

Cabinet

Agenda

Date: Tuesday, 3rd December, 2019
Time: 1.00 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 paragraph 3.33 of the Cabinet Procedure Rules, 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 Cabinet. 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 - 10)

To approve the minutes of the meeting held on 5th November 2019.

6. **SEND Reforms Task and Finish Group - SEND Local Offer for 16 to 25 Year Olds (Final Report)** (Pages 11 - 34)

To consider the final report of the SEND Reforms Task and Finish Group.

7. **Domestic Taxbase 2020/21 Report** (Pages 35 - 42)

To consider the Domestic Taxbase 2020/21 Report.

8. **Council Tax Support Scheme for 2020/21** (Pages 43 - 60)

To consider a report on the Council Tax Support Scheme for 2020/21.

9. **Proposed Article 4 Directions for Small Houses in Multiple Occupation** (Pages 61 - 132)

To consider a report on the making of three non-immediate Article 4 Directions to withdraw permitted development rights for the conversion of individual dwellings to small Houses in Multiple Occupation for parts of Crewe.

10. **Selective Licensing** (Pages 133 - 154)

To consider a report which discusses an approach to the introduction of a Selective Licensing scheme in Cheshire East.

11. **Best4Business Update** (Pages 155 - 168)

To consider a report which provides an update on the outcomes of the full programme review and makes recommendations to enable Cheshire East Council and Cheshire West and Chester Council to deliver this programme.

Appendices A and C to the report will be considered in Part 2 of the agenda.

12. **Exclusion of the Press and Public**

The reports or a part thereof relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Cabinet may decide that the press and public be excluded from the meeting during consideration of the items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

PART 2 – MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT

13. **Best4Business Update** (Pages 169 - 176)

To consider Appendices A and C to the report.

14. **Care4CE: Developing Sustainable Adult Social Care through the Creation of a Separate Legal Entity** (Pages 177 - 366)

To consider a report on Care4CE: Developing Sustainable Adult Social Care through the Creation of a Separate Legal Entity.

Membership: Councillors C Browne (Vice-Chairman), S Corcoran (Chairman), D Flude, T Fox, L Jeuda, N Mannion, J Rhodes, B Roberts, A Stott and M Warren

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 5th November, 2019 at Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor S Corcoran (Chairman)
Councillor C Browne (Vice-Chairman)

Councillors T Fox, N Mannion, B Roberts, A Stott and M Warren

Councillors in attendance

Councillors M Benson, J Clowes, T Dean, J P Findlow, R Fletcher, S Gardiner,
P Groves, J Saunders and D Stockton

Officers in Attendance

Kath O'Dwyer, Acting Chief Executive
Frank Jordan, Executive Director Place
Mark Palethorpe, Acting Executive Director People
Jane Burns, Executive Director Corporate Services
Jan Bakewell, Director of Governance and Compliance
Alex Thompson, Director of Financial and Customer Services
Paul Mountford, Executive Democratic Services Officer

Apologies

Councillors D Flude, L Jeuda, J Rhodes and Q Abel.

69 DECLARATIONS OF INTEREST

Councillor S Gardiner declared a disclosable pecuniary interest in relation to Item 10 on the agenda: 'ASDV Review Update' as the Chairman of Civcance.

70 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public wishing to speak.

71 QUESTIONS TO CABINET MEMBERS

Councillor P Groves referred to heavy flooding in Nantwich over 25th-28th October and asked what pressure the Council could bring to bear on those landowners and farmers who had not maintained their ditches and gullies properly.

The Portfolio Holder for Highways and Waste responded that he had asked officers to liaise with local landowners about the need to clear out ditches and gullies. He had also asked for the Council's policy on gullies to be reviewed.

Councillor Groves asked if a timeline could be produced for ensuring that landowners and farmers took action to clear out their gullies and ditches, to avoid further flooding over the winter.

The Leader asked that this be addressed in a written response.

Councillor J Saunders referred to the proposed budget that was now out to consultation and expressed disappointment at a proposal to defer the New Homes Bonus from which many communities had benefited. She asked that this proposal be reconsidered.

The Portfolio Holder for Finance, IT and Communication responded that she would consider carefully the feedback from the consultation.

Councillor T Dean noted that the proposed budget included an additional £19M government funding. He asked how much money would be spent on climate change measures and in particular the provision of a better bus service across the Borough.

The Director of Financial and Customer Services outlined a number of initiatives in the budget consultation aimed at supporting the Council's Environmental Strategy. The Deputy Leader added that the Council was looking to invest in more sustainable public transport and would be bringing forward proposals in due course. The Portfolio Holder for Environment and Regeneration added that the Council had recently joined the Northern Forest and had submitted funding applications to the Cheshire and Warrington LEP for the development of energy saving initiatives and green technology.

72 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 8th October 2019 be approved as a correct record.

73 CORPORATE PARENTING COMMITTEE ANNUAL REPORT, 2018-19

Cabinet considered the Corporate Parenting Committee annual report, detailing the work of the Committee in 2018-19. The report highlighted progress and achievements around the five pledges the Council had made to cared for children and care leavers in the Corporate Parenting Strategy 2018-20 and set out the priorities and terms of reference for 2019-20.

Councillor J Saunders spoke on this matter as the former Chairman of the Corporate Parenting Committee.

The Leader took the opportunity to remind all Council members of the importance of their corporate parenting responsibilities.

RESOLVED

That Cabinet

1. endorses the Corporate Parenting Committee Annual Report, 2018-19 as set out at Appendix 1 to the report; and
2. endorses the Committee's revised Terms of Reference at Appendix 1 within the Annual Report.

74 REVISED STATEMENT OF GAMBLING PRINCIPLES

Cabinet considered a report on a revised Statement of Gambling Principles which had been the subject of consultation with stakeholders identified within the Gambling Act 2005.

RESOLVED

That Cabinet

1. notes the changes to the draft revised Statement of Gambling Policy as set out in Appendix 1 to the report; and
2. recommends the draft revised Statement of Gambling Policy to Council for adoption.

75 CREWE SOUTHERN LINK ROAD BRIDGE - PREFERRED ROUTE

Cabinet considered a report on the route choices for the Crewe Southern Link Road Bridge, the outcomes of recent public consultation and the adoption of a preferred route for incorporation in the final draft of the Crewe Area Action Plan.

RESOLVED

That Cabinet

1. notes the findings of the Public Consultation Report;
2. notes the findings of the Preferred Route Assessment Report;
3. notes the legal implications of approving and announcing the preferred route in relation to triggering statutory blight and approves that any statutory blight notices be processed and considered accordingly by the Council, noting that this is limited to statutory blight only and not discretionary purchase/generalised blight/Part 1 claims;
4. approves the route shown at Appendix A to the report as the preferred route for the Southern Link Road Bridge;

5. approves that the necessary steps are taken to protect the preferred route shown in Appendix A from future development, including introducing the route into the submission version of the Area Action Plan;
6. approves the development of the supporting package of local highway junction improvements, as set out in the Preferred Route Report (Appendix C) to complement the provision of the Bridge;
7. approves the proposed cross section of the new highway as a 13.3m wide corridor as detailed in Appendix B and the form of bridge construction as either a Ladder Bridge or Multi-Girder construction;
8. approves that the alignment of the preferred route is further developed to enable the submission of a planning application alongside the package of local highway improvements, reflecting where possible feedback received through consultation; and
9. authorises the Executive Director Place to:
 - (a) work up and develop a Major Scheme Business Case for the Bridge and supporting measures in order to position the Scheme to compete for future Government funding opportunities;
 - (b) commence detailed discussions with affected landowners, local residents, businesses and recognised community groups to refine the design details (including access arrangements and traffic management measures on local roads) and that supplementary formal consultation be undertaken to inform planning submission material;
 - (c) in consultation with the Director of Governance and Compliance, enter into the required legal agreements with Network Rail to contribute to the design and development of the Scheme; and
 - (d) enter into discussions with land owners about acquiring the necessary land and rights to deliver the scheme, including the advance relocation of affected businesses and to delegate the entering into any necessary supporting legal agreements to the Head of Estates.

76 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that it involves the likely

disclosure of exempt information as defined in Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

77 ASDV REVIEW UPDATE - CIVICANCE

Cabinet considered a report on an ASDV review in relation to Civicance.

Councillor S Gardiner spoke on this matter as Chairman of Civicance and expressed his support for the recommendations in the report.

Councillor J Clowes spoke on this matter as Chairman of the Corporate Overview and Scrutiny Committee which had considered the report at its meeting on 31st October and had supported the report's recommendations.

RESOLVED

That the recommendations in the report be approved.

The meeting commenced at 1.00 pm and concluded at 1.50 pm

Councillor S Corcoran (Chairman)

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Working for a brighter future together

Key Decision N

Date First
Published: N/A

Cabinet

Date of Meeting: 3 December 2019

Report Title: SEND Reforms Task and Finish Group – SEND Local Offer for 16 to 25 Year Olds (Final Report)

Portfolio Holder: Councillor D Flude – Children and Families

Senior Officer: Mark Palethorpe – Acting Executive Director of People

1. Report Summary

- 1.1. This report introduces the SEND Reforms Task and Finish Group's second report on the 'SEND Local Offer for 16 to 25 Year Olds', which includes the findings, conclusions and recommendations produced by the Group following the review.

2. Recommendations

- 2.1. That Cabinet receives the Task and Finish Group's report.
- 2.2. That Cabinet responds to the following recommendations:
 - 2.2.1. It is recommended that further work is undertaken to continue to develop and embed the following actions relating to current improvement work in the service and recommendations from the previous OSC report, as follows:
 - 2.2.1.1. Continue to ensure that the co-production of Education and Health Care Plans (paragraph 7.2 refers) is embedded.
 - 2.2.1.2. Implement the new locality structure within the service ensuring capacity and expertise for 16-25 provision. (Paragraph 7.2 refers).

- 2.2.1.3.** Continue to ensure the transition across 16 -25 provision is seamless and continue to ensure the annual reviews are coproduced with all relevant partners, parents and carers to better prepare young people for adulthood and furthermore to ensure the right services are in place in a timely manner. (Paragraph 7.24 refers).
- 2.2.2. In relation to health services which support SEND it is recommended that services align with the development of one Clinical Commissioning Group (CCG) to ensure consistent offer for the following:
- 2.2.2.1.** Ensure that there are no gaps in services, particularly in relation mental health and speech and language and that these services are fit for purpose. (Paragraph 7.6 refers).
- 2.2.2.2.** Ensure continued partnership oversight of the newly developed single pathway for autism, promoting the consistent offer across the borough and monitoring performance to ensure improved outcomes for children and young people. (Paragraph 7.8 refers).
- 2.2.2.3.** That the Council continues to support and assist the development of a programme of clubs activities and bespoke provision for supported young people, which encourages them to develop their skills and interests.
- 2.2.3. The following specific action in relation to the 16-25 offer to be addressed by all partners.
- 2.2.3.1.** That Cheshire East Council continues to coordinate, drive, develop and promote supported internships and support local businesses in the employment of those with disabilities. (Paragraph 7.37 refers).
- 2.2.3.2.** To undertake a sufficiency review of supported accommodation to ensure sufficient quality accommodation, which is fit for purpose, where it is appropriate.
- 2.2.3.3.** Review the financial procedures and processes for post 16 payments and ensure these are made efficient. (Paragraph 7.40 refers).
- 2.2.4. Monitor the new locality structure within the service ensuring capacity and expertise for 16-25 provision. (Paragraph 7.39 refers).

3. Reasons for Recommendations

- 3.1. The Children and Families Act 2014 introduced a series of reforms relating to special educational needs and disability (SEND). The reforms aimed to improve the provision of services for children and young people with SEND, as well as provide both they and their parents/carers with greater control over how their needs are met, up to the age of 25.
- 3.2. Following the implementation of the 2014 Act and the statutory framework for the personalisation of services for children and young people from 0 to 25 years, the Children and Families Overview and Scrutiny Committee decided to establish a task and finish group to undertake an in-depth review of the new system.
- 3.3. After the Group's first report – on the provision of SEND for 0 to 16 year olds – was considered by Cabinet on 11 September, a recommendation was made that a further task and finish group be established to review the offer for 16 to 25 year olds. This age bracket was a new requirement of the Children and Families Act 2014, and is considered a very important time in any young persons life as they set out on their journey towards independence.

4. Other Options Considered

- 4.1. No alternative option was considered.

5. Background

- 5.1. The SEND reforms Task and Finish Group met in December 2018 to scope the review and agreed the following objectives:
- To identify the barriers for young people accessing the job market;
 - To identify the rationale for the perceived lack of social care services;
 - To review the Cheshire East Local Offer, including the toolkit and benchmark against other local authorities;
 - To recommend potential commissioning intentions to develop opportunities for young people aged 16 plus;
 - To investigate what support is provided for the transition into adulthood; and

- To investigate the relationship between Cheshire East Council, private providers and further education providers, and what specialist advice is provided.

5.2. The attached report was considered and endorsed by the Children and Families Overview and Scrutiny Committee on 25 November 2019. Cabinet is now requested to give its consideration to the recommendations.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. There are no legal implications at this stage, however there may be legal implications associated with the implementation of any approved recommendations.

6.2. Finance Implications

6.2.1. The full list of recommendations, which are being made to Cabinet by the task and finish group have not yet been fully assessed. If the recommendations are approved, further work would be required to capture the financial implications.

6.3. Policy Implications

6.3.1. There are no policy implications at this stage; however approval of the recommendations may result in policy changes.

6.4. Equality Implications

6.4.1. There are no equality implications.

6.5. Human Resources Implications

6.5.1. There are no human resources implications.

6.6. Risk Management Implications

6.6.1. There are no management implications.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People/Cared for Children

6.8.1. The recommendations are intended to improve the offer to children and young people with SEND.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1. There are no direct climate change implications expected as a result of this report and its recommendations.

7. Ward Members Affected

7.1. No ward members are directly affected.

8. Consultation & Engagement

8.1. The table below sets out the actions undertaken by the Task and Finish Group, and whom the Group consulted, engaged and met with, as part of its review.

Date	Action
7 December 2018	Task and finish group – Scoped Review
4 January 2019	Task and finish group – Background papers and agree programme
21 January 2019	Post 16 Providers – Network Meeting
1 February 2019	SEND Ignition Pilot
5 February 2019	DoE – Macclesfield - Visit
8 February 2019	Task and finish Group – Progress to date meeting
13 March 2019	Visit to Reaseheath College
15 March 2019	3 Focus Group Sessions
19 March 2019	Meeting with Head Of Service

20 March 2019	Visit to Total People - Macclesfield
25 March 2019	Meeting with Portfolio Holder
2 April 2019	Visit to Community Supported Business, Crewe

9. Access to Information

9.1. The following documents were considered during the review and are available for inspection:

- 9.1.1. Children and Young People with Special Education Needs and/or Disabilities Cheshire East Self-Evaluation – December 2017.
- 9.1.2. Children and Young people with Special Educational Needs and/or Disabilities Joint Strategy 2017/19.
- 9.1.3. Cheshire East SEN/EHCP Scorecard.
- 9.1.4. LGiU – briefing notes.
- 9.1.5. Special Educational Needs and Disability Code of Practice.
- 9.1.6. Sufficient Statement and Provision Plan.
- 9.1.7. Ofsted Inspection Report.
- 9.1.8. Written Statement of Action for SEN and Disabilities (Cheshire East Council).

