4.4) and requires that Local Authorities must 'consider how to ensure that there is still a reasonable choice for people who need care and support' (Paragraph 4.39) and to ensure that their fee levels do not compromise the service providers' ability to employ people on at least minimum wage with sufficient training (Paragraph 4.31).
- 14.2.4** It is also entirely in line with the accompanying Statutory Guidance to the Care Act 2014, to consider outcome based commissioning where we seek to promote wellbeing, enablement, reduce loneliness and social isolation, and promote independence (paragraph 4.16) However, the commissioning should not operate to exclude smaller and community/ voluntary organisations (paragraph 4.18). It is open to the Local Authority to publish market position statements; this would underpin our duty in statutory guidance accompanying the Care Act 2014 to engage with our stakeholders to develop an understanding of supply and to signal to the market the types of services needed now and in the future (Paragraph 4.7).
- 14.2.5** The commissioning approach is a change to the way services are currently provided but reflects the flexibility of procurement practices to support effective engagement with stakeholders (paragraph 4.99 Statutory Guidance to Care Act 2014); the Service have engaged with stakeholders including service users to co-produce the service specification.
- 14.2.6** Under the Equality Act 2010, the Council is required to identify the impacts of any decisions, policies etc. on certain protected groups to ensure equality is promoted, and inequality minimised. For example, there must be an assessment made of the impacts on groups or individuals who are disabled, who belong to ethnic or racial groups, on the grounds of age or sex discrimination etc. An Equality Impact Assessment has been completed and can both assist in evidencing that these equality duties are being met and can inform decision taking. However, following engagement with stakeholders, it will be necessary to consider any further potential impact to protected groups to evidence that our decision making is rational and responsive. This reduces the risk of subsequent successful challenge to our decision making processes.

- 14.2.7** Undertaking an open and transparent review of fees paid to accommodation with care providers is a means to ensure that the Council meets its duties under the Care Act 2014 to formally consider the cost of care locally when setting care fees.

14.3 Financial Implications

- 1.4.3.1** The proposal will support the Council ensuring that individual Accommodation with care placements are commissioned via a competitive exercise from approved providers therefore ensuring best value for money.
- 1.4.3.2** There are 88 Care Homes in Cheshire East Borough that have placements. Total annual spend is £37,777,284.
- 1.4.3.3** There are 150 Care Homes out of Borough that have placements. The current total annual spend is £13,334,157.
- 1.4.3.4** As at June 2017 there were 1546 placements in Care Homes both within CEC and out of area with a total spend of approximately £50.4m per annum. Below is a breakdown of the placements based on the recorded categories for Long Term Primary Support Reason, these are:
- Learning Disability Support
 - Mental Health Support
 - Physical Support (Personal care/Access & mobility)
 - Sensory Support (Hearing/Visual/Dual)
 - Social Support (Substance Misuse)
 - Social Support (Social Isolation/other)
 - Memory & Cognition Support

14.4 Equality Implications

- 14.4.1** In making the decision to re-commission accommodation with care the Council has had due regard to the Public Sector Equality Duty as set out at S149 of the Equality Act 2010. An Equality Impact Assessment has been carried out as part of the re-commissioning

14.5 Rural Community Implications

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

14.6 Human Resources Implications

- 14.6.1** None for employees of Cheshire East Council. See legal implications above about Statutory Guidance for employees of care provision.

14.7 Health and Wellbeing Implications

14.7.1 The One You Cheshire East campaign encourages people to look after their health. The availability of local and personalised accommodation with care services for people in Cheshire East will support this work by encouraging people to look after their health and referring people into the One You Cheshire East services.

14.8 Implications for Children and Young People

14.3.1 The proposal will offer an improved pathway for young people transitioning from Children's Services to Adults Social Care.

14.9 Overview and Scrutiny Committee Implications

14.9.1 The paper has been to Overview and Scrutiny and any notes actioned.

14.10 Other Implications (Please Specify)

None.

15.0 Risk Management

15.1. Ensuring there are adequate services in the independent sector market to meet current and future needs of local residents is critical.

15.2 By taking account of the local fee structure when making its own recommendations the Council is mitigating this risk, both for the Council and residents.

16.0 Access to Information

16.1 The background papers relating to this report include the Live Well Cheshire East Commissioning Plan 2017, Joint Strategic Needs Assessment and Care Act 2014.

17.0 Contact Information

Contact details for this report are as follows:

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Cheshire East Council

Cabinet

Date of Meeting:	5 th December 2017
Report of:	Mark Palethorpe (Acting Executive Director of People)
Subject/Title:	Commissioning of Care at Home (Domiciliary Care)
Portfolio Holder:	Cllr Janet Clowes, Adult Social Care and Integration Cllr Jos Saunders, Children and Families

1. Report Summary

- 1.1** The purpose of this report is to set out the rationale for re-commissioning care at home provision for adults and older people with low level, non-complex care and support needs residing in Cheshire East. It is proposed that the service is commissioned in conjunction with Eastern and South Clinical Commissioning Groups (CCGs) and that Children's Care at Home services are commissioned simultaneously.

The commissioning question we have posed is:

“How do we ensure that Cheshire East Council consistently commissions high quality personalised care at home that is flexible, delivers the agreed outcomes, is enabling in its approach, value for money and which engages providers in a meaningful way?”

- 1.2** Effective and responsive care at home provision, delivered by externally commissioned, independent, Care Quality Commission registered care at home providers, can assist people in remaining in their own homes for longer and maintaining their independence. This is done by providing care staff who encourage and support people to maintain and regain their confidence to do tasks for themselves, rather than having tasks done for them, which creates a reliance on carers and can result in people needing to access permanent residential care sooner than might otherwise be the case.
- 1.3** A revised approach to both the commissioning and the delivery of care at home provision, linking in with services delivered by the local community, community hubs and connected communities will enable commissioned providers to work with individuals to deliver their care in a more personalised and flexible way which puts the individual at the centre of the package and allows them to direct how their care is delivered on a daily basis.
- 1.4** It is proposed that the Cheshire East service is commissioned jointly with South

and East CCGs with Cheshire East Council as the lead Commissioner. It is anticipated that this would be facilitated via a Memorandum of Understanding between the parties which would set out funding and contract monitoring arrangements.

- 1.5** It is further proposed that Children's Care at Home services are commissioned alongside the Adults service as part of a holistic approach.

2. Recommendations

- 2.1** Cabinet approves Cheshire East undertaking the re-commissioning of care at home services which are procured in partnership with both Eastern and South Cheshire Clinical Commissioning Groups, with Cheshire East Council as the lead Commissioner.

- 2.2** Cabinet approves the procurement of Children's Care at Home services as part of this process.

- 2.3** Authority be delegated to the Executive Director of People in consultation with the Portfolio Holder for Adults and Children & Families to;

2.3.1 following the prescribed procurement process to award contracts to suppliers; and

2.3.2 in consultation with the Director of Legal Services to enter into contracts with the successful suppliers

3. Reasons for Recommendations

- 3.1** Cheshire East Council has a duty under Section 5 of the Care Act to promote the efficient and effective operation and sustainability of a market in services for meeting the care and support needs of individuals. Key tensions alongside this are increasing financial pressures on the social care market, for example National Living Wage, recruitment and retention issues which is resulting in a rise in care costs.

- 3.2** There is a need to transform the care and support offer to ensure Cheshire East has greater capacity and an improved range of services that are outcomes based and value for money.

- 3.3** Care at Home fees were last reviewed in 2015/16 and uplifted in April 2016. The direct payment rate for care at home is lower than the commissioned rate; therefore not enabling individuals to purchase care at home directly from providers. This is an anomaly that will be addressed by the new Care at Home fees review.

- 3.4** East and South Clinical Commissioning Groups currently commission

Continuing Health Care from our care at home market. The re-commissioning presents an opportunity to jointly commission integrated care and support services with both CCGs which could include discharge to assess beds, step

up/step down beds and more specialist provision for complex needs. The commission will build on the findings of the CCG commissioned report into the transformation of Older People's services undertaken by independent consultants Fusion 48.

3.5 The joining up of commissioning and contracting will provide partners with an opportunity to promote and champion a single and shared view of high-quality care and support. With our partners we need to ensure that health and social care services provide people with safe, effective, compassionate, high quality care and that as partners we encourage care services to improve, this may include quality payment premiums to providers.

3.6 The key risk to Social Care is maintaining the quality, capacity and sustainability of the care market. Any market failure or disruption will have a huge impact not only on delayed transfers of care but the critical care provided in the community to thousands of vulnerable individuals.

4. Other Options Considered

4.1 Options to Jointly Commission with Cheshire West and Chester were explored, they initially agreed, however subsequently changed their decision.

4.2 The demand for care services will be significant over the next few years and we need to sustain and stabilise both the care at home markets and care home markets, alongside managing the budget, therefore doing nothing is not an option.

4.3 Do nothing and continue to spot purchase.

5. Background

5.1 For the past two decades the focus of government policy has been to widen choice and increase autonomy for people who receive support services. The Care Act 2014 places responsibility on local authorities to ensure that people's wellbeing and the outcomes which matter most to them will be at the heart of every decision made about the care and support they receive. Every person using health and social care should receive quality services that promote their independence and lead to an improved quality of life.