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

Name: Sarah Baxter

Job Title: Democratic Services Officer

Email: sarah.baxter@cheshireeast.gov.uk

Children and Families Overview and Scrutiny Committee



SEND Local Offer for 16 to 25 Year Olds

SEND Reforms Task and Finish Group – 2nd Report

September 2019

1. Chairman's Foreword

- 1.1. In our first report dated March 2018 we stated that in coming to terms with the realisation that a child has a learning difficulty, parents and carers need to be reassured that they will receive support from the local authority and its partners that is timely and easily accessible with outcomes that enable their child's prospects to be life enhancing.
- 1.2. Following the implementation of the Children and Families Act 2014 and the statutory framework for the personalisation of services for children and young people from 0 to 25 years, the Children and Families Overview and Scrutiny Committee decided to establish a task and finish group to conduct an in-depth review at the new system.
- 1.3. In our first report we looked at the provision for the 0 to 16 year olds in this our second review, which began in January 2019, we have looked at the provision for young adults aged 16 to 25. This is a very important time in any young person's life as they leave school move to college and set out on their journey towards independence. We recognise that independence for some can be restricted by their personal needs and our report recognises this.
- 1.4. The local authority and its partners have been on a significant journey since the last Ofsted inspection. Members were pleased to see improvements now being made that are resulting in changes for SEND children and their parents/carers. However, there is still more to do and overview and scrutiny will continue to monitor progress.
- 1.5. The group thanks parents, carers and the many staff from education, health, social care services, as well as the private providers who gave evidence to the group. A special thank you goes to Katie Small, Scrutiny Officer at Cheshire East for all her assistance.



Councillor Dorothy Flude

Chairman of the Task and Finish Group

2. Background and Membership

- 2.1. The Children's and Families Act 2014 introduced a wide range of reforms to the organisation of Special Education Needs and Disability (SEND) Provision. These reforms were aimed at improving the quality and reliability of SEND provision by providing a joined up approach between the relevant agencies and by giving parents and young people more influence over the provision they received.
- 2.2. The Act extended the reach to people up to age 25 and also placed a requirement on Further Education settings to work to Education Health and Care Plans rather than learning disability assessments. The Children and Families Overview and Scrutiny Committee had previously set up a task and finish group to review the progress made in implementing these reforms, concern was raised that young people aged 16 and over were unable to access the job market.
- 2.3. The task and finish group agreed that the next phase of their work would focus on the improvements required to be made in respect of the 16-25 SEND offer. Members were concerned that young people would end up in the adult social care system, for reasons that could have been prevented with early intervention and the right services being available.
- 2.4. As a consequence the Children and Families Overview and Scrutiny Committee agreed that an additional task and finish group should be established to review the offer to 16-25 year olds.
- 2.5. The membership of the task and finish group was as follows:



From left to right:

Councillors Rhoda Bailey, Flude, Grant, Hayes, Merry and Rhodes

3. Recommendations

3.1. It is recommended that further work is undertaken to continue to develop and embed the following actions relating to current improvement work in the service and recommendations from the previous OSC report, as follows:

3.1.1. Continue to ensure that the co-production of Education and Health Care Plans (paragraph 7.2 refers) is embedded.

3.1.2. Implement the new locality structure within the service ensuring capacity and expertise for 16-25 provision.(paragraph 7.2 refers).

3.1.3. Continue to ensure the transition across 16 -25 provision is seamless and continue to ensure the annual reviews are coproduced with all relevant partners, parents and carers to better prepare young people for adulthood and furthermore to ensure the right services are in place in a timely manner (paragraph 7.24 refers).

3.2. In relation to health services which support SEND it is recommended that services align with the development of one CCG to ensure consistent offer for the following:

3.2.1. Ensure that there are no gaps in services, particularly in relation mental health and speech and language and that these services are fit for purpose. (Paragraph 7.6 refers).

3.2.2. Ensure continued partnership oversight of the newly developed single pathway for autism, promoting the consistent offer across the borough and monitoring performance to ensure improved outcomes for children and young people. (Paragraph 7.8 refers).

3.2.3. That the Council encourages voluntary groups to provide activities which allow supported young people to develop their skills and interests.

3.3. It is recommended that the following specific actions in relation to the 16-25 offer be addressed by all partners:

3.3.1. That Cheshire East Council continues to coordinate, drive, develop and promote supported internships and support local businesses in the employment of those with disabilities. (Paragraph 7.37 refers).

3.3.2. To undertake a sufficiency review of supported accommodation to ensure sufficient quality accommodation which is fit for purpose where it is appropriate.

3.3.3. Review the financial procedures and processes for post 16 payments and ensure these are made efficient. (Paragraph 7.40 refers).

3.3.4. Monitor the new locality structure within the service ensuring capacity and expertise for 16-25 provision. (Paragraph 7.39 refers).

4. Objectives

4.1. The Group set out the following objectives for this review:

- To identify the barriers for young people accessing the job market.
- To identify the rationale for the perceived lack of social care services.
- To review the Cheshire East local offer, including the toolkit and benchmark against other local authorities.
- To recommend potential commissioning intentions to develop opportunities for young people aged 16 plus.
- To investigate what support is provided for transition into adulthood.
- To investigate the relationship between Cheshire East, private providers and further education providers, and what specialist advice is provided.

5. Methodology

5.1. The group identified and engaged with the following witnesses as part of this review:

- Focus group sessions with representatives from the following council services and partners; finance; youth support; transition; children's commissioning; SEND team; adult social care, housing, Space4Autism; Friends for Leisure, complex worklessness; supported internship; and support employment.
- Service Manager for Paediatric Therapies department in CCICP.
- Special Educational Needs and Disability Designated Clinical Officer.
- Head of Service – Director of Education and 14-19 Skills.
- Councillor Jos Saunders - Portfolio Holder for Children and Families (in 2018/19).
- Parents and carers.

5.2. The group also undertook visits to; Reaseheath College; Total People; Department of Education – Macclesfield; Supported Community Business – Crewe; Acorn Centre – Crewe; Princes Trust; and Wishing Well Project – Crewe.

6. Timeline

6.1. The table below sets out the timeline of actions undertaken by the Group during this review:

Date	Action
7 December 2018	Task and Finish Group – Scoped Review
4 January 2019	Task and Finish Group – Background papers and agree programme
21 January 2019	Post 16 Providers – Network Meeting
1 February 2019	SEND Ignition Pilot
5 February 2019	Visit to Department of Education, Macclesfield
8 February 2019	Task and Finish Group – Meeting to review progress
13 March 2019	Visit to Reaseheath College
15 March 2019	Three focus group sessions
19 March 2019	Meeting with Head Of Service
20 March 2019	Visit to Total People - Macclesfield
25 March 2019	Meeting with Portfolio Holder for Children and Families
2 April 2019	Visit to Community Supported Business, Crewe
4 April 2019	Visit to Acorn Centre, Crewe

7. Findings

The Local Offer

7.1. Every Council is required to publish details of the local support available for young people with SEND. The local offer provides clear and accurate information about local education, health and care services. The Local Offer for Cheshire East is detailed in Figure 1 below:

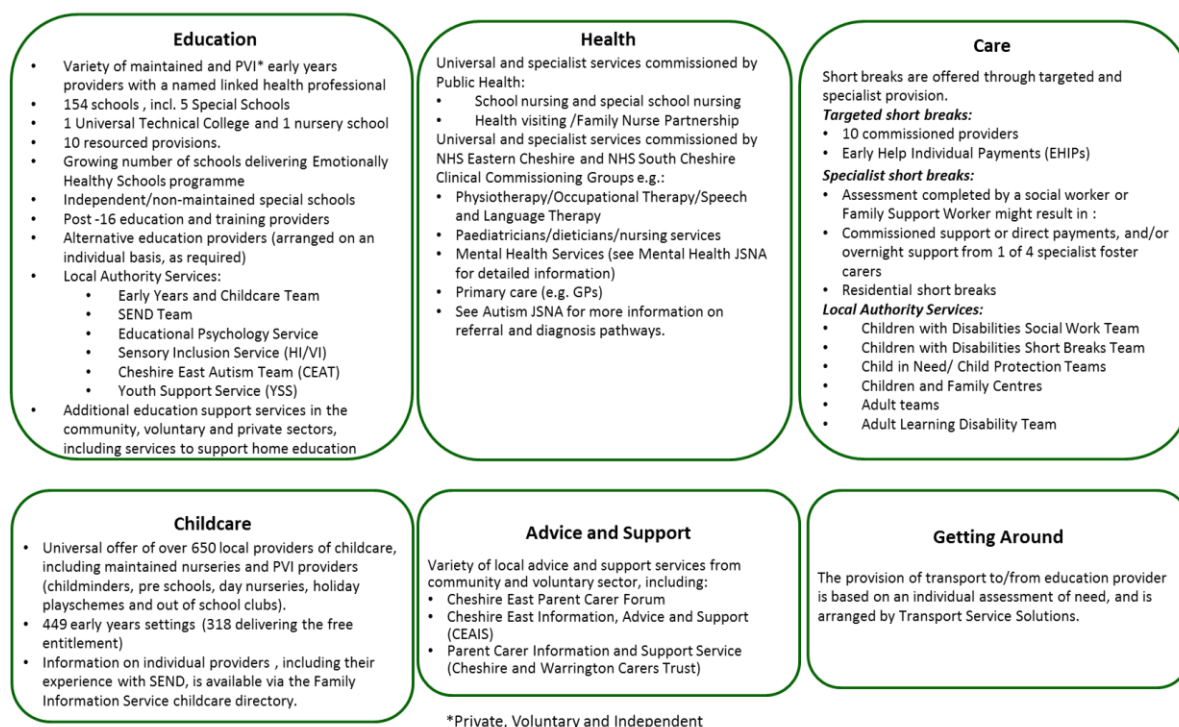


Figure 1. The Local Offer for Cheshire East

Services Working Together

7.2. Children and young people need well co-ordinated, coherent support across education, health and social care to help them to achieve their agreed outcomes. Local authorities and key agencies are required to co-ordinate and jointly plan services. It was acknowledged that in the past, partnership working had required improvement. However, with the introduction of the SEND Partnership Board, the group agreed that improvements were being made, there was evidence of strong partnership working and partners and Cheshire East staff were both positive and eager to work together. Further to the previous task and finish group on the SEND Reforms.

Health Care Services

7.3. Up to age 16, children receive the 'whole package' in terms of health services. However, post 16 it becomes fragmented and there are gaps in the health service for 16 to 19 year olds when transitioning into adult care, particularly in relation to mental health and speech and language services.

7.4. Provision in Macclesfield and Crewe health services are not consistent; the Children and Adolescent Mental Health Service (CAMHS) is overstretched and referrals into the system can take a significant amount of time. To try

and alleviate this pressure, the threshold for CAMHS is now too high resulting in children either 'falling through the gap' or intervention taking place too late.

- 7.5. Further to the last task and finish group report, there were still inconsistencies between Eastern Cheshire and South CCG in terms of autism diagnosis thus creating inequalities. The task and finish group acknowledged that there was a substantial amount of work being undertaken, to embed a single pathway, however, some parents can feel unsupported and unclear on the services and options available for their children in the future. Overview and scrutiny should maintain their overview role to ensure the single pathway is effectively implemented and have assurance that families understand the services available.

Equipment Store

- 7.6. Again further to the last task and finish group final report, throughout the review, the issue of funding and cost of equipment consistently arose. The task and finish group agreed that as specialist equipment was so expensive and there were significant budgets pressures on schools, Cheshire East should coordinate an equipment store which could be used by all schools, enabling equipment to be recycled.

Preparing for Adulthood

- 7.7. The task and finish group were concerned that young adults would end up in adult social care which could have been prevented if early intervention had taken place and the right services were available.
- 7.8. Preparing for adulthood is when a young person begins to think about what they want to do in the future. The Children and Families Act 2014 and the Care Act 2014 provide the legislative framework for transition. They both highlight the need to take an outcome based approach and promote wellbeing.
- 7.9. Each young person is different; some will receive support from social care, some may leave education at 19, some may have complex health needs. As a result of this there will be changes to the care and support they receive from education, health and care services, or involvement with new agencies such as housing, employment or further education and training.
- 7.10. Young people need to be guided down the preparing for adulthood (PfA) pathways which best meet their needs and promotes their wellbeing, employment, housing - own place, planning for good health, developing friendships, relationship and community. The Council has developed a pathway to support young people with disabilities up to the age of 25.

Education and Health Care Plans (EHCP)

- 7.11. EHCPs replace SEN Statements. A plan is a legally binding summary of the provision that is to be made for an individual aged 0-25 in response to their needs and aspirations covering education, health and social care. They are based on a single assessment process, involving all the relevant agencies, and include input from the young person who is the subject of the proposed plan, and their parent/carer.
- 7.12. During the SEND Ofsted inspection conducted in March 2018, it was highlighted that 'the annual review process is often not completed within expected timescales. As a result, many children and young people's changing needs and outcomes are not being acknowledged in a timely enough manner and required changes to provision or placement are not reflected in children and young people's EHC plans. The overwhelming majority of parents who contributed to the inspection did not believe that their children's needs were being effectively assessed and met. Due to delays in identification of needs and the subsequent failure to meet needs effectively, some families have now entered the social care system. This situation could have been avoided had their children's needs been identified sooner and the appropriate provision put in place'.
- 7.13. 'Completion of annual health checks for 14 to 25-year-olds who have learning disabilities varies between CCGs.
- 7.14. The task and finish group based on evidence from witnesses considered that the EHCP are often still not being updated to reflect the move to further education, or being coproduced. The process and conversation between partners for preparing for adulthood and transition should start earlier, so that it can be managed and the required funding be in place prior to the child starting further education. The group also felt that at this stage the expectations of parents and carers needed to be managed to ensure they are realistic.
- 7.15. Members agreed that it was not possible for SEN officers to attend all reviews, however they were tracked and checked, which was adequate. The task and finish group was pleased that annual reviews could now be completed electronically and that a parents' portal was available to track cases.
- 7.16. Members noted that post 16 previously had a learning disability assessment (LDA) rather than a statement and that although all current LDAs were converted to EHC plans these may already have ceased for those aged 19 -25. Members noted that a request for a new needs assessment can be

submitted for consideration if there is still an educational need but not all parent/cares requested this.