5.2 Independent consultants are undertaking a review of care at home fee rates, with a view to making recommendations for the future fee structure of the new contractual arrangements.

5.3 Officers are considering a range of options for commissioning a new model of care at home which delivers a range of services such as rapid response, on-going reablement and rehabilitation services and flexible packages of care including incentives such as payment by results to ensure people receive the right care, at the right time, at the right place and at the right price.

5.4 Officers are considering the options of moving to a geographic patch based model of care at home, with a smaller number of preferred providers for each geographical area and a select list of pre-approved and specialist providers sitting behind the preferred provider model.

5.5 It is paramount that the new model is co-produced with providers and customers.

5.6 As part of the commission a review of all internal processes from point of access be undertaken to ensure care at home services are only used when really needed.

6. Demography and Population level data

6.1 The key findings from the Joint Strategic Needs Assessment are as follows:-

6.1.1 In Cheshire East the proportion of the population who are aged 65 years and over is around 22% (n≈82,240) in 2015.

6.1.2 The number of residents aged 65 years and over varies across the Borough, with over 4 times more pensioners living in some wards compared to others; 3,104 people aged 65 and over live in Poynton West and Adlington compared to 675 in Crewe South.

6.1.3 The trend in people living alone is likely to see the largest increase in women aged 75 and over.

6.2 In summary, the population of Cheshire East is ageing and the Borough needs to Increase the capacity and capability of care at home services to enable people to remain living at home longer, reduce the need for a move to a care home and provide timely and appropriate care.

7. Current Commissioning position

7.1 Care at Home is one of the largest contracted services that the Council commissions in the external care market with approximately 1,300 adults and older people in Cheshire East supported to live at home.

7.2 The Council currently spends approximately £13.5 million per annum on Care at Home services and a further £13.7 million per annum on Supported Living services. Supported living is used to describe the arrangement whereby someone who already has, or who wants their own tenancy or own home, also has support from a “Care and Support” provider to help them live as independently and safely as possible.

Night Support provision across both services currently costs the Council £2.6 million per annum.

7.3 The Council currently contracts with 97 Care Quality Commission registered

Care at Home providers via “spot purchasing” arrangements. 73 providers deliver services in “blocks” of 30 minutes, 45 minutes and 1 hour calls and 44 deliver Supported Living provision, i.e. blocks of hours of support or 24/7 support to younger adults with a range of complex learning disabilities, physical disabilities and mental health needs. A number of providers deliver both services within Cheshire East.

- 7.4** The care at home market in Cheshire East is composed primarily of small and medium sized providers (SMEs). New providers who wish to provide care at home services undergo a rigorous assessment before they can provide services under the spot purchasing arrangements.
- 7.5** The majority of care at home providers operate in the main towns within the Borough, such as Crewe and Macclesfield, with fewer providers operating in the more rural areas. This can often create delays in providing care and support to customers living in rural settings.
- 7.6** While there are a large number of care at home providers, the majority of care, approximately 80%, is carried out by 20 providers. There are a further 4 providers which are considered to be ‘strategic’, i.e. they provide very specialist support or are the only provider operating in a geographical area.
- 7.7** While such a high number of contracted providers offers a level of customer choice, it can result in care staff moving between care at home providers, with little or no notice, resulting in providers having to hand back work as they do not have the staff to cover the calls. Often the provider who has recruited these staff from the rival provider will then ‘pick up’ the handed back packages. The care workers can move from one provider to another but due to recruitment processes they are not necessarily going to be the same carers going into to the customers immediately, the customer may also not want to move with the carer to the new provider. This can result in disruption for customers in terms of continuity of their care and support.
- 7.8** The high number of providers also makes it difficult for the Council to develop effective working relationships with providers and lead to a more reactive rather than proactive approach to contract management.
- 7.9** The Council’s approach to care at home is very traditional; packages are commissioned based on time and task. Care at home providers are still commissioned to deliver activities such as shopping, cleaning, household support, social activities / engagement and medication only calls which could be provided by services already available in the community rather than via a more costly care at home package. In addition little has been done to develop the market in terms of delivering specialist provisions, such as support for families & children and intrusive interventions such as peg feeding and stoma care.

8. Disadvantages of the current commissioning model

- 8.1** The current contractual arrangements have been in place since 2011. All current provision is commissioned on a 'spot contract' basis i.e. on an individual customer basis. While there are some advantages to this model in terms of providing greater choice to customers who opt to self-direct their care and support, it is not conducive to market stability or consistent high quality practice.
- 8.2** The lack of guarantee that is offered to providers can be detrimental to service consistency and continuity, and monitoring is difficult in openly competitive situations where there are a large number of providers. This approach also fails to offer commissioners any potential economies of scale and is deficient as a planning tool.
- 8.3** This model of commissioning can impact on provider's abilities to recruit and retain care staff, provide continuity of care and impacts on the Council's ability to source care in hard to serve areas,
- 8.4** The current commissioning model does not support providers to develop viable rounds or to take ownership of a geographic area. Rather than encouraging competition the large number of providers operating in certain geographic areas has led to providers actively choosing not to pick up complex packages, resulting in delays in care being sourced.
- 8.5** The current arrangements do not give the Council's commissioner the opportunity to arrange for fast and responsive services, as well as services with a consistent level of quality. Nor does it give providers sufficient assurance of on-going business to encourage them to attract more people into social care by employing staff on guaranteed contracts.
- 8.6** The current commissioning arrangements only include Cheshire East Council. As our associated clinical commissioning groups utilise a number of the same care at home providers, as well as facing the same challenges in delivering high quality, cost effective care. Therefore we will look to joint commissioning arrangement with the two Clinical Commissioning Groups.

9. Care Quality Commission and Cheshire East Council Quality Ratings of Care at Home Providers

- 9.1** The Council is responsible for ensuring that all commissioned services are delivering high quality care and support services which meet the needs of our residents.
- 9.2** Care at Home Providers are subject to regular inspections by the Care Quality Commission as well as at least annual quality assurance visits from the Council.
- 9.3** The following data shows the Care Quality Commission and Council ratings for all 97 registered and commissioned care at home providers (including

Supported Living) delivering services on behalf of the Council as at the 31 July 2017. Of the 97 Care Quality Commission registered, care at home, the ratings are broadly comparable to that of the neighbouring authority (Cheshire West and Chester), the regional and national picture.

Care Quality Commission ratings	Number of providers	%
Outstanding	0	0
Good	67	69
Requires improvement	18	19
Inadequate	0	0
Not yet rated	12	12
Totals	97	100%

10. Care Fees

10.1 The Council last reviewed the care fees paid to Care at Home Providers during 2015/16. The fee review was undertaken by independent consultants and recommendations were presented to Cabinet in February 2016. Cabinet agreed the recommendations and fees were uplifted to the current levels.

10.2 There is an urgent need to undertake a review of care fees to ensure that the Council is meeting its responsibilities under the Care Act to provide an affordable, viable and sustainable care market and to address anomalies within the current fee structure which are described below. An independent organisation which is a subsidiary to CIPFA has been appointed to undertake the review. They will work with providers to develop the approach to ensure maximum engagement in the process.

10.3 The fees currently paid by the Council to care at home providers are:

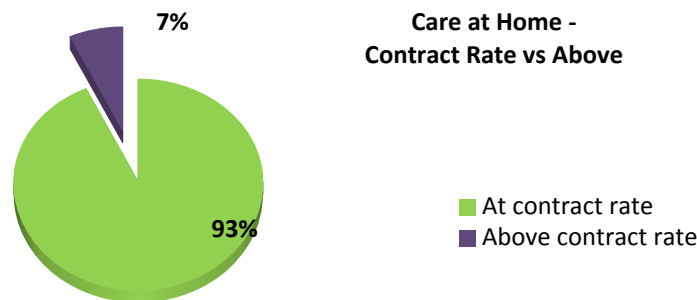
Call length	Rate
30 mins	£8.20
45 mins	£10.65
60 mins	£14.20

10.4 As the Council currently pays a blended rate for 30 minute calls, (this is where the payment for a 30minute call is not exactly half of the hourly rate, it is a specific rate only for 30min) there is a need to carefully consider the impact on the market of moving to flat hourly rate. There is a high risk of providers handing back work or becoming financially unviable if, as part of a move to a flat hourly rate, the new hourly rate paid to providers equates to less than two 30 minute calls at the current rates. From discussions with providers around the rates, they advised that it would not be financially viable

for them to support customers with 30minute calls should a flat hourly rate be implemented.

10.5 As part of the fee review in 2015/16 the Direct Payment rate was increased and moved to a flat hourly rate, previously the Direct Payment rate had been the same as the commissioned rate. As a result care at home providers received £7.20 for a 30 minute call paid for via a direct payment arrangement or £8.20 via a commissioned service. The impact was a number of providers either handed back, requested an increase or refused to pick up any new direct payment packages.