SEND Ignite

- 7.17. SEND Ignition is an innovative project which has been established to support young people with SEND who may not have a clear preparing for adulthood pathway. It is based on the success of the Ignition project for care leavers which has won national awards. It focuses on person centred planning taking a bottom up approach which will in turn influence and develop the SEND local offer for people aged 16 and over.
- 7.18. Members of the task and finish group attended the first session of the SEND ignition workshop which included young people, parents/carers, health and local authorities representatives. They acknowledged that no one person, family, community, team or service can improve outcomes for young people, it takes team work and co-production of plans.
- 7.19. The recent SEND inspection highlighted that professionals, young people and their parents/carers are not always aware of the range of post 16 provisions available. Parents had highlighted concerns about post 16 pathways and therefore the offer needed to be developed so that young people's needs are met locally, ensuring better life outcomes, increased independence and choice and control over their support.
- 7.20. Preparing for adulthood is required to take place from year 9 (age 14) but there are benefits from this happening much earlier and expectations of parents and children needs to be understood. The task and finish group considered that whilst a lot of work is being undertaken to prepare children for adulthood, it is still in the early stages and often fragmented. This development work needs to continue. More work needed to be undertaken to help parents understand the transition process and manage expectations.

Pathway to Transition

- 7.21. Local Authorities must carry out a transition assessment of any young person when there is significant benefit to the young person or carer in doing so, and if they are likely to have needs for care or support after turning 18. The provisions in the Care Act relating to transition to adult care and support are not only for those who are already receiving children's services, but for anyone who is likely to have needs for adult care and support, after turning 18.
- 7.22. The timing of this assessment will depend on when it is of significant benefit to the young person or carer. This will generally be at the point when their

needs for care and support as an adult can be predicted reasonably confidently, but will also depend on a range of other factors discussed in the section below.

7.23. The consideration of 'significant benefit' is not related to the level of a young person or carer's needs, but rather to the timing of the transition assessment. When considering whether it is of significant benefit to assess, a local authority should consider factors which may contribute to establishing the right time to assess (including but not limited to the following):

- The stage they have reached at school and any upcoming exam.
- Whether the young person or carer wishes to enter further/higher education or training.
- Whether the young person or carer wishes to get a job when they become a young adult.
- Whether the young person is planning to move out of their parental home into their own accommodation.
- Whether the young person will have care leaver status when they become 18.
- Whether the carer of a young person wishes to remain in or return to employment when the young person leaves full time education.
- The time it may take to carry out an assessment.
- The time it may take to plan and put in place the adult care and support.
- Any relevant family circumstances.

Outcomes of an Assessment

7.24. That a young person may have needs. This means if they have any "appearance" of any need for care and support as an adult – not just those needs that will be deemed eligible under the adult statute. Adult services should therefore carry out a transition assessment for those who are receiving children's services as they approach adulthood, so that they have information about what to expect when they become an adult. The Care Act guidance reaffirms the long standing position within adult social care legislation that the threshold for assessment is set deliberately low.

7.25. There are three possible assessment outcomes:

1. The assessment concludes that the person does not have needs for adult care and support, or
2. The assessment concludes that the person does have such needs and begins to meet some or all of them (adult services will not always meet all of a person's needs – certain needs are sometimes met by carers or other organisations, or
3. The assessment concludes that the person does have such needs but decides they are not going to meet any of those needs (for instance, because their needs do not meet the eligibility criteria under the Care Act 2014).

7.26. In order to reach such a conclusion, the Local Authority must conduct a transition assessment. Furthermore the guidance underlines the need to take a holistic account of a person's needs, and not limit them to eligible needs for care and support.

Pathways in Transition

7.27. For children and young people who meet the criteria of the transition team at age 16, the transition assessment is assured. The criteria for the transition team is:

- A physical and/or learning disability which has a substantial and long-term adverse effect on their ability to carry out normal day to day activities.
- They are likely to meet the eligibility criteria for care and support under the Care Act.

7.28. This criterion allows the transition team to work with young people with disabilities who have the potential to progress into adulthood without the need to rely further on publicly funded adult social care.

7.29. In relation to adult social care day services, the task and finish group agreed that whilst there was provision available it was not always suitable for young people. Rather than day services, parents often wanted community based services, providing a holistic package of activities suitable for young people. Members visited Wishing Well at the Jubilee Centre in Crewe, which provides a programme for supported adults including a range of clubs, activities and bespoke provision. The offer includes improving self-esteem, building confidence, communication, reducing isolation, health & wellbeing, skills for working life, skills for independent living, 1-2-1 support

& mentoring whilst having fun in an inclusive setting. Each supported adult is provided with a timetable of activities specific to their needs, all led by a suitably qualified mentor and/or supervisor.

7.30. Activities include;

- Residential;
- Community outreach;
- Domestic skills such as cooking, cleaning and personal hygiene;
- Day clubs;
- Sports and arts;
- Volunteering and skill development; and
- Employability training.

Supported Employment

7.31. Cheshire East Council has a supported employment team who offer support to people with disabilities to find or retain employment. As employment is a key ingredient for real social inclusion, the team support people with disabilities to gain independence through work. Those that don't trigger adult social care need a route for a work place setting.

7.32. The task and finish group visited the Supported Community Business in Crewe, which was founded in 1998 out of a desire by the founder to provide his daughter, who had special needs to have access to the same working opportunities and to experience the world of work as other people her age. She wanted to learn what it was to work, to feel a sense of achievement, earn an income, meet friends and have a sense of purpose. Failing to locate such an opportunity, the founder and co-founder created SCB (Special Needs) Limited as a not for profit organisation and a registered charity, which is endorsed by Cheshire East Council and benefits from the support of a growing number of customers. The aims of the business are:

- To establish a strong community based business with a culture of equal opportunities for all, irrespective of any disability.
- To forward equal opportunities and life enhancement for people with special needs and/or learning difficulties.

- To provide a safe environment for trainees, enabling them to acquire a better quality of life through increased confidence, higher self-esteem and a sense of being valued.
- To help people with special needs and/or learning difficulties to develop both their personal and work skills ensuring progress to reach their full potential.
- To provide support to service users families and carers through regular reports on progress.
- To show individual progress within a working environment leading to employment through the Supported Employment Scheme.
- Operate as a business resource that aims to produce a quality service at competitive rates whilst enabling each employee to work to their own capability.

7.33. The task and finish group noted that this was the only business of its kind in the borough and felt that the Council need to liaise with the business to ensure this is promoted through the local offer and to consider supporting any new businesses or new ventures of a similar nature across the borough. Some council officers appeared to be unaware of the service and therefore not promoting it as a viable option. This was in line with the findings of the Ofsted SEND Inspection which highlighted that professionals are not always aware of the range of post-16 provision available within Cheshire East.

Supported Internships

7.34. Supported internships are a structured study programme based primarily at an employer. They enable young people aged 16-24 with an EHCP to achieve sustainable paid employment by equipping them with the skills they need for work, through learning in the workplace. Supported internships are unpaid, and last for a minimum of six months. Wherever possible, they support the young person to move into paid employment at the end of the programme. Alongside their time at the employer, young people complete a personalised study programme which includes the chance to study for relevant substantial qualifications, if appropriate, and english and maths.

7.35. The task and finish group visited Total People in Macclesfield to learn about its supported internship programme which lasted around 2 years, the first year included work experience and the second included a work placement of at least six months. The internships are funded from a combination of educations funding, agency core funding and top up funding for the

required amount from the Councils high needs budget. The Department for Work and Pensions Access to Work fund could include a job coach and extra fares to work if the young person was unable to use public transport.

7.36. During the Ofsted Inspection some parents told inspectors that they had been told that Cheshire East do not provide supported internships and to go elsewhere to access routes into employment. This lack of dissemination of information must be a factor in explaining why some social care workers can be seen by parents/carers as not supporting the use of supported internships. Members were pleased to see the progress being made and overview and scrutiny will maintain a monitoring role.

7.37. The task and finish group considered supported internships to be invaluable for those that don't trigger adult social care and are able to work in some capacity. Members agreed that more companies should be encouraged to provide work placements. Members agreed that the Council should consider ways in which it can encourage more companies to provide appropriate work placements. The Council should consider ways to promote and expand the provision of supported internships.

Supported Accommodation

7.38. Consideration needs to be given at an early stage as to what accommodation a young person will need as they transition into adulthood, there is a need for more specialist accommodation and young people need to have a voice in determining that accommodation. Supported accommodation should be given the same consideration as affordable housing.

Funding

7.39. The task and finish group discovered that there had been significant delays in further education providers receiving funding from Cheshire East Council. This had resulted in them having to fund placements for several months which put them under financial pressure.

7.40. The arrangements for funding high needs pupils in schools and colleges are more complex than standard schools funding and have changed in recent years. Funding for academies and colleges can depend on the number of commissioned places from September of each year, and the SEND service undertaking due process to confirm that all the relevant young people have been included and have the correct needs. The group acknowledged that processes are fairly new. Members were concerned that there have been delays in some payments and there is a need to review of the financial

procedures and processes for post 16 payments to ensure these are made in a timely manner.

8. Conclusions

- 8.1. The Group identified a number of barriers to young people accessing the job market, which need to be considered.

Assessments are not always appropriate or timely and young people and their parents/carers were concerned that there was not always enough information supplied to allow them to make informed choices.

The Group found that there are limited opportunities for supported internships and supported employment. If the Council is actively seeking to encourage young people into work then a way to develop these services needs to be explored.

- 8.2. Young people and their parents/carers commented that EHCPs were not always completed in a timely manner and by all the relevant professionals. They also indicated that there can be gaps in healthcare during the transitioning period.

The Group found that not all young people with autism have had access to the single pathway and so their needs had not always been fully assessed. This is linked to the perceived inconsistencies in the way the different CCG's respond to and deal with the diagnosis of Autism.

Parents commented that the CAMH's service is overstretched and there is a long waiting list for appointments for young people. Parents also mentioned that sometimes their expectations are not met by the Council and Health Service providers. Though whether this is because of high parental expectations or a lack of the provision of appropriate services for young people is unclear.

- 8.3. The Group saw many examples of good practice and heard positive stories. Young people and their parents/carers spoke positively about supported internships. Similarly, there was praise for supported community activities based in Connected Community Centres. Supported employment placements were also praised by the young people and their parents/carers.

The Group felt that the Council could co-ordinate information for young people and their parents/carers about the range of options available. It also hopes the Council will investigate ways in which it could share good practice and encourage the provision for these options for young people across the County.

- 8.4. The single Autism Pathway has been commissioned but not evaluated as yet. EHCP are being co-produced and regularly updated. However, some young people do not have the necessary plans in place. Not all young people receive the appropriate advice and information at the time it is needed. Similarly, appropriate funding is available but needs are not always assessed and funding put in place in a timely manner
- 8.5. Further education providers work with the Council to provide a useful service for young people giving them the skills they need to access work. There are a limited number of private providers and voluntary organisations which give training for young people and provide community facilities. Similarly, there is a limited amount of supported accommodation for young people. The Group felt that the Council should explore ways in which these services could be developed and organisations encouraged to provide more accommodation to meet the needs of young people.

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Working for a brighter future together

Key Decision N

Date First
Published: N/A

Cabinet

Date of Meeting: 3rd December 2019

Report Title: Domestic Taxbase 2020/21 Report

Portfolio Holder: Cllr Amanda Stott – Finance, ICT and Communications

Senior Officer: Alex Thompson – Director of Finance and Customer Services
(Section 151 Officer)

1. Report Summary

- 1.1. This report sets out the Council Tax base calculation 2020/21 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 £4.6m (2.1%) on the 2019/20 position highlighting the positive changes locally. Additional new homes and more properties brought back into use over the last ten years, have increased the taxbase by 15%.

2. Recommendations

Cabinet recommends to Council that

- 2.1. In accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2020/21 as 152,597.84 for the whole area.
- 2.2. The following changes are made in respect of empty property charges:
 - i) The period for the award of discount in respect of empty rental property is reduced from 6 weeks to 4 weeks

- ii) The premium charged for property that has been empty for 5 years or longer be increased from 100% to 200%

3. Reasons for Recommendations

- 3.1. 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 2020.

4. Other Options Considered

- 4.1. None.

5. Background

- 5.1. Cheshire East Council is required to approve its tax base before 31st January 2020 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**.
- 5.2. 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.
- 5.3. 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 2020/21.
- 5.4. The tax base has been calculated in accordance with the Council's local policy to offer no reduction for empty properties except that Discretionary reductions will continue to be allowed, for landlords, under Section 13A of the Local Government Finance Act 1992. Based on analysis of the locally determined discretionary reduction period for landlords it is recommended that it be reduced from six weeks to four weeks.
- 5.5. Analysis of recent trends in new homes, and homes being brought back into use, suggest an increase of nearly 5,300 homes is likely between the setting of the 2019/20 taxbase in October 2019 and the 31st March 2021. 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.

5.6. In common with most Billing Authorities, Cheshire East Council charges a Council Tax premium of 100% on property that has been empty for 2 years or more in order to encourage homes to be brought back into use. The Local Government Finance Act 1992 (amended) enables Councils to charge a premium on empty properties. The Autumn Budget 2017 allows Councils to increase the premium from 100% to 200% with effect from April 2020. It is recommended that Cheshire East Council implements this change with effect from 1st April 2020.

5.7. 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 and is being reviewed for 2020/21 following a consultation. 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	14.2	2.0	16.2
2018/19	14.6	1.6	16.2
2019/20 (estimated)	15.3	0.9	16.2
2020/21 (estimated)	15.3	1.5	16.8

5.8. This level of budget will allow a risk factor of £1.5m 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.

5.9. Changes to the Council Tax Support Scheme for 2020/21, as set out in a separate report to Council, are included within the calculations of this tax base report.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. 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.

6.2. Finance Implications

6.2.1. 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.

6.3. Policy Implications

6.3.1. None

6.4. Equality Implications

6.4.1. None.

6.5. Human Resources Implications

6.5.1. None

6.6. Risk Management Implications

6.6.1. Consideration and recommendation of the Tax Base for 2020/21 to Council ensures that the statutory requirement to set the taxbase is met.

6.6.2. 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

6.7. Rural Communities Implications

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

6.8. Implications for Children & Young People/Card for Children

6.8.1. None.

6.9. Public Health Implications

6.9.1. None.

6.10. Climate Change Implications

6.10.1. None

7. Ward Members Affected

7.1. All

8. Consultation & Engagement

8.1. Not subject to any specific consultations.

9. Access to Information

9.1. Supporting system reports evidencing current taxbase numbers is available on request.

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

Name:	Alex Thompson
Job Title:	Director of Finance & Customer Services (Section 151 Officer)
Email:	alex.thompson@cheshireeast.gov.uk

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APPENDIX A

COUNCIL TAX - TAXBASE 2020/21

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 99.00%
Acton	137.81	136.43
Adlington	645.72	639.26
Agden	71.75	71.03
Alderley Edge	2,732.54	2,705.21
Alpraham	215.75	213.59
Alsager	4,905.73	4,856.68
Arclid	219.47	217.28
Ashley	160.74	159.13
Aston by Budworth	187.76	185.88
Aston-juxta-Mondrum	90.34	89.44
Audlem	1,006.69	996.63
Austerson	49.06	48.57
Baddiley	136.01	134.65
Baddington	63.56	62.93
Barthomley	104.69	103.64
Basford	91.62	90.70
Batherton	25.70	25.44
Betchton	283.07	280.23
Bickerton	130.85	129.54
Blakenhall	68.80	68.11
Bollington	3,256.52	3,223.95
Bosley	214.53	212.39
Bradwall	88.86	87.97
Brereton	654.94	648.39
Bridgemere	69.29	68.59
Brindley	69.99	69.29
Broomhall	85.40	84.55
Buerton	239.48	237.08
Bulkeley	145.32	143.87
Bunbury	674.66	667.91
Burland	296.52	293.55
Calveley	137.81	136.43
Checkley-cum-Wrinehill	49.37	48.88
Chelford	791.24	783.33
Cholmondeley	90.55	89.64
Cholmondeston	87.64	86.76
Chorley	274.15	271.41
Chorley (Crewe)	71.09	70.38
Chorlton	511.76	506.64
Church Lawton	893.83	884.90
Church Minshull	215.90	213.75
Congleton	10,447.22	10,342.75
Coole Pilate	37.53	37.16
Crnage	681.09	674.28
Crewe	14,182.91	14,041.08
Crewe Green	105.24	104.19
Disley	2,065.59	2,044.93
Dodcott-cum-Wilkesley	216.61	214.44
Doddington	20.97	20.76
Eaton	271.46	268.75
Edleston	308.90	305.81
Egerton	36.34	35.97
Faddiley	79.85	79.06
Gawsworth	825.16	816.91
Goostrey	1,092.97	1,082.04
Great Warford	456.83	452.26
Handforth	2,364.45	2,340.81
Hankelow	223.02	220.79
Haslington	2,743.09	2,715.65
Hassall	114.10	112.96
Hatherton	186.51	184.64
Haughton	109.58	108.48
Henbury	358.27	354.68
Enhull	126.57	125.31
High Legh	908.74	899.65
Higher Hudsfield	338.39	335.01
Holmes Chapel	2,857.81	2,829.23
Hough	345.82	342.37
Hulme Walfield & Somerford Booths	283.15	280.32
Hunston	83.36	82.53
Hurleston	36.49	36.13

COUNCIL TAX - TAXBASE 2020/21

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 99.00%
Kettleshulme	169.68	167.98
Knutsford	5,865.44	5,806.79
Lea	22.12	21.90
Leighton	1,880.62	1,861.81
Little Bollington	83.66	82.82
Little Warford	40.34	39.94
Lower Peover	74.75	74.01
Lower Withington	336.22	332.86
Lyme Handley	73.09	72.35
Macclesfield	18,835.28	18,646.96
Macclesfield Forest/Wildboarclough	120.00	118.80
Marbury-cum-Quoisley	131.63	130.32
Marton	113.27	112.14
Mere	470.03	465.33
Middlewich	4,965.94	4,916.28
Millington	104.30	103.26
Minshull Vernon	154.72	153.18
Mobberley	1,487.49	1,472.61
Moston	340.52	337.11
Mottram St Andrew	411.42	407.31
Nantwich	5,542.29	5,486.86
Nether Alderley	598.82	592.83
Newbold Astbury-cum-Moreton	360.47	356.87
Newhall	422.81	418.59
Norbury	104.25	103.20
North Rode	129.29	128.00
Odd Rode	2,017.50	1,997.33
Ollerton with Marthall	322.77	319.54
Over Alderley	217.09	214.91
Peckforton	77.45	76.67
Peover Superior	408.98	404.89
Pickmere	381.85	378.03
Plumley with Toft and Bexton	412.89	408.76
Poole	79.22	78.43
Pott Shrigley	151.70	150.18
Poynton with Worth	5,939.16	5,879.76
Prestbury	2,227.32	2,205.04
Rainow	601.30	595.29
Ridley	88.17	87.28
Rope	892.39	883.46
Rostherne	81.81	80.99
Sandbach	8,175.07	8,093.32
Shavington-cum-Gresty	2,160.15	2,138.55
Siddington	184.63	182.78
Smallwood	325.70	322.44
Snelson	81.01	80.20
Somerford	552.67	547.14
Sound	117.14	115.97
Spurstow	194.14	192.20
Stapeley	1,725.91	1,708.65
Stoke	113.49	112.35
Styal	380.59	376.78
Sutton	1,142.80	1,131.37
Swettenham	177.28	175.51
Tabley	238.28	235.90
Tatton	13.26	13.13
Twemlow	115.09	113.94
Walgherton	67.21	66.54
Wardle	53.73	53.19
Warmingham	115.47	114.32
Weston	949.65	940.16
Wettenhall	120.04	118.84
Willaston	1,423.23	1,409.00
Wilmslow	11,927.20	11,807.93
Wincle	94.76	93.81
Wirswall	42.27	41.85
Wistaston	3,140.69	3,109.28
Woolstanwood	244.47	242.02
Worleston	127.50	126.23
Wrenbury	540.08	534.68
Wybunbury	703.14	696.11
	154,139.23	152,597.84

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Working for a brighter future together

Key Decision N

Date First
Published: N/A

Cabinet

Date of Meeting: 03 December 2019

Report Title: Council Tax Support Scheme for 2020/21

Portfolio Holder: Cllr Amanda Stott - Finance, IT and Communication

Senior Officer: Alex Thompson, Director of Financial and Customer Services

1. Report Summary

- 1.1. Further to Central Government's welfare reform changes, Council Tax Benefit was abolished and from April 2013 has been replaced by a localised Council Tax Support Scheme. Full Council must approve the scheme each year.
- 1.2. The scheme was last fully reviewed in 2015 and changes were made, following a public consultation, for 2016/17. Council approved this on 15 December 2015¹.
- 1.3. The Council's scheme only affects those of working age; pensioners are protected and MHCLG maintain this scheme, which mirrors the former Council Tax Benefit. Details of the Council's current scheme can be found at: https://www.cheshireeast.gov.uk/benefits_housing_council_tax/council-tax-support.aspx.
- 1.4. Under the current means-tested scheme every change of income, no matter how small, results in the claim being reassessed. A new Council Tax demand is issued where this changes the level of the award and revised instalments for the remainder of the financial year.
- 1.5. It is proposed to amend the scheme so that it is based on income bands, removing multiple changes to assessment levels, reducing the number of

¹ <http://moderngov.cheshireeast.gov.uk/ecminutes/ieListDocuments.aspx?CId=239&MId=5728&Ver=4>

Council Tax demands issued throughout the year, providing the income remains in the same income band. This scheme will also be much simpler than the current complex means-tested calculation, making it easier for customers (existing and potential) to understand.

- 1.6. The changes will also reduce the administration of the scheme improving efficiency, but are not intended to reduce the overall cost of the scheme.

2. Recommendations

That Council:

- 2.1. Amend the Council Tax Support scheme for 2020/21 as follows:

- 2.1.1 Introduce a 'banded scheme', that is reviewed annually in line with the Consumer Price Index for September of the preceding year, with the income initial bands and levels of support set as follows:

Maximum award	Single	Couple	Couple / lone parent with 1 child	Couple / lone parent with 2 or more children
75%	£0 - £90	£0 - £140	£0 - £200	£0 - £290
60%	£90.01-£115	£140.01-£170	£200.01-£230	£290.01-£320
45%	£115.01-£140	£170.01-£200	£230.01-£270	£320.01-£360
30%	£140.01-£165	£200.01-£230	£270.01-£300	£360.01-£390
15%	£165.01-£190	£230.01-£260	£300.01-£320	£390.01-£410

Table 1 Proposed income bands and support for working age claimants

- 2.1.2 Disregard the first £40 weekly income for those customers classed as disabled under the current scheme.
- 2.1.3 Fully disregard Carer's allowance.
- 2.1.4 Disregard the first £25 of all weekly-earned income.
- 2.1.5 Increase the maximum period that claims for Council Tax Support can be backdated from 13 weeks to 12 months, where customers can show good reasons for the delay.
- 2.1.6 Increase the fixed non-dependent deduction for other adults in the household from £7 to £8 per week.
- 2.1.7 Stop the additional 8 weeks top-up payment for some people who start work, known as extended payments.

- 2.2. Note that, apart from the recommendations listed above, all other elements of the scheme are to remain unchanged.

3. Reasons for Recommendations

- 3.1. The current scheme is complex relying on calculations looking at the claimant's household income and make up. Each assessment requires an assessment against categories for different needs and a taper applied to income. A simpler scheme will benefit those claiming, make it easier to identify potential liability and be more efficient to administer.
- 3.2. To cater for those customers with additional needs and responsibilities, changes have been made to provide additional support by:
- Disregarding an additional £40 income from those customers who are classed as disabled under the scheme. Disability Living Allowance, Personal Independence Payment and Attendance Allowance are already fully disregarded.
 - Fully disregard Carer's allowance.
- 3.3. Customers are currently classed as disabled who are:
- blind or have recently regained their sight or
 - in receipt of disability living allowance, personal independence payment, attendance allowance, war pensioner's mobility supplement, disability element or severe disability element of working tax credit, severe disablement allowance, incapacity benefit at the long term rate, or at the short term rate for those terminally ill or
 - treated as long term sick (incapable of work) or
 - in receipt of an invalid vehicle supplied by the NHS or get payments from DWP for car running costs
- 3.4. To encourage those who can work to do so, the first £25 of weekly earnings are to be disregarded. This is in addition to the current disregards of tax, national insurance and half of contributions towards a private pension.
- 3.5. The additional earnings disregard will help those starting work. The current scheme allows some customers starting work to keep their support for the first 8 weeks regardless of their level of earnings. The level of support given is low, compared to the annual liability, and involves manual intervention by officers to identify and administer. The increased earnings

disregard will help all customers who are in work on a low wage and for the whole of their award period. This will be much more efficient to administer.

- 3.6. A flat-rate deduction is made in respect of other adults living in the household, recognising that they should be contributing to household bills. The rate has been at £7 per week since 2016. An increase to £8 per week is proposed; the first increase in 4 years.
- 3.7. Some customers may have good reasons for failing to claim at the correct time. To support those demonstrating good cause for the delay, the maximum period support can be updated is to be increased from 13 weeks to 12 months.
- 3.8. Every change in circumstance requires a reassessment and where this changes the level of award, the claimant receives a Council Tax demand with revised instalments for the remainder of the financial year.
- 3.9. Customers must be given a minimum of 14 days notice of a revised instalment. Depending on the timing of a change in circumstance, if income regularly changes, a customer may not have an instalment collected for one or more months, resulting in increased payments for the rest of the financial year.
- 3.10. Many claimants have numerous changes, making it difficult to budget or to understand what impact a change in income may have.
- 3.11. The proposed banded scheme is much simpler and will reduce the amount of changes resulting in revised demands and instalments. Potential customers can also more easily identify potential entitlement. The scheme will continue to support those in need, protecting those most vulnerable and encourage those who can work, to do so.
- 3.12. Having agreement that the income bands can increase by CPI each year removes the need to undertake annual public consultation. Council can consider the levels within the scheme as part of the wider annual Council Tax base report.
- 3.13. The change in the scheme supports the Council's key outcome to be a responsible, effective and efficient organisation.

4. Other Options Considered

- 4.1. The scheme could remain unchanged. However, this would continue to result in numerous reassessments of claims for small changes in income, issuing of revised Council Tax demands and benefit notifications, with resulting changes in instalments. This would not deliver any efficiency in

the administration and would remain a complex scheme where most customers do not fully understand the calculation.

5. Background

5.1. Further to Section 1, the Council Tax Support Scheme is intended to help those on low income/low earnings meet their Council Tax liability, reducing debt and poverty. The Council's current scheme is designed to:

- Incentivise those who can work to do so
- Reward those who are in work, on a low wage
- Encourage those on a low income to downsize and move to more affordable housing (lower banded)
- Allow those with capital over £6k to meet their liability

5.2. Following the review of the scheme in 2015, the main features of the existing scheme are:

- To restrict the maximum support available to that of a Band B property in the claimant's area
- All working age claimants have a minimum contribution of 25% of their liability (subject to restrictions applied under 5.2.1)
- Minimum award of £2 per week
- Capital limit of £6k
- Fixed non-dependent deduction of £7 per week
- Allowances used in the means tested calculation are increased annually in line with those for Housing Benefit
- Claims can be backdated for up to 13 weeks where a claimant has a good reason for not applying sooner
- Council Tax Support continues at the same level for the 1st 8 weeks when the claimant starts work

5.3. Under the current scheme every change of income, no matter how small, results in the claim for Council Tax Support being reassessed, a new Council Tax demand issued and revised instalments for the rest of the financial year. Many customers who are working, and in receipt of Universal Credit, face reassessments every month where their earnings may fluctuate by only a few pence each week.