10.6 The majority of care at home providers currently accept the current contract rate. However, under the current system it is sometimes necessary to pay above the contract rate in certain situations where individuals live in particularly hard to serve areas and or very rural parts of the Borough. The higher rate would also include a certain amount of travel time for the staff member to travel to such calls. As at June 2017 the number of Care at Home Packages at Contract Rate = 1,213 out of 1,307 = 92.8% as shown in the diagram below.



11. Provider Relationships and Engagement

11.1 The Council's relationships with its care at home providers in the past has been limited. Despite this there is a willingness from the key providers in the market to engage with and work with the Council to re-design services. This has been agreed and taken forward via a Provider Steering Group and following on from that some Task and Finish groups which providers regularly attend as detailed below.

11.2 A series of meetings have been held with care at home providers and senior Council Officers since April 2017 to start building relationships and exploring how both parties can work together to co-produce the new model of care at home provision. Council Officers have also engaged with Children's, East and South Clinical Commissioning Groups to ensure they are also fully involved in co-producing the new model of care at home provision.

11.3 A provider steering group is now in place and meeting on a monthly basis the meeting is chaired by the Director of Commissioning to offer assurances to Providers of the Council's commitment to working in partnership.

11.4 One of the key messages to have come out of these meetings, is an urgent need to review the Council's internal processes to ensure that care at home providers receive appropriate information about customers as part of the referral process, that correct contractual agreements are issued in a timely manner, that systems are updated immediately when packages are commissioned or amended to ensure correct payment is made and that reviews take place when requested and involve the care at home provider. A group has been set up to review and refine our internal processes.

11.5 In addition a series of groups have been set up to work with providers to explore the following areas as part of the recommissioning work:

- Care Fees
- Internal processes
- Recruitment and Retention
- New service model
- Contract Monitoring / Quality Assurance

11.6 Alongside the re-commissioning work, a separate pilot is being run in the Crewe Adult Social Care Team area to look at how local community based services can support care at home providers to reduce existing care packages or deliver them differently. This pilot is being worked on jointly by Adults Commissioning, Adults Operations, Communities and Partnerships and four Care at Home providers.

11.7 As a result of the above, there is already an improvement in communication and relationships between commissioners and providers, which needs to be built on and maintained moving forwards.

12. Timeline and practical considerations

The proposed timeline is as follows

Action	Milestone
Cabinet Decision	5 th December 2017
Tenders published	January 2018
Tender awarded	June 2018
New services begin	June 2018

12.1 The transition to new contracts and providers will need to be carefully and sensitively managed. Commissioners are currently working on a Transition Plan to ensure that the process runs smoothly with minimal disruption to customers' care and support.

12.2 Commissioners are working with colleagues in Media and Communications to develop a Communications Plan and with Business Intelligence to ensure that there is an appropriate approach to consultation.

12.3 There are a large number of staff currently delivering Care at Home services. Legal advice will be sought on whether there are TUPE implications associated with the commissioning and procurement.

12.4 An Equality Impact Assessment has been undertaken for the process and this will be updated throughout as feedback is received via the consultation process. Mitigating actions will be considered and implemented where practical and cost effective.

13. Wards Affected and Local Ward Members

13.1 All Ward members

14. Implications of Recommendation

14.1 Policy Implications

14.1.1 The proposal links with the Councils commitment to providing client choice in social care provision and ensuring best value for service delivery

14.2 Legal Implications

14.2.1 There are numerous pertinent statutory duties which the Local Authority must consider when undertaking this exercise. These duties are contained within the Care Act 2014, the Children and Families Act 2014 and Children Act 1989 and statutory guidance. In summary these are as follows: -

14.2.1.1 Section 5(1) Care Act 2014 places a duty upon the Council to promote 'an efficient and effective local market with a view to ensuring that there is a variety of providers and high quality services to choose from'.

14.2.1.2 Local Authorities are under a general duty to implement preventative services that reduce the need in adults for care and support and the need for support to carers (Section 2 Care Act 2014). Whilst there is no statutory duty within the Care Act, 'supporting people to live as independently as possible for as long as possible is a guiding principle of the Care Act' (paragraph 1.19, Revised Statutory Guidance).

14.2.1.3 Statutory guidance accompanying the Care Act 2014 is clear that the way services are commissioned has a direct impact upon 'shaping the market' (Paragraph 4.4) and requires that Local Authorities must 'consider how to ensure that there is still a reasonable choice for people who need care and support' (Paragraph 4.39) and to ensure that their fee levels

do not compromise the service providers' ability to employ people on at least minimum wage with sufficient training (Paragraph 4.31).

- 14.2.1.4** Further to this, Section 6 and 7 create general statutory duties for public bodies to work together more closely and where a Local Authority requests assistance, other bodies have a specific duty to assist. This applies to CCGs, for example.
- 14.2.1.5** Section 8 of the Care Act 2014 mostly focusses on the ways in which services can be delivered for eligible adults and confirms that these services may be delivered by itself, delegated or by making direct payments.
- 14.2.1.6** Section 79 of the Care Act 2014 enables Local Authorities to delegate all of their functions under the Act with the exception of charging and safeguarding. It is important to note however that the Local Authority retains ultimate responsibility for the acts or omissions of delegated bodies.
- 14.2.1.7** Section 9 of the Care Act places a duty on the Council to assess adults triggered by the appearance of need. It then places a duty to meet the needs of adults meeting the eligibility criteria (Sections 18-20). Detailed Assessment regulations, statutory regulations and case law underpin this duty. It is essential if the function of assessing adults is delegated that we are assured those assessing have suitable experience and training. The eligibility criteria underpinning this duty is also very prescriptive.
- 14.2.1.8** Section 10 of the Care Act places a duty on the Council to assess adult carers triggered by the appearance of need. It then places a duty to meet the needs of adults meeting the eligibility criteria (Sections 18-20). Detailed Assessment regulations, statutory regulations and case law underpin this duty. It is essential if the function of assessing adults is delegated that we are assured those assessing have suitable experience and training. The eligibility criteria underpinning this duty is also very prescriptive.
- 14.2.1.9** Section 14 Care Act 2014 gives Local Authorities a power (as opposed to a duty) to charge for residential and domiciliary care. There is again substantial detail in Statutory Guidance and Regulations around charging methods and assessment.
- 14.2.1.10** There are additional duties within the Care Act and Children and Families Act 2014 towards young carers, transition to adulthood for Children with Disabilities that will need to be taken into account to make sure we have addressed all areas.

14.2.2 In terms of this commissioning exercise what is clear is that there is a need for ongoing legal advice regarding the specific proposals made. The above summary will not alone provide the necessary level of detail.

- 14.2.1** It is proposed that the Council will provide care at home services in conjunction with Eastern and South Cheshire CCGs. The Council will lead on the commission but the CCGs will remain in control of their own budgets and call off their own provision.
- 14.2.2** If during the course of the procurement process it is decided that there will be a closer collaboration (whereby the Council controls the collective budget and commissions services on behalf of the CCGs) then this a more formal partnership arrangement. The parties would need to enter into a Memorandum of Understanding to set out the obligations of the parties in relation to the provision of services and confirm the funding contributions and the responsibilities of each party in delivery of this service. Appropriate authority to enter into such a partnership would need to be sought in accordance with the Council's Finance Procedure Rules.
- 14.2.3** This proposed new way of commissioning services is entirely in keeping with the statutory duty to work together, as set out at point 14.2.1.4.
- 14.2.4** The aggregate value of the care at home provision is such that these services must be procured in accordance with the Public Contracts Regulations 2015 and in compliance with the Council's Finance and Contract Procedure Rules. This will require a fully OJEU compliant procurement exercise. The Service is engaging with Legal Services and the Council's Corporate Procurement Team in this process.
- 14.2.5** Commissioning care at home in collaboration with partners and following a period of review and engagement with service users and stakeholders will assist the Council in meeting its duties under Section 5 of the Care Act to ensure sustainability of the market for services meeting the care and support needs of individuals. This approach to commissioning is a change to the way services are currently provided and the Service have engaged with stakeholders including service users to co-produce the service specification. Under the Equality Act 2010, the Council is required to identify the impacts of any decisions, policies etc. on certain protected groups to ensure equality is promoted, and inequality minimised. For example, there must be an assessment made of the impacts on groups or individuals who are disabled, who belong to ethnic or racial groups, on the grounds of age or sex discrimination etc. An Equality Impact Assessment has been completed and can both assist in evidencing that these equality duties are being met and can inform decision taking. A review of this Equality Impact Assessment will be needed taking into account the responses of all stakeholders at consultation stage.
- 14.2.6** Undertaking an open and transparent review of fees paid to care at home providers is a means to ensure that the Council meets its duties under the Care Act 2014 to formally consider the cost of care locally when setting care fees.

14.3 Financial Implications

14.3.1 There are currently 73 providers with a weekly spend of £259,000 which equates to £13,468,000 per year.

14.3 Equality Implications

14.4.1 In making the decision to re-commission care at home and move to a system of more local and personalised care at home services Cheshire East Council has had due regard to the Public Sector Equality Duty as set out at S149 of the Equality Act 2010. Equality Impact Assessment has been carried out and will be updated as part of the commissioning process.