- 5.4. A public consultation has been held on the proposed changes (see section 8). A total of 549 responses were received.
- 5.5. With regards to the proposed income bands, categories and level of support, there was clear agreement:

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know / Not sure
Proposed 4 household categories	20.5%	45.6%	15.0%	7.2%	3.8%	8.0%
Proposed weekly income bands	18.4%	45.8%	16.1%	8.0%	3.9%	7.8%
Proposed award bands	18.3%	45.2%	15.2%	8.8%	4.1%	8.4%
Overall support	19.8%	44.1%	16.7%	7.6%	3.4%	8.4%

Table 2 Response on bands, categories and level of support

- 5.6. 61.3% of respondents supported the proposal that the income bands are then revised annually in line with the Consumer Price Index for the September in the preceding financial year.
- 5.7. The responses were in support of the other changes:

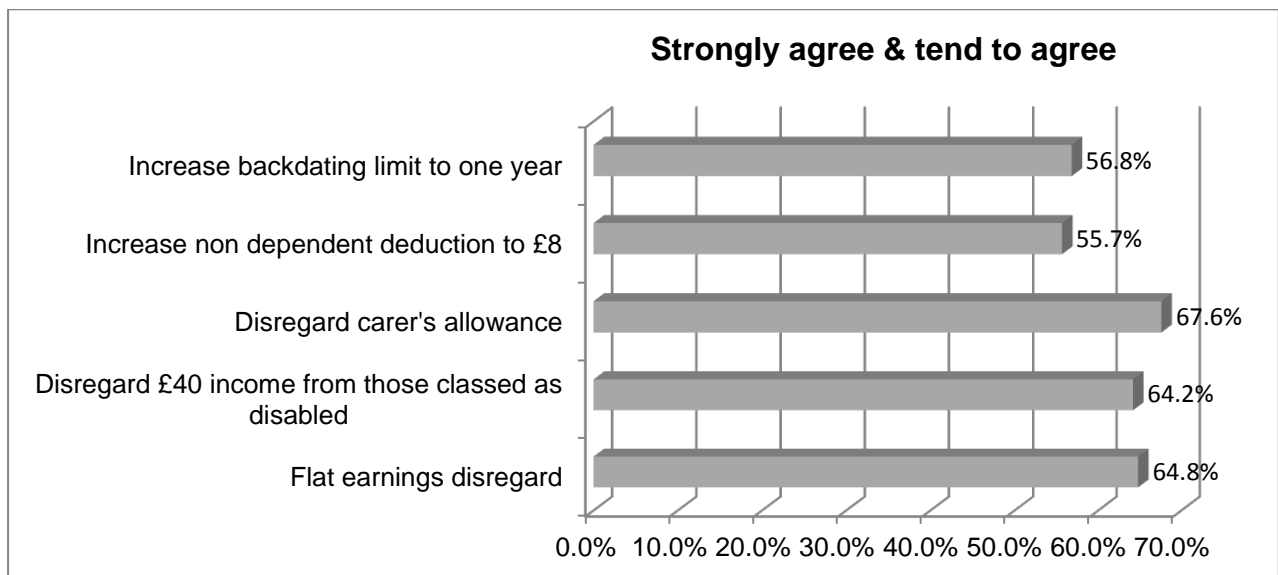


Table 3 Responses in support of the proposals

- 5.8. The proposal receiving the least support is to stop the additional 8 weeks payment for some people who start work. Of those expressing an opinion to agree or disagree, 40.9% strongly agreed/tended to agree with the proposal with 29.9% strongly disagreeing/tending to disagree. However, those starting work will benefit from the proposed change to disregard £25 of their earnings.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1 Section 13A of the Local Government Finance Act 1992 (as amended) places a duty on the Council to make a scheme specifying the reductions to Council Tax for those:

- Persons whom the Council considers to be in financial need, or
- Persons in classes consisting of persons whom the Council consider to be, in general, in financial need

6.1.2 The scheme must be approved by full Council preceding the start of the financial year it relates to.

6.2. Finance Implications

6.2.1 The cost of the Council Tax Support Scheme has an impact on the Council Tax base.

6.2.2 The tax base reflects assumptions around the Council Tax Support Scheme. Since it was introduced, the cost has been monitored and an allowance for risk was added. The risks include uncertainty over the economy and the potential for a major employer to leave the area (with no alternative employment available).

6.2.3 The overall cost of the proposed scheme is in line with the current expenditure c.£15.4m (against a budget in the tax base calculation of £16.2m for 2019/20). This will be revised for 20/21 in line with the Council Tax increase, when approved.

6.3. Policy Implications

6.3.1 The change to the scheme supports the following strategic outcome:

- A responsible, effective and efficient organisation

6.4. Equality Implications

6.4.1 An Equality Impact Assessment is attached as Appendix A.

6.5. Human Resources Implications

6.5.1 The administration for processing the applications is within the Benefits Section. There are no proposals to change this.

6.6. Risk Management Implications

6.6.1 As the Scheme is demand led, there is a risk that a large increase in demand will inflate the cost of the scheme.

6.6.2 To mitigate this, the tax base reflects assumptions around the Council Tax Support Scheme. Since it was introduced the cost has been monitored and an allowance for risk was added. The risks included uncertainty over the economy, the potential for a major employer to leave the area. Regular monitoring is undertaken and the proposed scheme has been modelled against the current caseload.

6.7. Rural Communities Implications

6.7.1 There are no direct implications for rural communities.

6.8. Implications for Children & Young People/Cared for Children

6.8.1 There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1 There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1 The reduction in assessments generating a change in entitlement will reduce the number of revised Council Tax Demands issued.

6.10.2 In addition the service is digital with customers encouraged to sign up to receive all the information in their on-line portal².

7. Ward Members Affected

7.1. All local Ward Members are affected

² <https://www.cheshireeast.gov.uk/account/cheshire-east-account.aspx>

8. Consultation & Engagement

- 8.1. A public consultation ran from 25 July 2019 to 16 September 2019 to seek views on the proposed changes to the scheme. This was promoted on the Council's web site and drop in sessions were held at Crewe and Macclesfield. It was also promoted at key stakeholder events, forums, by telephone, email and face to face with customers contacting the service during the consultation window.
- 8.2. The findings of the consultation are included within section 5.

9. Access to Information

- 9.1. Details on the Council Tax Support Scheme can be found at:
https://www.cheshireeast.gov.uk/benefits_housing_council_tax/council-tax-support.aspx.

10. Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

Name:	Liz Rimmer
Job Title:	Benefits Manager
Email:	liz.rimmer@cheshireeast.gov.uk

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EQUALITY IMPACT ASSESSMENT

TITLE: Council Tax Support Scheme

VERSION CONTROL

Date	Version	Author	Description of Changes
16.6.19	1	Alison Edwards	

EQUALITY IMPACT ASSESSMENT

CHESHIRE EAST COUNCIL - EQUALITY IMPACT ASSESSMENT

Stage 1 Description: Fact finding (about your policy / service /

Department	Corporate		Lead officer responsible for assessment		Alison Edwards	
Service	Benefits		Other members of team undertaking assessment			
Date	16.6.19		Version		1	
Type of document (mark as appropriate)	Strategy	Plan	Function	Policy	Procedure	Service
Is this a new/ existing/ revision of an existing document (please mark as appropriate)	New		Existing		Revision	
Title and subject of the impact assessment (include a brief description of the aims, outcomes , operational issues as appropriate and how it fits in with the wider aims of the organisation) Please attach a copy of the strategy/ plan/ function/ policy/ procedure/ service	<p>Council Tax Support Scheme</p> <p>The Cheshire East CTS scheme for working age residents is intended to help those on low income/low earnings meet their Council Tax liability, reducing debt and poverty.</p> <ul style="list-style-type: none"> • To incentivise those who can work to do so • To reward those who are in work, on a low wage • For those with capital to meet the liability • To encourage those on low income to downsize and move to more affordable housing (lower banded) <p>The original scheme was designed as draft and consulted on. The consultation feedback was considered, the scheme reviewed then approved by Cabinet and came into place on 1 April 2013.</p> <p>The proposed changes to the scheme are to enable a simplification of the administration processes rather than any reduction in the cost of the scheme itself.</p>					
Who are the main stakeholders and have they been engaged with? (e.g. general public, employees, Councillors, partners, specific audiences, residents)	<p>The proposals for the changes to the scheme are to be consulted on with all our stakeholders and partners. General public, Councillors, Welfare Groups, employees, local charities.</p>					

EQUALITY IMPACT ASSESSMENT

What consultation method(s) did you use?	<p>The consultation is to be shared with the community via the Cheshire East website and the Connected Community Centres via the Partnerships Team.</p> <p>Requests will be made to the members of Cheshire East Welfare Rights Forum and Registered Providers Forum. Direct requests will be made to the Cheshire East Digital Panel Consultation.</p> <p>Face to face consultation will take place in both Macclesfield Town Hall and Delamere House</p>
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Stage 2 Initial Screening

Who is affected and what evidence have you considered to arrive at this analysis? (This may or may not include the stakeholders listed above)	The proposals will only affect those of Working age resident within Cheshire East who have a Council Tax liability. 26% of the CTS caseload (4,810 households) are Working Age and not in receipt of a 'passported' benefit and are therefore affected by the changes proposed.
Who is intended to benefit and how?	The scheme is designed to benefit those of working age who have a low income or low earnings.
Could there be a different impact or outcome for some groups?	Some groups may be affected differently – specific assistance is being targeted towards those in receipt of disability benefits, Carer's allowance and working
Does it include making decisions based on individual characteristics, needs or circumstances?	Each CTS decision is made specifically on the circumstances of the individual claimants.
Are relations between different groups or communities likely to be affected? (eg will it favour one particular group or deny opportunities for others?)	It is unlikely that this scheme will have any affect on relationships between different groups or communities.
Is there any specific targeted action to promote equality? Is there a history of unequal	<p>The scheme will take into account the household income of those applying for support.</p> <p>Each claim is considered based on it's own merits.</p> <p>There is no history of unequal outcomes</p>

EQUALITY IMPACT ASSESSMENT

outcomes (do you have enough evidence to prove otherwise)?								
Is there an actual or potential negative impact on these specific characteristics? (Please tick)								
Age	Y	N	Marriage & civil partnership	Y	N	Religion & belief	Y	N
Disability	Y	N	Pregnancy & maternity	Y	N	Sex	Y	N
Gender reassignment	Y	N	Race	Y	N	Sexual orientation	Y	N
What evidence do you have to support your findings? (quantitative and qualitative) Please provide additional information that you wish to include as appendices to this document, i.e., graphs, tables, charts							Consultation/ involvement carried out	
							Yes	No
Age	The scheme only affects working age residents – pension age applicants are still protected under the original national Council Tax Benefit scheme					Yes		
Disability	The allowances for claimants in receipt of disability benefits are proposed to be altered to a flat rate disregard from the disability income – comments to be sought from relevant groups in respect of this change – DIB etc					Yes		
Gender reassignment	No affect in relation to gender reassignment					Yes		
Marriage & civil partnership	No direct affect in relation to marriage or civil partnership – scheme considers single, lone parents and couples and their specific income					Yes		
Pregnancy & maternity	No affect in relation to pregnancy or maternity					Yes		
Race	No affect in relation to race – decisions not impacted by race					Yes		
Religion & belief	No affect in relation to religion/belief – decisions not impacted by either					Yes		
Sex	No affect in relation to sex – the income of single applicants regardless of sex is used					Yes		
Sexual orientation	No affect in relation to sexual orientation – this information has no impact of an application					Yes		

EQUALITY IMPACT ASSESSMENT

Proceed to full impact assessment? (Please tick)	Yes	No	Date 16.6.19
Lead officer sign off		Date 16.6.19	
Head of service sign off		Date 25.7.19	

If yes, please proceed to Stage 3. If no, please publish the initial screening as part of the suite of documents relating to this issue

EQUALITY IMPACT ASSESSMENT

Stage 3 Identifying impacts and evidence

This section identifies if there are impacts on equality, diversity and cohesion, what evidence there is to support the conclusion and what further action is needed

Protected characteristics	Is the policy (function etc....) likely to have an adverse impact on any of the groups? Please include evidence (qualitative & quantitative) and consultations <i>List what negative impacts were recorded in Stage 1 (Initial Assessment).</i>	Are there any positive impacts of the policy (function etc....) on any of the groups? Please include evidence (qualitative & quantitative) and consultations <i>List what positive impacts were recorded in Stage 1 (Initial Assessment).</i>	Please rate the impact taking into account any measures already in place to reduce the impacts identified <i>High:</i> Significant potential impact; history of complaints; no mitigating measures in place; need for consultation <i>Medium:</i> Some potential impact; some mitigating measures in place, lack of evidence to show effectiveness of measures <i>Low:</i> Little/no identified impacts; heavily legislation-led; limited public facing aspect	Further action (only an outline needs to be included here. A full action plan can be included at Section 4) <i>Once you have assessed the impact of a policy/service, it is important to identify options and alternatives to reduce or eliminate any negative impact. Options considered could be adapting the policy or service, changing the way in which it is implemented or introducing balancing measures to reduce any negative impact. When considering each option you should think about how it will reduce any negative impact, how it might impact on other groups and how it might impact on relationships between groups and overall issues around community cohesion. You should clearly demonstrate how you have considered various options and the impact of these. You must have a detailed rationale behind decisions and a justification for those alternatives that have not been accepted.</i>
Age				
Disability				
Gender reassignment				
Marriage & civil partnership				
Pregnancy and				

EQUALITY IMPACT ASSESSMENT

maternity				
Race				
Religion & belief				
Sex				
Sexual orientation				
Is this change due to be carried out wholly or partly by other providers? If yes, please indicate how you have ensured that the partner organisation complies with equality legislation (e.g. tendering, awards process, contract, monitoring and performance measures)				

Stage 4 Review and Conclusion
ASSESSMENT

Summary: provide a brief overview including impact, changes, improvement, any gaps in evidence and additional data that is needed			
Specific actions to be taken to reduce, justify or remove any adverse impacts	How will this be monitored?	Officer responsible	Target date
Please provide details and link to full action plan for actions			
When will this assessment be reviewed?			
Are there any additional assessments that need to be undertaken in relation to this assessment?			
Lead officer sign off		Date	
Head of service sign off		Date	

Please publish this completed EIA form on the relevant section of the Cheshire East website



Working for a brighter future together

Key Decision: N

Date First
Published: N/A

Cabinet

Date of Meeting: 03 December 2019

Report Title: Proposed Article 4 Directions for Small Houses in Multiple Occupation

Portfolio Holder: Councillor Toni Fox - Planning

Senior Officer: Frank Jordan, Executive Director Place

1. Report Summary

- 1.1 This report considers the making of three non-immediate Article 4 Directions to withdraw permitted development rights for the conversion of individual dwellings (Use Class C3) to small Houses in Multiple Occupation (HMOs) (Use Class C4) for parts of Crewe.

2. Recommendations

- 2.1 That Cabinet:
- 2.1.1 Authorises the making of three non-immediate Article 4 Directions, giving a period of at least 12 months between notification and it coming into force, for the areas shown on the maps attached at Appendix A (Nantwich Road area, Crewe), Appendix B (West Street area, Crewe) and Appendix C (Hungerford Road area, Crewe);
 - 2.1.2 Authorises the Executive Director-Place to carry out the necessary statutory procedures for the making of the Article 4 Directions, including public consultation;
 - 2.1.3 Delegates authority to the Portfolio Holder for Planning to confirm the Directions having considered the feedback from the public consultation.

3. Reasons for Recommendations

- 3.1 If approved, this would put Article 4 Directions in place for three areas in Crewe where there are concentrations of HMOs. The accompanying evidence paper (Appendix D) highlights that there are various local amenity and other issues in these areas. The Article 4 Directions would bring all new proposals to convert dwellinghouses into HMOs under planning control.

4. Other Options Considered

- 4.1 The various options concerned with the making of an Article 4 Directions are set out in the report.
- 4.2 The Council could choose not to introduce one or more of the Article 4 Directions. The change of use of individual dwellings to small HMOs would remain as permitted development, however large scale HMOs would continue to require planning permission. However, this option runs contrary to the evidence set out in Appendix D, which demonstrates that the Article 4 Directions are justified.
- 4.3 The Council will also pursue other measures alongside the Article 4 Directions in order to address impacts arising from HMOs and/ or the wider Private Rented Sector. This would include measures relating to environmental management, enforcement and the introduction of selective licencing to improve standards in accommodation. However, these measures alone would not have the effect of controlling the creation of additional HMOs in these areas.
- 4.4 The Council could prepare supplementary planning guidance regarding HMOs but not put in place an Article 4 Direction. However this would only influence the outcome of planning applications for large HMOs. It would not have any bearing on the development of new small HMOs created through permitted development.