14.5 Rural Community Implications

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

14.6 Human Resources Implications

14.6.1 Whilst the proposals do not envisage any HR implications for the Council, TUPE may apply to existing care at home providers.

14.7 Health and Wellbeing Implications

14.7.1 The One You Cheshire East campaign encourages people to look after their health. The availability of local and personalised care at home services for people in Cheshire East will support this work by encouraging people to look after their health and referring people into the One You Cheshire East services.

14.8 Implications for Children and Young People

14.8.1 The proposal will ensure that Adult Social Care is meeting its duties under the Care Act 2014 and Children and Families Act 2014.

14.8.2 The proposal will offer an improved pathway for young people transitioning from Children's Services to Adults Social Care.

14.9 Overview and Scrutiny Implications

14.9.1 The paper has been to Overview and Scrutiny and any notes actioned.

14.10 Other Implications (Please Specify)

14.10.1 None.

15 Risk Management

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

16 Access to Information

- 9.1 The background papers relating to this report can be inspected by contacting the report writer.
- 9.2 Some of the key documents are Care Act 2014, Joint Strategic Needs Assessment, and Cheshire East Commissioning Plan 2017.

17 Contact Information

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Cheshire East Council

Cabinet

Date of Meeting:	5 th December 2017
Report of:	Mark Palethorpe: Acting Executive Director of People
Subject/Title:	Respite Review and Re-commissioning
Portfolio Holder:	Cllr Janet Clowes, Adult Social Care and Integration

1. Report Summary

- 1.1 Officers have embarked on a journey of engagement and co-production with our residents and people who use respite services. Officers are aiming to co-design the current respite offer in relation to efficiency and effectiveness, leading to the future offer and recommissioning of respite care. The purpose of this report is to ask Cabinet to endorse the development of a new model as the basis to recommission respite care. The commissioning question we have posed is;

“How can Cheshire East Council commission short term, person centred opportunities that meet the social, emotional and physical needs of our residents, improving outcomes for individuals and families whilst offering choice, quality and value for money?”

2. Recommendations

It is recommended that

- 2.1 Cabinet notes the outcomes of the work to date and approves the new model as the basis for provision of respite care.
- 2.2 Authority be delegated to the Executive Director of People in consultation with the Portfolio Holder for Adult Social Care and Integration following the prescribed procurement process to:
- 2.2.1 award contract/s to suppliers; and
 - 2.2.2 that the Acting Director of Legal Services enters into contracts with the successful suppliers; and
 - 2.2.3 agree that further work be progressed by the Executive Director of People on more diverse opportunities for Respite.

3 Reasons for Recommendations

- 3.1** The aspiration is that Cheshire East is able to develop models of innovative, creative practice and solutions offering alternatives to traditional models of respite care. This will provide carers in Cheshire East with increased choice and flexibility for respite services which meets needs and aspirations.
- 3.2** There is strong evidence that individuals, older people, learning disability, physical disability, mental health, autism and dementia are using their personal budgets for respite in a variety of settings, for example:
- Shared Lives
 - Extra Care Housing
 - Guest House and Supported Holidays
 - Home Based Sit In Service
 - Holidays with Support

4 Other Options Considered

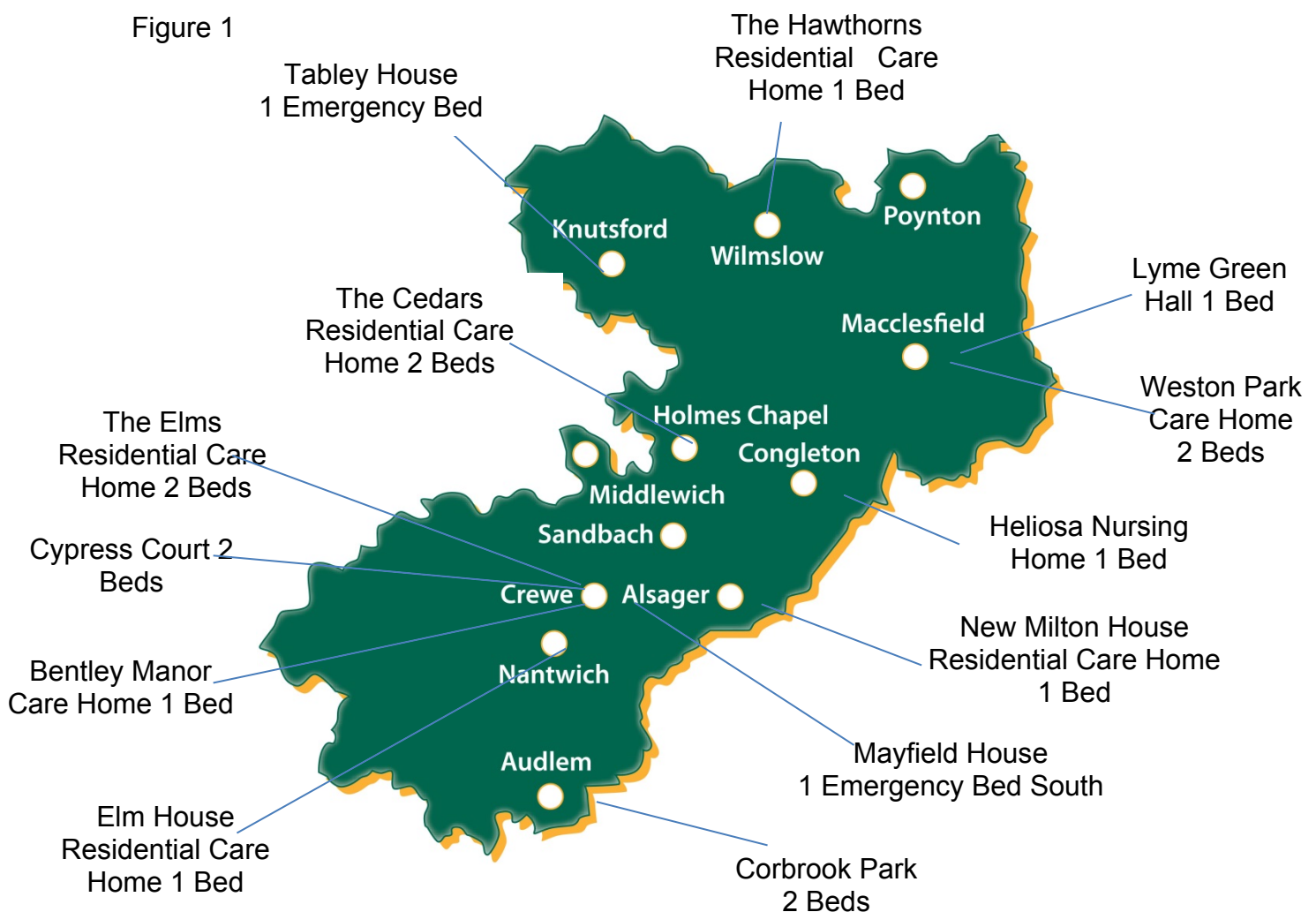
- 4.1** If the Council did not recommission the service and continued to deliver the service in the same traditional way, the service would not achieve the identified outcomes for the Carer and the person that they care for in terms of more choice, flexibility and independence

5 Background/Chronology

- 5.1** Cheshire East Council faces a significant financial challenge. A combination of reductions in the grant we receive from central government, alongside increasing demands on our services, and increased costs through inflation. Therefore every service must provide maximum value for the Council and its service users.
- 5.2** Offering a range of carer respite and cared for opportunities will support the health and social care objectives of supporting our most vulnerable residents, whilst enabling others to support themselves and lead a prosperous and healthy life.
- 5.3** Carers, the cared for, stakeholders and providers within Cheshire East, have been involved in a programme of engagement:
- Establish the “as is” picture; considering usage and quality of respite;
 - Consider whether the current offer is flexible, effective, aligned to evidenced needs and best value;
 - Explore alternative models of support;
 - Make recommendations regarding a set of more flexible opportunities as an alternative to the current block contract for respite beds offer;

- Explore residents' perception of the title "respite" and consider alternative suggestions for renaming the offer to reflect more innovative and creative options.
- 5.4** A pre-consultation process has been undertaken with people who use Respite Care Services in Cheshire East.
- 5.5** In November 2015 Cheshire East Council moved away from an in-house based carer respite provision for older people and commissioned a group of external providers, as outlined in the map below (Figure 1).
- 5.6** This was intended to enable carers to access respite in a variety of geographical locations. However, there are issues with low occupancy, and as the system operates on a block contract, it means that some pre-purchased beds have remained unoccupied and the Authority is responsible for paying for these beds.
- 5.7** The map shows where the block booked respite beds were available to across the Cheshire East area;

Figure 1



5.8 There are two internal Cheshire East services that currently offer respite;

- Lincoln House – Learning Disabilities – 4 Placements
- Warwick Mews – Learning Disabilities – 4 Placements

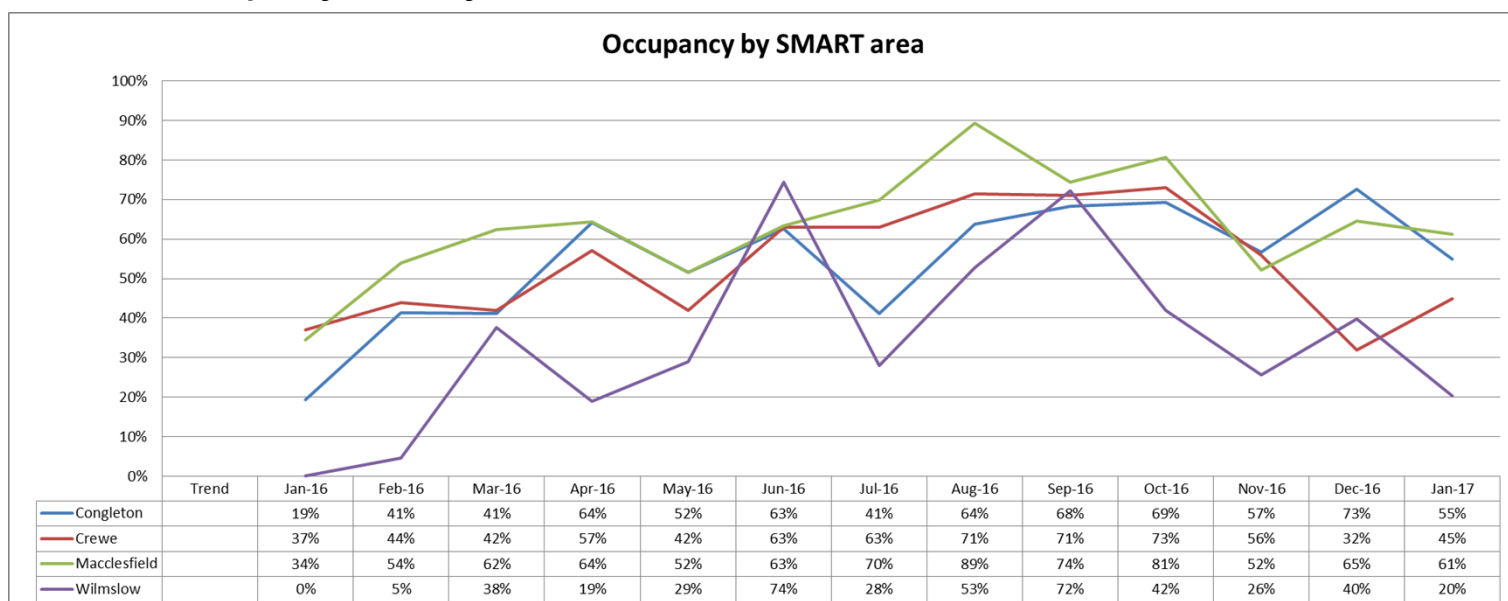


5.9 There were 18 respite beds across the Borough, including two emergency respite beds. Data shows that during a 6 month period, commencing April 2017, the overall occupancy of pre-booked beds was as follows:

- 53% April
- 63% May
- 63% June
- 69% July
- 75% August
- 79% September

Under occupancy was evidenced in each of the Homes across the Borough.

Occupancy levels by SMART area



5.10 Due to quality issues as identified by Care Quality Commission and the Quality Team at Cheshire East Council, and the under occupancy of some respite beds across Cheshire East, notice will be given to a number of contracts from 18 beds, resulting in 10 respite beds remaining from January 2018. The remaining 10 beds will continue to provide geographical coverage across the Borough.

5.11 The 2011 Census has shown that in Cheshire East there are over 40,000 residents who are looking after, or giving support to family members, friends and neighbours because of a long term physical disability, mental ill health, disability or problem relating to old age:

- 3,389 of those were carers aged 65+ caring for someone for 50+ hours per week.
- Over 12,000 residents aged 50-64 said they cared for someone for between 1-19 hours per week.
- Nearly 1500 residents aged 16 to 24 identified themselves as a carer.
- There are an increased number of young carers in Cheshire East.
- Across the borough, the overall numbers of carers are fairly consistent; however, there are some marginally higher areas, namely Knutsford, Macclesfield, Sandbach and Alsager, due to a growing older population.
- The number of full Carer Assessments recorded on Liquid Logic (on the carer's record) between 01/08/2016 and 31/07/2017 is 1069.
- Research has already taken place to explore alternative options around the respite offer.

5.12 Carers, their cared for and stakeholders will be engaged to co-produce the new model of respite care in Cheshire East.

5.13 Commissioners will work with Procurement to explore a range of options for commissioning a new model which delivers a range of respite services.

5.14 The proposed timeline is as follows:

Action	Milestone
Pre-consultation process	November 2017
Cabinet Decision	December 2017
Tender goes out on to CHEST (Procurement)	January 2018
Existing contracts cease/extended to cover transition period	September 2018
New services begin	October 2018

6 Wards Affected and Local Ward Members

6.1 All wards will be affected.

7 Implications of Recommendation

7.1 Policy Implications

7.1.1 This report is in line with the requirements under the Care Act 2014.

7.2 Legal Implications

7.2.1 The aggregate value of the care at home provision is such that these services must be procured in accordance with the Public Contracts Regulations 2015 and in compliance with the Council's Finance and Contract Procedure Rules. This will require a fully OJEU compliant procurement exercise. The Service is engaging with Legal Services and the Council's Corporate Procurement Team in this process.

7.2.2 The proposed model is a change to the way services are currently provided and commissioners have engaged with stakeholders including service users to co-produce the service specification. Under the Equality Act 2010, the Council is required to identify the impacts of any decisions, policies etc. on certain protected groups to ensure equality is promoted, and inequality minimised.

7.2.3 The impact of TUPE on existing provision will need to be considered during the course of the procurement process.

7.3 Financial Implications

7.3.1 The current total projected annual spend for 18 beds in Cheshire East is £539,585.

7.3.2 The projected spend for 10 commissioned beds in Cheshire East is £352,681.68.

7.3.3 The final proposal is to commission multiple options for respite provision.

7.4 Equality Implications

7.4.1 In making the decision to re-commission respite care and move to a system of more local and personalised respite care services Cheshire East Council has had due regard to the Public Sector Equality Duty as set out at S149 of the Equality Act 2010. Equality Impact Assessment has been carried out and will be updated as part of the commissioning process.

7.5 Rural Community Implications

7.5.1 The recommissioning of Respite Care services aims to:

- Support people to have a more localised offer of respite support
- not have to travel as far
- provide opportunities for the local community to set up their own specific groups e.g. Friendship Groups, self-help groups (support via the Local Area co-ordinators).
- provide opportunity to work with partnerships and community team connected communities project)

7.6 Human Resources Implications

7.6.1 Whilst the proposals do not envisage any HR implications for the Council, TUPE may apply to existing care at home providers.

7.7 Health and Wellbeing Implications

7.7.1 A more varied respite offer has the potential both to reduce social isolation and loneliness as well as to improve the mental wellbeing of people accessing services because it will be more tailored to their needs.

7.8 Implications for Children and Young People

7.8 1 The proposal will ensure that Adult Social Care is meeting its duties under the Care Act to support families with Children.

7.8.2 The proposal will offer an improved pathway for young people transitioning from Children's Services to Adults Social Care.

7.9 Overview and Scrutiny Implications

7.9.1 The paper has been to Overview and Scrutiny and any notes actioned.

7.10 Other Implications

7.10.1 None

8. Risk Management

8.1 Transition arrangements will ensure that there is no gap in the provision of respite care across Cheshire East.

8.2 The respite offer will be co-produced with local people to meet local needs and outcomes.

8.3 Clear communications with Carers and stakeholders of the new respite offer in Cheshire East.

9. Access to Information/Bibliography

9.1 2011 Census, Live Well Cheshire East Commissioning Plan 2017, Joint Strategic Needs Assessment, Market Position Statement 2017.

10. Contact Information

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Cheshire East Council

Cabinet

Date of Meeting:	5 th December 2017
Report of:	Mark Palethorpe: Acting Executive Director of People
Subject/Title:	Partnership Agreement with Cheshire West and Chester Council for the delivery of Healthwatch Cheshire
Portfolio Holder:	Cllr Janet Clowes, Adult Social Care and Integration

1. Report Summary

- 1.1. Cabinet gave approval in July 2016 for the Council to jointly recommission Healthwatch in partnership with Cheshire West and Chester Council. Since that approval a new service has been procured and commenced on 1st April 2017. The inclusion of the Independent Health Complaints Service (ICAS) service means that the financial value of the partnership agreement is now £503,477. This report is to seek Cabinet endorsement, for the signing of a partnership arrangement which delivers the statutory requirements of a Local Healthwatch and Independent Health Complaints Service (ICAS) service across the footprint of both local authorities. This Partnership Agreement is between two partners; Cheshire East Council and Cheshire West and Chester Borough Council.
- 1.2. The contract was awarded to Healthwatch Cheshire West, who have been delivering the Local Healthwatch service in Cheshire West and Chester since its inception on 1st April 2013. Upon award their company name was changed to Healthwatch Cheshire operating as Healthwatch Cheshire West and Healthwatch Cheshire East. This was to maintain the independence and focus on delivery across both local authorities and in line with Healthwatch England guidelines. The arrangement provides an efficient and cost effective centralised service for the two local authorities. The independent health complaints advocacy service previously delivered through a separate sub-regional contracting arrangement was also ended and this service incorporated in the new Healthwatch contract which goes along with service recommendations from Healthwatch England.
- 1.3. The partnership agreement will be for an initial 3 years until 31st March 2020, with the option to extend for a further two 12 month periods. The contract is between Cheshire West and Chester Council and Healthwatch Cheshire. The partnership agreement formalises the expectations on both local authorities in the delivery of the service.