5 Background

- 5.1 The Environment and Regeneration Overview and Scrutiny Committee has been considering the issues of extra controls in the private rented sector and also the introduction of possible planning controls in the form of an Article 4 Direction in Crewe associated with the concentration of houses in multiple occupation. At its meeting in March 2019, it resolved:

“1 That the committee endorses the recommendation to give further consideration to an Article 4 Direction to remove permitted development rights in respect of HMOs through the collation of evidence in relation to specific, identified areas, and

2 That the committee recommends that the two processes of gathering evidence for selective licensing and the introduction of an Article 4 Designation, be carried out at the same time.”

- 5.2 This report summarises the evidence that has been gathered to support the making of the recommended Article 4 Directions. In line with the committee's recommendation, this includes data and research that has been provided by the Council's Housing Standards and Adaptions Team. A report regarding selective licensing has also been prepared for consideration by Cabinet.

Planning controls for Houses of Multiple Occupation

- 5.3 HMOs are defined as single dwellings occupied by a number of separate households/ unrelated individuals. Under the Town & Country Planning (Use Classes) Order 1987 (as amended) a small HMO (Class C4) accommodates between 3 and 6 unrelated individuals and a large HMO (Sui Generis – outside of any use class) accommodates 7 or more unrelated individuals.
- 5.4 The Town and Country Planning (General Permitted Development) Order 2015 (GPDO) provides permitted development rights for the change of use of a dwelling (Class C3) to a small HMO (Class C4) without the need to apply to the council for planning permission. The change of use of a dwelling to a larger HMO (Sui Generis) requires the submission of a planning application.
- 5.5 Article 4 of the GPDO enables local planning authorities to withdraw specified permitted development rights in a defined area. Once an Article 4 Direction comes into force, a planning application is then required for the specific permitted development withdrawn. The withdrawal of permitted development rights does not imply that planning applications will be automatically refused if they are submitted. The submission of a planning application simply gives the local planning authority opportunity to consider a proposal against relevant planning policies, supplementary planning documents (where available) and any other material planning considerations.

Use of Article 4 Directions

- 5.6 The National Planning Policy Framework (NPPF) states that the use of Article 4 Directions to remove national permitted development rights should be limited to situations where they are necessary to protect local amenity or the well-being of the area. Planning guidance also confirms that blanket Article 4 Directions covering large areas (for example, the whole of a town) are not encouraged unless there is convincing evidence to justify such a direction.
- 5.7 It should be recognised that HMOs and the wider private rented sector play a key role in meeting housing needs in the borough. HMOs provide an important source of low cost, private sector housing for those on lower incomes, students and those seeking temporary accommodation. However, a concentration of HMOs in a particular area can change its character, increase demand on services and infrastructure, leading to conflicts with the existing community.
- 5.8 Article 4 Directions can be used as a tool to assist in monitoring and managing the number of new HMOs created within a particular area in order to protect local amenity and wellbeing and to support balanced communities.

Evidence for an Article 4 Direction

- 5.9 There is generally no single piece of evidence that can be used to establish whether an Article 4 Direction is necessary to protect local amenity or the wellbeing of the area.
- 5.10 Information about the number and location of HMOs in a particular area is likely to be the most compelling piece of evidence to show whether a concentration exists. Other evidence can be used to build up a picture of the area, for example, crime records, environmental complaints and observations about the character and appearance of the area.
- 5.11 Such evidence has been collected, the key findings of which are summarised below.

Distribution of HMOs within Cheshire East

- 5.12 There are currently 659 known HMOs¹ within Cheshire East. This figure includes both large and small HMOs, licensed and unlicensed.
- 5.13 The majority of all known HMOs are located within the Crewe titled wards² (454 HMOs or 72%). 97 HMOs are located within Macclesfield (15%) with the remaining 13% being scattered across the towns of Congleton, Alsager, Knutsford, Nantwich and Middlewich (around 1-2% across each town).
- 5.14 Of the 454 known HMOs located in the Crewe titled wards, 42% are located within the Crewe South Ward (262 HMOs). 10% are in the Crewe East ward (65 HMOs), 9% in the Crewe Central Ward (57 HMOs), 7% in the Crewe West Ward (47 HMOs) and 4% in the Crewe St Barnabas Ward (23 HMOs).

Mapping of HMOs

- 5.15 Mapping enables the identification of concentrations. The Crewe South Ward has by far the highest concentration of HMOs in the Borough (262 HMOs). This area includes the streets to the north and south of Nantwich Road such as Walthall Street, Ruskin Road, Catherine Street and Bedford Street.
- 5.16 The mapping highlights two other potential areas of concentrations, these run along the main routes of West Street and Hungerford Road.
- 5.17 In terms of the Hungerford Road area, which largely lies within the Crewe East Ward (65 HMOs), there are a number of HMOs located along the main road itself together with lower levels of HMOs in the surrounding residential streets.
- 5.18 With regards to the West Street area, which largely lies within the Crewe Central Ward (57 HMOs) there are a number of HMOs located along the West Street itself, with concentrations of HMOs in the streets to the south of West Street such as Richard Street, Samuel Street and Bright Street.

¹ Sources of known HMOs includes council tax records, building control applications, planning applications, licensing data, information received from the fire service, intelligence received, information from landlords and advertisements.

² Crewe titled wards include Crewe Central, Crewe North, Crewe East, Crewe West and Crewe South.

- 5.19 From the mapping, it is clear that the area with the highest concentrations of HMOs is Crewe and in particular the areas to the north and south of Nantwich Road. There are also concentrations, albeit to a lesser extent, in the streets surrounding the West Street and the Hungerford Road area.

Planning application data

- 5.20 Since 2010, approximately 42 planning applications have been determined for large HMOs. 40 of these applications were subsequently approved. Of the 2 that were refused, 1 was allowed at appeal.
- 5.21 Looking at the distribution of the applications determined, the majority were within the Crewe area (35 applications). Of these applications, 15 were within the Crewe South Ward with a further 9 applications in the Crewe Central Ward.
- 5.22 However, planning application data does not provide particularly strong evidence of HMO creation. This is because the size and nature of the housing stock in the areas with the highest concentration of HMOs (often smaller terraced properties) currently limits the number of planning applications made.

Environmental Issues

- 5.23 Evidence gathered for the period February 2017 – February 2019 shows that there have been 5,770 recorded fly tipping reports within the Borough. Of these reports, 65% were in Crewe.
- 5.24 All streets that have experienced 30 or more fly tipping reports over this period have been mapped. There are no streets outside of Crewe that have experienced 30 or more incidents (including Macclesfield). The mapping shows a strong correlation between the streets with the highest reports of fly tipping and those with high concentrations of HMOs, for example West Street (193 reports), Walthall Street (190 reports), Lord Street (108 reports) and Lawton Street (92 reports). These areas are generally densely populated compared to other parts of Cheshire East.
- 5.25 There is less evidence of high levels of fly tipping in the Hungerford Road area. There were 26 reported incidents on Hungerford Road itself - this falls just below the mapping threshold.

Environmental Health Complaints

- 5.26 For the period of February 2017 - July 2019, there were 3,397 recorded environmental health complaints³ across the Borough (of which 3,179 could be mapped). Mapping of these complaints shows higher levels in the area to the north and south of Nantwich Road including Gresty Road and West Street and the surrounding area.
- 5.27 Lower levels of environmental health complaints were experienced in the Hungerford Road area, although levels are higher in part of this area than the borough average.

Anti-social behaviour & Drugs

- 5.28 During the year ending the 31 March 2019, there were 7,945 recorded anti-social behaviour and drugs related offences across the Borough. The mapping of offences highlights that the areas with the highest recorded offences are Macclesfield and Crewe Town Centres. Outside of these areas, heat mapping identifies concentrations around the Nantwich Road and West Street areas. The mapping shows a pocket of anti-social behaviour around the junction of Macon Way with Hungerford Road.

Crime data

- 5.29 Crime data for the year ending 31 March 2018⁴ indicates that the number of crimes recorded in the Borough were highest within the town centres of Crewe and Macclesfield. In 2018, Crewe Central had the highest number of crimes (2,650 crimes or 8.6%) followed by Macclesfield Central (1,917 or 6.2%). Third was Crewe South (1,884 crimes or 6%) followed by Crewe East (1,645 or 5.3%).
- 5.30 Heat maps have been produced to show the location of crimes (excluding shop lifting). Excluding town centres, the mapping indicates higher levels of crime around the Nantwich Road and West Street areas and to a lesser extent around the Hungerford Road area.

³ Includes complaints concerning noise, animals, fires, deposits on land, filthy and verminous properties and air pollution

⁴ Includes 2017 and 2018 ward crime data.

Alley gates

- 5.31 The council has installed a number of alley gates within Crewe. These gates were installed as a response to crime and disorder issues. The location of installed alley gates therefore potentially highlights those areas that have experienced amenity issues in the past.
- 5.32 Mapping of alley gates clearly highlights concentrations to the north and south of Nantwich Road and the West Street area. There are no alley gates in the Hungerford Road area.

House prices

- 5.33 The average house price within Cheshire East is £234,995. In Crewe, areas with lower house prices include the areas surrounding Crewe Town Centre, including the West Street area where average property prices are in the region of £70,000 to £99,000.
- 5.34 House prices in the area to the north and south of Nantwich Road range are generally higher, in the region of £85,000 to £110,000. The Hungerford Road area has higher value properties to the West Street and Nantwich Road areas with property prices in the region of £131,000 to £158,000. Average house prices in the Hungerford Road area may reflect the existence of higher value detached and semi-detached dwellings also located within this area.
- 5.35 Lower prices within the West Street and Nantwich Road areas could potentially increase the attractiveness of properties to investors/ landlords.

Direction areas – options considered

- 5.36 Having regard to concentrations of HMOs and all evidence gathered, the following options have been considered for a possible Article 4 Direction:

Nantwich Road area

- 5.37 Mapping clearly shows concentrations of HMOs within the streets to the north and south of Nantwich Road. The size and nature of the properties (and house prices) within the area may make these properties particularly attractive for use as small HMOs.
- 5.38 Many of the streets within this area are characterised by terraced properties with no or little off road car parking available. The roads are relatively

narrow taking into account the on-street car parking which is often continuous to either side. A high density of HMOs in densely populated areas can result in parking availability problems, issues for emergency vehicles and poor access for residents, especially for those with mobility problems or care needs. The presence of parking close to junctions and on pavements can also result in road and pedestrian safety problems.

- 5.39 The character of these residential streets could exacerbate noisy activity being amplified for residential occupiers. This area has high numbers of Alley Gates, which is an indication of previous anti-social behaviour issues.
- 5.40 The evidence gathered shows correlations between the streets surrounding Nantwich Road particularly with high levels of fly-tipping and environmental health complaints. Litter and overgrown vegetation have been observed within the area, although the physical condition of known HMOs is not necessarily distinguishable from other dwellings within the area.
- 5.41 Taking into account concentrations of HMOs in this area together with the occurrence of various local amenity and other issues, it is considered that there is sufficient justification for an Article 4 Direction in this area on the grounds of amenity and wellbeing.
- 5.42 Officers have visited the area and walked the area of the proposed direction. The proposed boundary takes in the areas with properties that lend themselves to small HMOs and those streets with the highest concentrations. A map of the proposed Article 4 Direction boundary is attached at Appendix A.

West Street area

- 5.43 The majority of HMOs are located along West Street, this is a busy road with a mix of commercial and residential properties. There are concentrations of HMOs in the residential streets to the south of West Street. To the north of West Street, HMO numbers are quite limited and are generally more dispersed.
- 5.44 A number of the streets to the south of West Street include older terraced properties with roads being relatively narrow. There is very little off road car parking available. The nature of the streets taken with concentrations of HMOs can exacerbate parking availability, issues for access by emergency vehicles and access for residents, especially for those with mobility problems or care needs. Safety problems can also arise from vehicles parking close to junctions and on pavements.

- 5.45 The character of these residential streets could exacerbate noisy activity being amplified for residential occupiers. This area also has high numbers of Alley Gates, which is an indication of previous anti-social behaviour issues.
- 5.46 The evidence gathered shows correlations between West Street and the surrounding area with high levels of fly-tipping and environmental health complaints, particularly along West Street itself and the streets to the south.
- 5.47 Taking into account concentrations of HMOs in this area together with the occurrence of various local amenity and other issues, it is considered that there is sufficient justification for an Article 4 Direction in this area on the grounds of amenity and wellbeing.
- 5.48 Officers have visited the area and walked the area of the proposed direction. The proposed boundary takes in the areas with properties that lend themselves to small HMOs and those streets with the highest concentrations. A map of the proposed Article 4 Direction boundary is attached at Appendix B.

Hungerford Road area

- 5.49 The majority of HMOs in this area are located along Hungerford Road, a busy main road that contains a mix of residential and commercial properties. The environmental quality of the area is generally good. House prices are higher in this area than the West Street and Nantwich Road areas. While the mapping does not reveal high concentrations of HMOs in the quieter, surrounding residential streets, there are pockets of traditional terraced houses particularly in the streets to the south with high levels of on-street car parking.
- 5.50 While there is less evidence of social, environmental and economic issues in this area, there is a clear concentration of HMO's plus an availability of house types that could lend themselves to conversion. On balance, it is considered that there is sufficient justification for an Article 4 Direction on the grounds of amenity and wellbeing.
- 5.51 Officers have visited the area and walked the area of the proposed direction. The proposed boundary takes in the areas with properties that lend themselves to small HMOs and those streets with the highest concentrations. A map of the proposed Article 4 Direction boundary is attached at Appendix C.

Crewe – whole town

- 5.52 A town-wide Direction would enable the council to exercise a degree of control to the development of small HMOs (use class C4) across Crewe. There are examples of authorities elsewhere in the country applying such town wide directions, however Planning Practice Guidance states that where such large scale areas are proposed greater justification is required for the designation.
- 5.53 The mapping of all HMOs known to the council reveals that they tend to be concentrated within specific parts of the town. The evidence does not currently suggest that HMOs are likely to present to a significant extent outside these areas. It is therefore considered that it would be difficult to support a town-wide direction at this time.

Procedural Risks and costs

- 5.54 Article 4 Directions to withdraw permitted development rights can be made with either immediate effect or non-immediate effect. With non-immediate Directions, permitted development rights are only withdrawn after a period of consultation and confirmation of the Direction.
- 5.55 There are compensation liabilities arising from the making of an immediate Article 4 Direction. For a period of up to 12 months after making an Article 4 Direction developers can claim compensation for any abortive expenditure or other loss attributed to the withdrawal of permitted development rights. This could arise in circumstances where planning permission was refused or granted subject to restrictive conditions. However, where a minimum of 12 months of prior notice of the withdrawal of permitted development rights is given prior to it coming into force, there is no ability to claim compensation.
- 5.56 The level of risk involved by making an Article 4 Direction without the 12-months notice period is difficult to judge, but given that there is evidence of high concentrations within these areas and as such, high demand for the conversion of properties to HMOs, there is potentially a high risk of compensation claim(s). The prospect of speculative applications submitted solely for the purpose of giving rise to compensation liability cannot be discounted either.
- 5.57 The recommended making of non-immediate Article 4 Directions, giving at least 12 months notice before it comes into force would avoid such liability.