1.4. The service has 2 distinct elements:

The delivery of a **local Healthwatch service** - The primary purpose of the Healthwatch service is to act as an independent champion and voice for residents in order to help monitor and shape local health and social care services. This is achieved by actively gathering the opinions and experiences of local people in using these services and producing valuable and timely feedback for the NHS and local authority service commissioners. The information can then be used to influence the delivery and design of local health and social care services.

The delivery of a local **Independent Complaints Advocacy Service (ICAS)** - The purpose of the Independent Complaints Advocacy Service (ICAS) is to provide support to individuals to access information and independent advocacy if they need help to complain about NHS services. The service will support residents with a complaint or grievance related to any aspect of healthcare as described in the Health and Social Care Act 2012 including that which falls under the jurisdiction of the Health Service Ombudsman, such as complaints about poor treatment or service provided through the NHS in England.

1.5. The Key attributes to these services in delivering community engagement, advice and information are:

- **Independence** - a free-standing body which is respected for its independence and trusted by residents and stakeholders alike.
- **Clearly recognised** – a body with a clear identity and prominent visibility which is strong and distinctive from existing local organisations. It will embrace and utilise the Local Healthwatch (LHW) brand developed at national level.
- **User-focused** – relentlessly championing the voice of the user in the health and social care system
- **Inclusive** – an organisation which finds ways to work with the many different patient and service user representative groups across the very diverse populations with significant health inequalities in Cheshire.
- **Communication Skills** – experienced in understanding local communities, communicating with residents, service users, professionals, lay groups and service providers. This should include a proven capability to reach out to under-represented and disadvantaged groups in a diverse and multi-cultural community.
- **Well-connected** – able to signpost people to good quality information to help them make choices about health and social care; with access to established networks to gather comprehensive patient views.

- **Evidence based** – a body which uses evidence to underpin its priorities, target its efforts and inform the commissioning of services.
- **Technically competent** – an organisation that can demonstrate the relevant skills and competencies required to deliver its functions, including a good knowledge and understanding of current health and social care systems.
- **Influential** – able to make an impact on the local commissioning of health and social care to both adults and children; complement other inspection regimes; and support patients and residents with signposting to information about the quality of local health services.
- **Flexible** – an organisation which can work in partnership with key decision-makers (including the two Local Authorities, Clinical Commissioning Groups, and other bodies at strategic level) whilst still being able to listen to individual concerns, .
- **Being an advocate** -
 - both by representing the views of citizens and communities effectively, challenging decision making bodies where necessary (including making an active contribution to the local Health and Wellbeing Boards) and more specifically for individuals requiring NHS complaints advocacy.
- **Striving to improve standards** across all health and adult social care services, including undertaking enter and view visits as required by either Local Authority.
- **Self-aware** – an organisation which actively seeks feedback on its own performance and critically assesses its strengths and weaknesses.
- **Accountable** – working to a clear set of standards against which the Local Authorities and the residents they serve can appreciate its success.
- **Good value for money** – an organisation that makes the best use of its resources by seeking to avoid duplication with other bodies in Cheshire and working creatively with them to deliver the most cost effective solutions to achieve its chosen priorities.

2. Recommendation

That Cabinet:

- 2.1. Notes the information contained within this paper for the delivery of an integrated Healthwatch and Independent Complaints Advocacy Service.
- 2.2. Approves entering into a Partnership Agreement with Cheshire West and Chester Council for the delivery of the local Healthwatch Cheshire and Healthwatch Cheshire East and ICAS services.

- 2.3. Delegates authority to: (a) the Director of Commissioning (in consultation with the Portfolio Holder for Adult Social Care and Integration), to approve the final form of the Partnership Agreement (and any subsequent amendments thereto).

3. Reasons for Recommendations

- 3.1 The new jointly commissioned Healthwatch Cheshire delivered through this Partnership Agreement allows for greater economies of scale and was approved at Cabinet on 12th July 2016.

4. Other Options Considered

- 4.1 Healthwatch and ICAS are statutory services underpinned by the Health and Social Care Act 2012. This means the option of not doing anything is not possible. The proposal is to enter into a Partnership Agreement with Cheshire West and Chester Council through an agreed joint commissioning process.

5. Background/Chronology

- 5.1. The previously commissioned services were:

- Healthwatch Cheshire East managed through CVS Cheshire East, from 1st April 2013 until 31st March 2017.
- The Independent Health Complaints Service (ICAS) was a sub regional arrangement between 8 other local authorities commissioned by Liverpool City Council from 1st April 2015 until 31st March 2017.

6. Wards Affected and Local Ward Members

- 6.1. The Partnership Agreement will affect all wards and, as a result, all local ward members.

7. Risk Management & Implications of Recommendation

7.1. Policy Implications

7.1.1 Healthwatch and ICAS are statutory services underpinned by the Health and Social Care Act 2012. This Partnership Agreement delivers the Council's ambitions in relation to integrated working and joint commissioning. Healthwatch Cheshire underpins Cheshire East Live Well Cheshire East Commissioning Plan, Live Well for Longer Outcome 5, Carers Strategy and Connecting Communities Strategy.

7.2. Legal Implications

Healthwatch and ICAS are statutory services underpinned by the Health and Social Care Act 2012.

7.2.1 The intention of this Partnership Agreement is to establish the obligations of the parties in relation to the provision of an integrated Healthwatch and Independent Health Complaints Service (ICAS) in partnership with Cheshire West and Chester Council. It confirms the funding contributions and the responsibilities of each party in delivery of this service.

7.2.2 Section E of the Council's Financial Procedure Rules set out requirements and approval routes for Partnerships and Jointly Funded Projects, such as this. The Council's current contribution to the budget for this service is £503,477 for the five years from 1st April 2017, and therefore in accordance with Rule E.18, Cabinet approval is required to enter any agreement for the jointly funded project, in this case the Partnership Agreement.

7.3 Financial Implications

7.3.1 None as this is agreement to enter into a Partnership arrangement. The Council's current contribution to the budget for this service is £503,477 for the three years (plus options to extend for 2 years) from 1st April 2017

7.4 Equality Implications

7.4.1 Healthwatch Cheshire will have 'significant statutory powers to ensure the voice of the people accessing services is strengthened and heard by those who commission, deliver and regulate health and care, as detailed in the Healthwatch England Statutory Guidance.

7.4.2 Healthwatch Cheshire will be inclusive and reflect the diversity of the communities it serves as well as reaching communities that might otherwise be under-represented.

7.4.3 Healthwatch Cheshire will work with a range of care provider organisations including the voluntary, community, faith sector and commissioners to ensure new innovative ways are put in place to reach out to people most at risk including people who lack capacity.

7.4.4 Therefore, the Local Authority is clearly also discharging its Public Sector Equality Duty in proposing the partnership working above.

7.5 Rural Implications

7.5.1 None

7.6 Human Resources Implications

7.6.1 None

7.7 Health and Wellbeing Implications

Ensure quality of health and care will improve health and wellbeing of individuals and their families.

7.8 Implications for Children and Young People

7.8.1 None

7.9 Overview and Scrutiny Committee Implications

7.9.1 None

7.10 Other Implications

7.10.1 None

8.0 Risk Management

8.1 None

9.0 Access to Information

9.1 Outcomes Service Specification

9.2 National Healthwatch England Guidance Tools

10.0 Contact Information

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Cheshire East Council

Cabinet

Date of Meeting:	5 th December 2017
Report of:	Mark Palethorpe: Acting Executive Director of People
Subject/Title:	Substance Misuse Service Re-commissioning
Portfolio Holder:	Councillor Liz Wardlaw, Health Councillor Jos Saunders, Children and Families

1. Report Summary

- 1.1. The responsibility for the commissioning of Substance Misuse Services was transferred to the Local Authority from the former Primary Care Trust in April 2013. Following the transfer of responsibility the Cheshire East Substance Misuse Service was re-commissioned and the contract was awarded to Cheshire and Wirral Partnership NHS Trust (CWP) in November 2014. The current Cheshire East Substance Misuse Services contract is due to expire on the 31st October 2018.
- 1.2. A step change approach was taken during the 2014 Substance Misuse Service commissioning, and as a result efficiencies were achieved through the development of an integrated, all age, drug and alcohol service.
- 1.3. The performance of the existing Substance Misuse Services has steadily improved in some areas including the successful completion of Substance Misuse Service treatment for both drugs and alcohol users, and reduced re-presentations to drug and alcohol treatment services. However further service transformation is needed to ensure additional improvements in drug and alcohol outcomes for local people across Cheshire East. Key areas identified for improvement in performance include: reduced waiting times particularly for alcohol treatment and recovery support, access to community based recovery support, early intervention and prevention support for young people, and a reduction in the number of adults who have been in drug treatment for over 6 years.
- 1.4. The [Drug and Alcohol Joint Strategic Needs Assessment](#) has been updated to inform the commissioning of Cheshire East Substance Misuse Service. Key areas of need identified within the Joint Strategic Needs Assessment include: Young People (particularly girls) start drinking at an earlier age in Cheshire East in comparison to the England average, and although under 18 hospital admissions are dropping they are still higher in Cheshire East than the England average. There is a need to shift the balance between drug and

alcohol service provision, towards the higher level of need for alcohol support.