Next steps – the process for making an Article 4 Direction

5.58 An indicative timetable for the making of the Article 4 Directions, allowing for non-immediate 12-month notice periods is shown in the table below:

Timeframe	Task
December 2019 – January 2020	<ol style="list-style-type: none"> 1. Make and seal the Directions; 2. Publish a notice that the Directions have been made (in accordance with the requirements of the GPDO). This includes publication of the notice by: <ul style="list-style-type: none"> • local advertisement; • by site display at no fewer than 2 locations within the area to which the direction relates for a period of not less than 6 weeks. 3. Invite written representations for a period of no less than 21 days. 4. Notify the Secretary of State that the Directions have been made.
Spring/ Summer 2020	<ol style="list-style-type: none"> 5. Update ward members on the results of the consultation. 6. Report back to the Portfolio Holder for Planning on the results of the consultation. A decision will be taken on whether or not to confirm the Article 4 Directions. If confirmed, publish notice of the confirmation. The Directions will then come into force 12 months from the date that notice was first given (task 2 above). 7. Give notice of the confirmation of the Article 4 Directions, including to the

	Secretary of State.
Jan/Feb 2021	8. Depending on the outcomes above, the Directions would come into force early 2021.
Post implementation	9. To monitor and review the Directions, considering whether the original rationale for the Directions remains valid.

Benefits and limitations

- 5.59 The effect of an Article Direction is that planning permission will be required for the conversion of single-family dwellings to new small HMOs in the C4 Use Class. This does not mean that such planning applications will be refused planning permission, but will be subject to the need for planning permission, and assessment under adopted planning policies.
- 5.60 An Article 4 Direction cannot be applied retrospectively on existing HMOs and permitted development rights can be used up until the point at which the Direction comes into force. This means that the impacts of the Article 4 Direction will not be immediate.
- 5.61 There is a risk that non-immediate Article 4 Directions may result in additional HMOs being created within the 12 month notice period in order to avoid the need for planning permission.
- 5.62 The Directions will allow for greater planning control in determining the appropriateness of new small HMO development on a case-by-case basis. An Article 4 Direction cannot solve all problems. However it can play a part in improving HMOs, raise housing standards in the borough, and address many of the social and environmental problems caused by HMOs, as well as addressing the concerns about balanced communities.

Contribution to strategic outcomes

- 5.63 The making of the Article 4 Directions will contribute to a number of the strategic outcomes identified in the Cheshire East Corporate Plan 2017-2020.

These include:

Outcome 1 – Our local communities are strong and supportive

- 5.64 Bringing the change of use of dwellings to HMO's under control through the planning process will provide existing residents with an opportunity to have their say regarding future development adjacent to their property or within their local area via the planning application consultation process. The making of an Article 4 Direction can assist in addressing concerns about balanced communities in these areas.

Outcome 4 – Cheshire East is a green and sustainable place

- 5.65 The proposed Article 4 Directions will enable proposals to be considered against relevant planning policies which seek to ensure that new development addresses the environmental, economic and social needs of the area.

Outcome 5 – People live well and for longer

- 5.66 Article 4 Directions can play a part in improving housing standards in the borough and addressing associated social and environmental issues.

6 Implications of the Recommendations

6.1 Legal Implications

- 6.1.1 Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 allows a local planning authority to make an Article 4 Direction to remove permitted development rights. The procedure for making an Article 4 Direction and the consultation requirements are set out in this report.

Human Rights

- 6.1.2 The Council has carefully considered the balance to be struck between individual rights and the wider public interest. The rights of all of the owners of land in Nantwich Road area, West Street and Hungerford Road areas of Crewe under the Human Rights Act 1998 have been considered, in particular those contained within Article 1 of the Convention which relates to the Protection of Property and Article 8 of the Convention, which protects private and family life, home and correspondence. Both have been taken into account by the Council in

the consideration of consulting upon the making of these non-immediate Article 4 Directions.

- 6.1.3 The Article 4 Directions will not interfere with implemented development rights enjoyed by the owners and residents as the Directions do not have retrospective effect. It will only affect future planning applications made in respect of a change of use from a dwellinghouse (use class C3) to a House in Multiple Occupation for not more than 6 people (use class C4) by ensuring that an express application for planning permission is made.
- 6.1.4 The aim of the Article 4 Direction is to limit harm to the amenity of existing residents and to also to maintain, as far as possible, a balanced and mixed community. The council considers that the advantages of making the Article 4 Direction substantially outweigh the disadvantages to those property owners and residents who will no longer be able to benefit from the permitted rights in the future.

6.2 Finance Implications

- 6.2.1 The cost of the making of a non-immediate Article 4 Direction including consultation and implementation will be funded within existing service budgets.
- 6.2.2 A planning application fee will be payable for those applications for small HMOs in the designated area once the Direction is in force (currently £462 for a change of use) thereby making a contribution to the core costs of the planning service.
- 6.2.3 In addition, the Council Tax team are notified of planning applications and monitor properties with relevant applications for changes that will affect the Council Tax base. The introduction of the Article 4 Directions and the requirement for planning permission, will alert the Council Tax team to possible changes that previously they may not have been aware of.
- 6.2.4 As reported, the introduction of an immediate direction (one that gives less than 12 months between notification and coming into force) could give rise to claims for compensation, on the basis of loss of potential value, in the area covered by the Article 4 Direction. The number of potential claims against the authority are likely to increase proportionate to the area to be covered by any Direction(s) and the prospect of speculative applications submitted solely for the purpose of giving rise to compensation liability cannot be discounted. That risk can

be avoided by allowing for a period of at least 12 months between giving notice of the making of a Direction and it coming into force.

6.3 Policy Implications

- 6.3.1 Planning applications submitted for HMOs will be assessed against relevant planning policies, supplementary planning documents and any other material planning considerations.
- 6.3.2 In the case of the Crewe & Nantwich area, the adopted development plan comprises of the 'saved' policies of the Borough of Crewe and Nantwich Replacement Local Plan 2011 (CNLP) and the Cheshire East Local Plan Strategy 2017 (LPS).
- 6.3.3 CNLP Policy RES.9 'Houses in Multiple Occupation' provides criteria against which HMO proposals will be considered, including the impact upon the amenity of the area. LPS Policy SC4 states that housing proposals should maintain, provide or contribute to a mix of tenures, types and sizes to help support the creation of mixed, balanced and inclusive communities. Planning applications submitted for large HMOs are currently assessed against these policies.
- 6.3.4 The council recently consulted on its Publication Draft Site Allocations and Development Policies Document (SADPD) between the 19th August and 30 September 2019. Draft SADPD Policy HOU 4 'Houses in Multiple Occupation' contains criteria for assessing planning applications for HMOs. In particular, the draft policy requires consideration of existing concentrations of HMOs in the vicinity of a development proposal with the policy seeking the avoidance of the 'sandwiching' of any dwelling between HMOs. The supporting text confirms that particular scrutiny will be given to applications for HMOs where more than 10% of properties in any single road or street are already in such use. If adopted, Policy HOU 4 will replace CNLP Policy RES.9.
- 6.3.5 In the event that Cabinet authorises the making of the Article 4 Directions, further policy guidance in the form of a draft Supplementary Planning Document (SPD) will be prepared to align with the Direction coming into force. The purpose of the SPD will be to provide detailed planning guidelines against which planning applications will be assessed. The SPD will be subject to its own public consultation process before it is approved for use in assessing planning applications.

6.4 Equality Implications

6.4.1 The Public Sector Equality Duty was created by the Equality Act 2010 in order to harmonise the previous race, disability and gender equality duties and to extend protection to the protected characteristics of age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation.

6.4.2 In summary, the Council must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

6.4.3 Having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

6.4.4 An Equality Impact Assessment has been prepared. It has highlighted that the consultation stage of the Article 4 Direction process could potentially affect protected characteristics in terms of race, age and disability. This will be addressed through the method of consultation and the format of any materials.

6.4.5 The Equality Impact Assessment will be updated and finalised in light of any representations received.

6.5 Human Resources Implications

6.5.1 There are no new implications.

6.6 Risk Management Implications

- 6.6.1 The risks associated with the making of non immediate and immediate Article 4 Directions and other options considered are set out in the Report.
- 6.6.2 There is a risk that HMOs could increase elsewhere in the Borough or in areas outside of but adjacent to the Direction areas to avoid the need to apply for planning permission.
- 6.6.3 Planning guidance suggest that Article 4 Directions should be monitored post implementation to ensure that the original rationale remains valid. As part of this monitoring process, consideration will be given to the number and location of known HMOs and Article 4 Directions can be reviewed if necessary having regard to the relevant process for doing so.

6.7 Rural Communities Implications

- 6.7.1 There are no direct implications for rural communities.

6.8 Implications for Children & Young People/Cared for Children

- 6.8.1 If approved, an Article 4 direction would support the well-being of the areas identified which would benefit Children and Young People.

6.9 Public Health Implications

- 6.9.1 There are no direct implications for public health.

6.10 Climate Change Implications

- 6.10.1 There are no direct implications for climate change.

7 Ward Members Affected

- 7.1 Crewe Central – Cllr Anthony Critchley
Crewe South – Cllr Dorothy Flude & Cllr Steven Hogben
Crewe East – Cllr Joy Bratherton, Cllr Suzanne Brookfield & Cllr Hazel Faddes
Crewe West – Cllr Brian Roberts & Cllr Marilyn Houston

8 Consultation & Engagement

- 8.1 Consultation and engagement will be carried out reflecting the equality implications noted above.

9 Access to Information

9.1 The following documents are appended to this report:

Appendix A: Proposed Nantwich Road Article 4 Direction Boundary

Appendix B: Proposed West Street Article 4 Direction Boundary.

Appendix C: Proposed Hungerford Road Article 4 Direction Boundary

Appendix D: Evidence to justify the purpose and extent of an Article 4 Direction for parts of Crewe.