- 1.5. Engagement and coproduction with stakeholders, particularly local people who use substance misuse services (Service Users) is a core focus of the re-commissioning and service re-design. An extensive Provider engagement programme has been developed to ensure a positive and competitive response from the Market. Service Users are engaged through the coproduction of a Cheshire East Service User Journey. A key area of feedback from Adult Service Users is the need to strengthen the community based and peer 'Recovery' element of the Substance Misuse Service, with many Service Users asking the question 'what next' after they have been discharge from treatment. The national evidence from Public Health England shows that increased 'recovery capital' and 'visible recovery communities' i.e. employment, training, volunteering, housing, social connections and peer support at a community level keeps people from re-entering treatment services and helps people to maintain recovery. Feedback from young people includes their first choice to seek information would be online, and if the issue was more serious to speak to parents and then friends (peers).
- 1.6. The Cheshire and Merseyside 5 Year Forward View / Sustainability and Transformation Plan (STP) has identified the need to focus on the two prevention priorities across Cheshire & Merseyside that will deliver the greatest return on investment (ROI): **Alcohol** and Hypertension/High Blood Pressure (BP).

2. Recommendation

It is recommended that Cabinet

- 2.1 Agrees that a competitive EU compliant procurement exercise be undertaken for the provision of a new model for Substance Misuse Services in Cheshire East.
- 2.2 Delegates authority to the Acting Executive Director of People in consultation with the Portfolio Holder for Health, and Children and Families:
 - 2.2.1 to award a contract for an initial period of 3 years (with options to extend for a maximum of 2 years); and
 - 2.2.2 in consultation with the Director of Legal Services to enter into a contract with the successful supplier.

3. Reasons for Recommendation

- 3.1. To commission Substance Misuse Services within required timescales. The existing Substance Misuse Service contract is due to expire on the 31st October 2018, which will require the Council to undertake a competitive

EU compliant procurement process. We are aiming to re-commission the new Cheshire East Substance Misuse Service to go live by the 1st November 2018.

- 3.2** To ensure the continuation of Substance Misuse Service transformation to achieve our ambition of shifting the balance towards the following key areas: A 'Recovery' focused Substance Misuse Services; 'Harm Reduction', 'Early Help' and 'Prevention'; and Increased access for Alcohol.
- 3.3** To meet the needs and aspirations of local people and communities across Cheshire East who are impacted by substance misuse. The needs and views of local people are available in the Cheshire East Drug and Alcohol Joint Strategic Needs Assessment (JSNA) and the Cheshire East Service User Journey's for Adults and Young People.
- 3.4** To ensure that Service Users and local communities have a voice, are empowered, engaged and are able to contribute to improving local Substance Misuse Service, through the co-commissioning approach described within the Strategic Commissioning Plan.
- 3.5** To explore how Substance Misuse Services can be improved to be more effective, to improve outcomes for local people and reduce the harm and impact of Substance Misuse on individuals, families and communities.
- 3.6** To ensure that Cheshire East are a top performing Local Authority for Substance Misuse Services regionally and nationally.
- 3.7** To develop a strong Provider Market, who have the ability and appetite to respond to our local SM commissioning requirements.

4 Other Options Considered

- 4.1 Joint Commissioning: Cheshire West and Chester Council**
Joint Commissioning has been explored with Cheshire West and Chester Council. However Cheshire West took the decision not to jointly commission.

5 Background

5.2 Service Elements for Substance Misuse Service Commissioning

The Cheshire East integrated drug and alcohol treatment and recovery service includes:

- Specialist drugs and alcohol services for young people;
- Specialist drugs and alcohol service for adults;
- Support young people to transition to adults drug and/or alcohol services;

- Assessment, Service Planning and Case Management;
- Alcohol Identification and Brief Advice;
- Innovative solutions for improved access to drugs and alcohol services through a Hub and Spoke model, including face to face, drop-ins, technological solutions, and outreach e.g. in GP surgeries and hospitals;
- A whole-system partnership approach for improved pathways and recovery journeys;
- Abstinence and non-abstinence based recovery journeys;
- A 'personalised' approach to assessment, service/care planning and case management;
- Building Recovery Capital and Strengths for Individuals based on the 5 Ways to Wellbeing;
- Building Recovery Communities (Assets Based Community Development);
- Embed service user and family engagement, co-production, co-design, co-assessment and co-delivery at the heart of the service e.g. mutual aid, peer support and self-help;
- A range of interventions for all substances including opiates, benzodiazepines, stimulants, steroids, new psychoactive substances, prescription and over the counter medicines and alcohol;
- Evidence based treatment and harm reduction: In-patient and Community Rehab/Detox, Substitute Prescribing (Opiates / Alcohol) Maintenance and Reduction Plans;
- Community Based Interventions: Drug Misuse Shared Care in General Practice and Pharmacies;
- Universal provision: Communications, Prevention Campaigns, Training, Information and Advice (with a specific focus on schools, college, universities and social care practitioners);
- A core focus on early intervention, prevention, harm reduction and the achievement of recovery;
- Specialist advice and guidance for the wider system services around substance misuse;

- Criminal Justice and Youth Offending Substance Misuse.
- Specialist advice and guidance for the wider system services around substance misuse.

5.3 Market Engagement and Development

Activities have so far included one to one meetings (August 2016) with providers, a soft market testing survey (September 2016) and market engagement events (October 2016 and February 2017). Connected Communities Events (April 2017). Further market engagement events as well as Connecting Communities events are planned for October and November 2017. Key Themes from the market engagement activities so far include:

- commissioners need to be open to multiple provider models including lead provider, subcontracting, partnership and consortiums;
- longer contract lengths are more commercially viable and appealing for providers. Service transformation takes time and also needs to be considered when setting the contract length;
- an integrated drug and alcohol service provision needs to be maintained within the re-commissioned service;
- the need to commission specialist services targeted and Young Person and specialist services targeted at Adults, with clear strong pathways and transition between services;
- a hub and spoke model should be considered to improve access to services due to the geographical and local demographic needs across Cheshire East;
- a greater shift towards recovery, with a stronger recovery community is needed in Cheshire East, while maintaining a strong harm reduction focus.

5.4 Service User Journey (Service User Voice, Engagement and Coproduction)

Commissioners and Service Users have coproduced our local Cheshire East Service User Journey. Service Users have completed surveys, attending focus groups and one to one interviews through December 2016 to April 2017, to gather a rich picture of what the Cheshire East Service User Journey looks like now, and what it could or should look like in the future. There are two separate processes targeted at adults and young People. The Young Persons Service User Journey has been developed and delivered by the Young Advisors.

Plans are also being developed to involve Service Users in the procurement evaluation process, through the co-assessment of tenders.

The Service Users voice, engagement and co-production will also be a core function and element of the service specification requirements for the newly commissioned Cheshire East Substance Misuse Service. This will ensure that it is embedded through to the delivery of the new service model.

5.5 Community Engagement

An initial Equalities Impact Assessment (EIA) screening process has been undertaken to identify the protected characteristic groups. The Equalities Impact Assessment is supported by engagement with communities during two 'Connecting Communities' Events which took place during April 2017 and a 'Connected to Decision Making' event which took place on the 31st October 2017. The Connecting Communities events have been developed in partnership between Public Health and the Communities Team. The aim of the events was to build the links and connections between communities and Substance Misuse Services. This will help to break down the barriers and perceptions of drug and alcohol misuse, to build local recovery communities. The aims and outcomes are therefore aligned to the Cheshire East Connected Communities Strategy.

The community will also be involved in the evaluation of tenders, through community events, where communities will score presentations delivered by providers. This will be developed using learning based on the Cheshire East Participatory Budgeting programme.

5.6 Local Needs and Strengths – Drug and Alcohol Joint Strategic Needs Assessment

The Cheshire East Drugs and Alcohol Joint Strategic Needs Assessment states that effective prevention and early intervention helps to reduce or remove the factors which increase peoples' risk of misusing drugs and/or alcohol (such as family conflict, parental or sibling alcohol use or economic deprivation), while enhancing protective factors (such as strong family bonds, strong support structures, problem solving skills, constructive interests and activities). People misusing drugs and/or alcohol are likely to have a range of needs cutting across health, social care and criminal justice. Clear pathways are therefore needed between different services, supported by joint working protocols and good communication.

Protective factors are also associated with building an individual's recovery capital (the assets or strengths that help people sustain their recovery from drug and/or alcohol misuse) such as housing, employment, education, peer support and connectedness. National Institute for Health and Care Excellence (NICE) guidance and evidence from Public Health England suggests that effective substance misuse services need to focus on the early intervention, prevention and recovery. The local evidence indicates that the following areas need to be addressed:

- More young people in Cheshire East have tried alcohol at age 15 compared to the national average. Therefore parental influence and

preventing or delaying the age of first use of alcohol or drugs for young people needs to be a priority;

- Female adolescent drinking is one of our biggest concerns in Cheshire East;
- Alcohol specific hospital admissions in under 18s are higher in Cheshire East compared to other areas of the country (although the trend is reducing);
- We need to understand more about why people in Cheshire East spend a longer time in Drug Treatment compared to the national average;
- Maintaining recovery – We need a stronger focus on building individual ‘recovery capital’ for adults, particularly housing and employment;
- Harm reduction remains a key priority nationally locally with increasing numbers of drug related deaths due to the aging population of opiate users and associated chronic illness;
- Peer support is a key factor in maintaining recovery for adults. Local young people also say that they would prefer to talk to their peers about drug and alcohol issues;
- There is a larger proportion of individuals living in Cheshire East who are in drug treatment, compared to the number of individuals in alcohol treatment, in contrast to the higher level of need for alcohol misuse in comparison to drug misuse;
- People living in Cheshire East spend longer in treatment for drug use in comparison to the England average.

Therefore key recommendations from the Joint Strategic Needs Assessment are the need for a safe and effective shift in the balance between:

- Treatment, Harm Reduction, Early Intervention, Prevention and Recovery
- Drug Treatment & Prevention - Alcohol Treatment & Prevention

5.7 Investment in Cheshire East Substance Misuse Services

Savings were achieved during the previous Substance Misuse Service re-commissioning process in 2014, with a 3.5% reduction in the contract value year on year. The contract value prior to the 2014 tender process was £3.758m. The CWP Annual Contract Value for 2017/18 is £3,030,568.

The Cheshire and Merseyside 5 Year Forward View / Sustainability and Transformation Plan (STP) has identified two prevention priorities that will deliver the greatest **return on investment**: Alcohol and Hypertension/High Blood Pressure (BP). Alcohol misuse across Cheshire & Merseyside costs around £994 million each year (£412 per head of population).

Cheshire East Return on Investment: For every £1 investment in Substance Misuse Services there is a cost benefit of £2.50. The annual cost of alcohol in England is estimated at more than £21bn. A breakdown of the annual costs due to alcohol in Cheshire East:

- NHS costs: £29.5m, or £80/person living in Cheshire East,
- Crime costs: £36.3m, or £98/person living in Cheshire East,
- Work place costs: £62.6m, or £169/person living in Cheshire East,
- Social Care costs: £10m, or £27/person living in Cheshire East.

Prevention Return on Investment: Measures to reduce alcohol availability have the capacity to have a high benefit: cost ratio of £4000 per £1 spent. Based on the National Institute for Health and Care Excellence (NICE) alcohol return on investment tool programme to reduce alcohol availability by 10% could save around £1billion in 5 years in Cheshire & Merseyside, including £7million direct health care cost savings.

Identification and Brief Advice Return on Investment: If 50% of people in Cheshire & Merseyside were screened at their next GP appointment, Identification and Brief Advice (IBA) could result in a £220million net healthcare cost saving in year 5, as well as significant Quality Assurance Life Years (QALY) gains and productivity gains. The overall benefit: cost ratio could be as high as £290 per £1 spent (Based on Institute for Health and Care Excellence (NICE) alcohol return on investment tool programme).

Treatment and Recovery Return on Investment: Hospital alcohol interventions are good value for money. Evaluations indicate that return on investment from effective alcohol care teams can be between £3.50 and £3.85 per £1.00 invested. Assertive outreach services can deliver a return of £1.86 per £1.00 invested. Investment in specialist alcohol treatment can produce a high return. For every 100 alcohol-dependent people in treatment (cost £40,000) will save £60,000 and prevent 18 A+E visits and 22 hospital admissions.

5.8 Procurement Timescales:

- **Market, Service User, Community, Stakeholder Engagement and Co-production:** August 16 – December 17
- **Procurement Notice:** January 2018
- **Award Contract:** July 2018
- **Service Mobilisation:** August - October 2018
- **New Service Goes Live:** November 2018

6 Wards Affected and Local Ward Members

6.1 All

7 Implications of Recommendation

7.1 Policy Implications

7.1.1 This report is in line with the requirements under Health and Social Care Act 2012.

7.2 Legal Implications

7.2.1 The aggregate value of the provision is such that these services must be procured in accordance with the Public Contracts Regulations 2015 and in compliance with the Council's Finance and Contract Procedure Rules. This will require a fully OJEU complaint procurement exercise. A number of different outcomes are being considered (lead provider, consortium and partnerships) as part of the procurement process together with use of negotiation as part of the competitive procedure in order to achieve a community/recovery based model. The Service is engaging with Legal Services and the Council's Corporate Procurement Team in this process.

7.2.2 The procurement is a change to the way services are currently provided and the Service have engaged with stakeholders including service users to co-produce the service specification. Under the Equality Act 2010, the Council is required to identify the impacts of any decisions, policies etc. on certain protected groups to ensure equality is promoted, and inequality minimised. For example, there must be an assessment made of the impacts on groups or individuals who are disabled, who belong to ethnic or racial groups, on the grounds of age or sex discrimination etc. An Equality Impact Assessment can both assist in evidencing that these equality duties are being met and inform decision taking. The impact of TUPE on existing provision will need to be considered during the course of the procurement process.

7.3 Financial Implications

7.3.1 The Public Health budget remains a ring fenced budget and any commissioning activity will need to ensure best value for money.

Current SMS Budget

Prescribing	542,157.36
Dispensing (NHS England)	260,000.00
Adults Alcohol	704,203.44
Adult drugs	1,308,665.02
Young People up to 25	177,622.08
Youth Offending Service	37,920.00
Total	£3,030,568

7.4 Equality Implications

- 7.4.1** An Equality Impact Analysis/Assessment is required– this is currently underway and all appropriate evidence is being gathered and frequently reviewed and updated.

7.5 Rural Community Implications

- 7.5.1** The re-commissioned model has been developed in response to engagement and coproduction with people who use Substance Misuse Services, their families, providers and stakeholders, with the development of a Hub and Spoke, community based model. The aim of the Hub and Spoke model is in response to local needs in term of access across the borough of Cheshire East, including rural areas of Cheshire East.

7.6 Human Resources Implications

- 7.6.1** Whilst the proposals do not envisage any HR implications for the Council, TUPE may apply to existing care at home providers.

7.7 Health and Wellbeing Implications

- 7.7.1** There are significant Public Health implications for young people and adults, in terms of alcohol and drugs prevention and harm reduction.

7.8 Implications for Children and Young People

- 7.8.1** The Substance Misuse Service is an all age service that will impact on young people at risk of substance misuse, those using substances and children and young people who live with parents who misuse drugs and/alcohol.

7.9 Overview and Scrutiny Committee Implications

- 7.9.1** None

7.10 Other Implications (Please Specify)

- 8.1** None

8.0 Risk Management

- 8.1 Procurement Timeline** – The timeline has been determined to maximise the transition time between contract award and contract commencement to ensure a managed process as far as is reasonably possible. We will monitor the time line progress and alert managers to any matters of concern as early as possible when support and assistance is required.

8.2 Existing Service Delivery – With all procurement processes there may be an impact on existing service delivery and performance. This will be managed through contract monitoring to ensure the achievement of KPI's and maintaining open communication with existing providers to address concerns and possible risks at an early stage will continue to mitigate this risk.

8.3 Transition risks – Following the contract award there may be an increased risk of current service providers failing to deliver services. There is a risk of a dip in performance during first part of the contract term due to the change and transition from the current service provision to the new service provision. This will be managed through:

- Clear and robust transition planning and change process led by the commissioner in partnership with providers and Public Health England;
- Monitoring of contractual requirements of the existing provider for the current service e.g. there is a contractual requirement of the existing provider for the safe and effective transition of service users, caseloads and information;
- Rigorous change management, transition and mobilisation and change process that will be clearly defined within the service specification for example;
- The allocation of a realistic timeframe that is required within the procurement timeline, for transition and mobilisation process.

9.0 Access to Information

- 9.1** Cheshire East Drug and Alcohol Joint Strategic Needs Assessment http://www.cheshireeast.gov.uk/council_and_democracy/council_information/jsna/living_well_working_well.aspx#LifestyleChoices
- 9.2** Cheshire East Substance Misuse Service: Service User Journey Report and Visualisation (Road Map) The Cheshire East Service User Journey is also available in interactive visual format via the: <https://prezi.com/view/YNwyBjaHV1NHDIXajFp8/>
- 9.3** **Service User Experiences - BadKamra Film:** Service user stories who have attended and graduated from the Dependency, Emotional, Attachment Programme (DEAP) which is one element of the existing Substance Misuse Service: [D.E.A.P Graduations - Cheshire July 2016](#)
- 9.4** Live Well Cheshire East Commissioning Plan (2017)

10.0 Contact Information

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