10 Contact Information

10.1 Any questions relating to this report should be directed to the following officer:

Name: Jeremy Owens


Job Title: Development Planning Manager

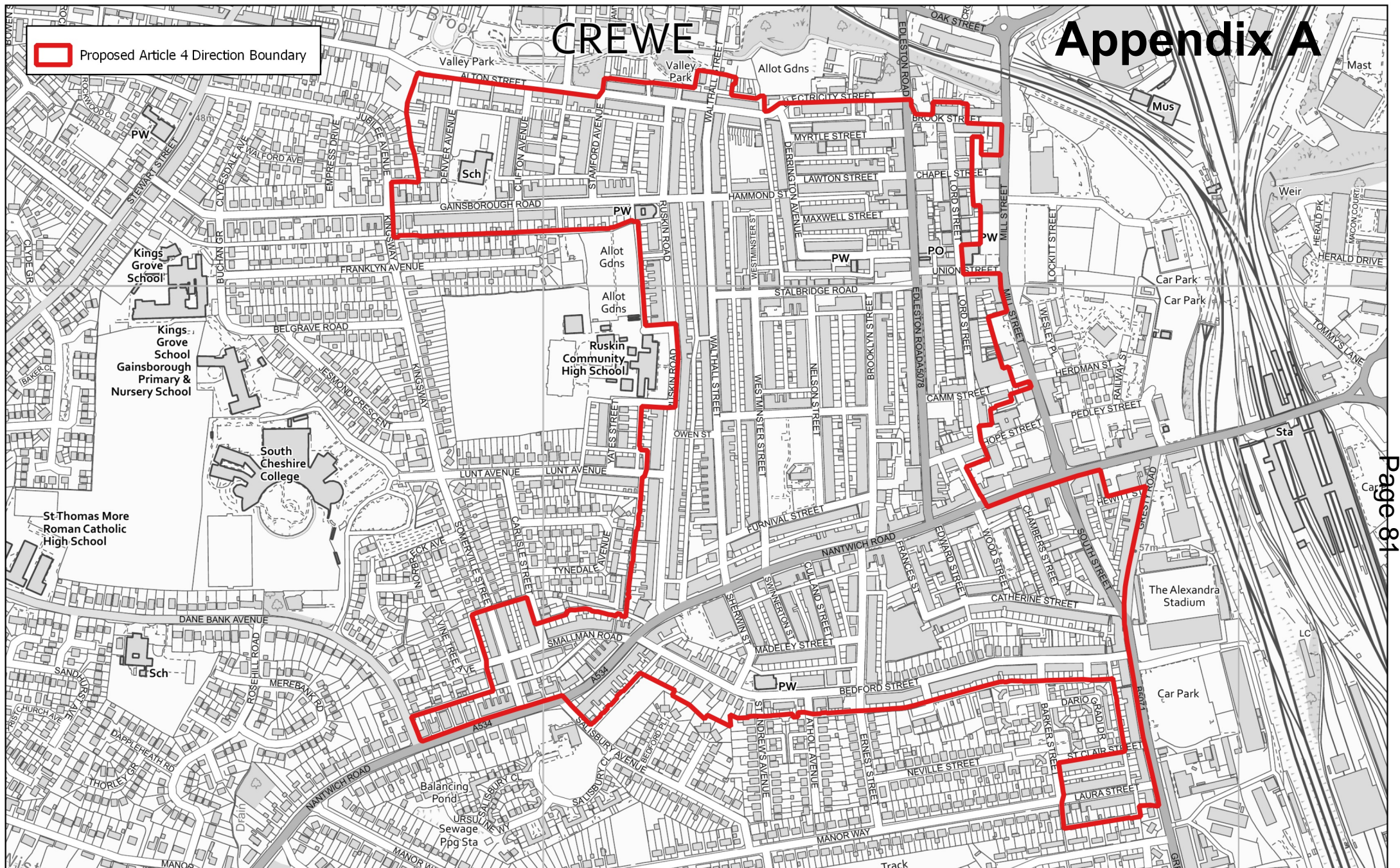
Email: jeremy.owens@cheshireeast.gov.uk

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CREWE

Appendix A

 Proposed Article 4 Direction Boundary



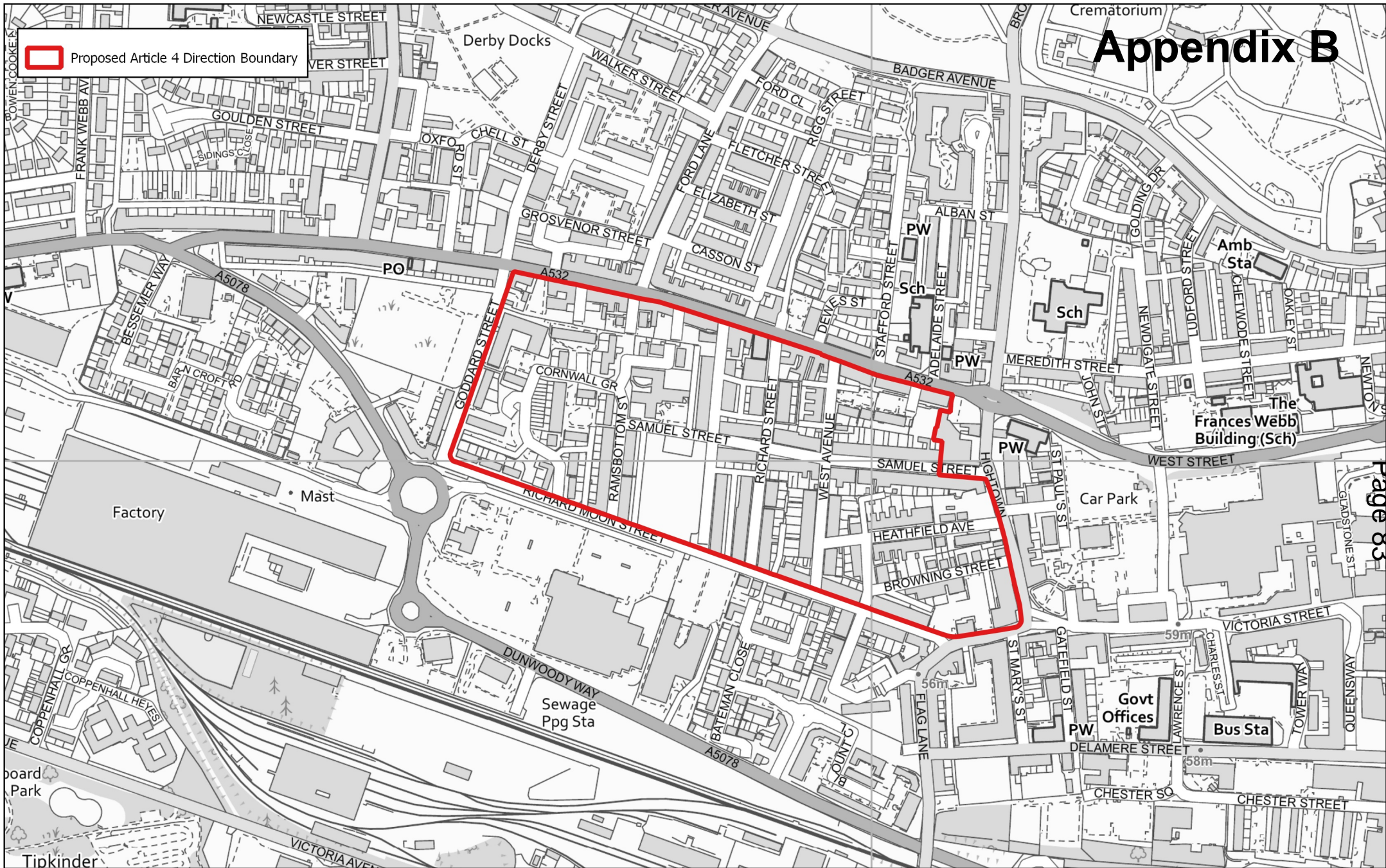
Proposed Nantwich Road Article 4 Direction

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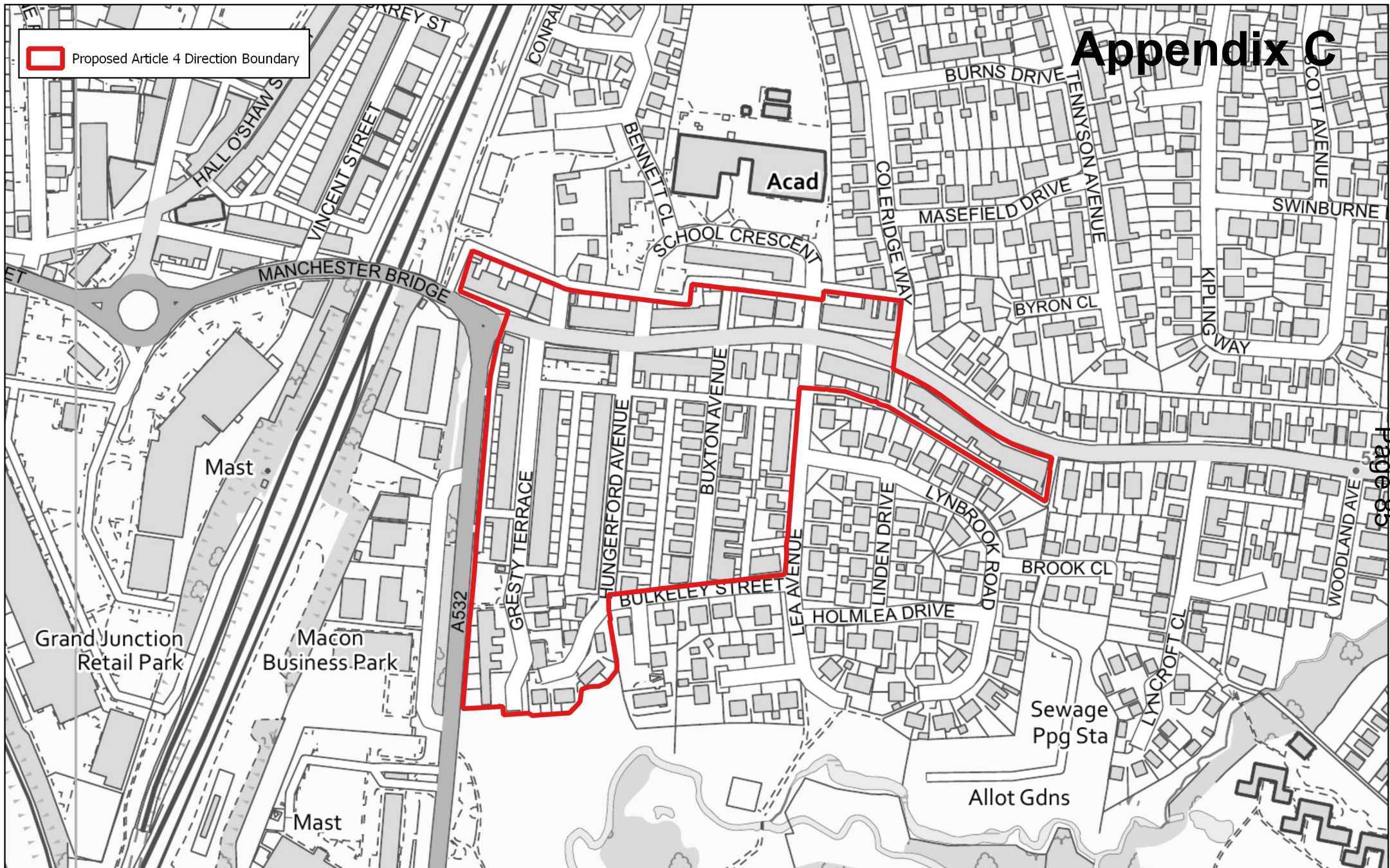
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Appendix C



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Appendix D

Small houses in multiple occupation: evidence to justify the purpose and extent of an Article 4 Direction for parts of Crewe

October 2019

Contents

1. Introduction.....	3
Background	3
Use of Article 4 Directions	3
2. Private rented sector and the number and distribution of HMOs within Cheshire East.	5
Introduction	5
Licensed HMOs.....	5
Planning application data	6
Other sources of data.....	7
Distribution of known HMO's	8
3. Evidence for Article 4 Directions	10
Fly tipping.....	11
Environmental health complaints	13
Anti-social behaviour & crime.....	15
Alley gates.....	20
House prices	22
Other observations	23
4. Conclusions	28
Appendix 1: Article 4 Direction: Nantwich Road	30
A1.1 Introduction.....	30
A1.2 Boundary review	30
A1.3 Boundary	35
Appendix 2: Article 4 Direction: West Street	36
A2.1 Introduction.....	36
A2.2 Boundary review	36
A2.3 Boundary	41
Appendix 3: Article 4 Direction: Hungerford Road.....	42
A1.1 Introduction.....	42
A1.2 Boundary review	42
A1.3 Boundary	45

1. Introduction

- 1.1 This paper provides the evidence to justify the purpose and extent of Article 4 Directions relating to small houses in multiple occupation for the Nantwich Road, West Street and Hungerford Road areas of Crewe (See Appendix 1-3 for boundaries).

Background

- 1.2 Houses in multiple occupation (HMOs) consist of dwellings that are occupied by unrelated individuals who share basic amenities such as a kitchen or bathroom. They are often referred to as 'house shares'.
- 1.3 Under the Town & Country Planning (Use Classes) Order 1987 (as amended), a small HMO (Class C4) can accommodate between 3 and 6 unrelated individuals and a large HMO (Sui Generis – outside of any use class) 7 or more unrelated individuals.
- 1.4 The Town and Country Planning (General Permitted Development) Order 2015 (GPDO) provides permitted development rights for the change of use of a dwelling (Class C3) to a small HMO (Class C4) without the need to apply to the council for planning permission. The change of use of a dwelling to a larger HMO (Sui Generis) always requires the submission of a planning application.

Use of Article 4 Directions

- 1.5 Article 4 of the GPDO enables local planning authorities to withdraw specified permitted development rights in defined areas. Once an Article 4 Direction comes into force, a planning application is then required for the specific permitted development withdrawn.
- 1.6 The withdrawal of permitted development rights does not infer that planning applications will automatically be refused if they are submitted. The submission of a planning application simply gives the local planning authority opportunity to consider a proposal against relevant planning policies, supplementary planning documents (where available) and any other material planning considerations.
- 1.7 The [National Planning Policy Framework](#) (NPPF) states that the use of Article 4 Directions to remove national permitted development rights should be limited to situations where they are necessary to protect local amenity or the well-being of the area. National [Planning Practice Guidance](#) also confirms that

Article 4 Directions covering wide areas (for example, the entire area of a local planning authority) are not encouraged unless there is a particularly strong justification for such a direction.

- 1.8 An Article 4 Direction can therefore be used to withdraw permitted development rights for the conversion of existing dwellings to small HMO's. This enables the introduction of new HMOs to be managed and monitored.
- 1.9 It is recognised that HMOs and the wider private rented sector play a key role in meeting the housing needs in the borough. HMOs provide an important source of low cost, private sector housing for those on lower incomes, students and those seeking temporary accommodation. However, a concentration of HMOs in a particular area can change its character, increase demand on services and infrastructure, leading to conflicts with the existing community.

2. Private rented sector and the number and distribution of HMOs within Cheshire East.

Introduction

- 2.1 Cheshire East has seen a rapid growth within the private rented sector over the last few years and it is now the second largest tenure behind home ownership. It offers a flexible form of tenure meeting a wide range of housing needs. It contributes to greater labour market mobility and is increasingly the tenure of choice for young people. The private rented sector is an essential part of a strong housing market.
- 2.2 There are currently over 21,000 private rented properties across Cheshire East and the sector consists of a number of forms of housing including family accommodation, self contained flats and houses in multiple occupation.
- 2.3 It is difficult to confirm the exact number of small private rented HMOs that currently operate within Cheshire East. This is because planning permission is not needed to convert dwellings to small HMOs. Dwellings can change quickly between C3 (dwellinghouses) and C4 (small HMO) Use Classes and vice versa without any requirement to inform the local planning authority. In order to provide an estimate of the number of HMOs within the Borough, various records and data sources have therefore been reviewed.

Licensed HMOs

- 2.4 Mandatory licensing of HMO's was first introduced under the 2004 Housing Act. Following changes introduced in October 2018, all HMOs that are occupied by more than 5 or more people that do not form 1 household (i.e. they are not a family), now require a HMO licence. Prior to October 2018, only those properties that had three or more storeys and occupied 5 or more unrelated individuals required a licence.
- 2.5 It is an offence for landlords not to license a HMO that is required to be licensed. As part of the licencing process, the local authority must also ensure that satisfactory management arrangements are in place for the property and it meets the required minimum standards for the number of tenants housed. Further guidance on licencing can be found on the council's [website](#).

- 2.6 Prior to the recent changes to licensing requirements, there were 51 licensed HMO's in the Borough (23 in Crewe). This has now increased to 174 licensed HMO properties¹ (118 in Crewe). However this increase cannot be attributed solely to an increase in new HMOs over the last 12 months. Figures are likely to include new HMOs plus historic HMOs of less than 3 storeys which are now required to have a licence.
- 2.7 In addition to mandatory licensing, the council has discretionary powers to introduce additional licensing. Additional licensing can be used to extend the requirement for licensing to certain descriptions of HMOs or to all HMOs (other than those that are subject to mandatory licensing) in a designated area. A local authority may not make an additional licensing scheme unless it has identified that a significant proportion of the HMOs that a scheme would capture are being managed sufficiently ineffectively that they are causing, or have the potential to cause, problems for the occupiers or members of the public. The council has not introduced additional licensing but is keeping these powers under review.
- 2.8 Further to mandatory and additional licensing, the council also has discretionary powers to introduce selective licensing. Selective licensing can be used to require the licensing of all private rented properties regardless of size over a defined area or areas. The council is currently considering options with regards to the introduction of a selective licensing scheme.

Planning application data

- 2.9 Since 2010², approximately 42 planning applications have been determined for large HMOs. 40 were subsequently approved. Of the 2 that were refused, 1 was allowed at appeal. The distribution of these applications across the Borough is shown in Table 1.
- 2.10 While planning application data provides limited evidence of HMO activity (the size of the housing stock limiting the number of planning applications made), it is evident that the majority of applications made are within the Crewe area.

¹ A 9 September 2019

² Between 2010 and September 2019.

Table 1: planning applications for large HMO's					
Area		No. of planning applications for large HMO's	As % of total applications	No of applications approved	No. of applications refused
CHESHIRE EAST		42	100%	40	2
CREWE					
Ward	Crewe South	15	36%	15	0
	Crewe Central	9	21%	8	1
	Crewe West	7	17%	7	0
	Crewe East	2	5%	2	0
	Willaston and Rope	1	2%	0	1
	Wistaston	1	2%	1	0
SUBTOTAL		35	83%	33	2
MACCLESFIELD					
Ward	Macclesfield Central	5	12%	5	0
	Macclesfield West and Ivy	1	2%	1	0
SUBTOTAL		6	14%	6	0
CONGLETON					
Ward	Congleton West	1	2%	1	0
SUBTOTAL		1	2%	1	0

Other sources of data

2.11 In addition to information obtained about licensed HMOs and planning applications, a number of additional data sources are used to gather evidence of existing HMOs. This includes:

- Council tax records;
- building control records;
- information received from the fire service;
- housing standards records;
- information from landlords and advertisements and other intelligence received.

2.12 Taking all available sources into account, there are 659 known HMOs that are occupied by 3 or more individuals, within the Borough. However, this could be an under-estimate of the actual number of HMOs given that planning permission is not currently needed for small HMOs.

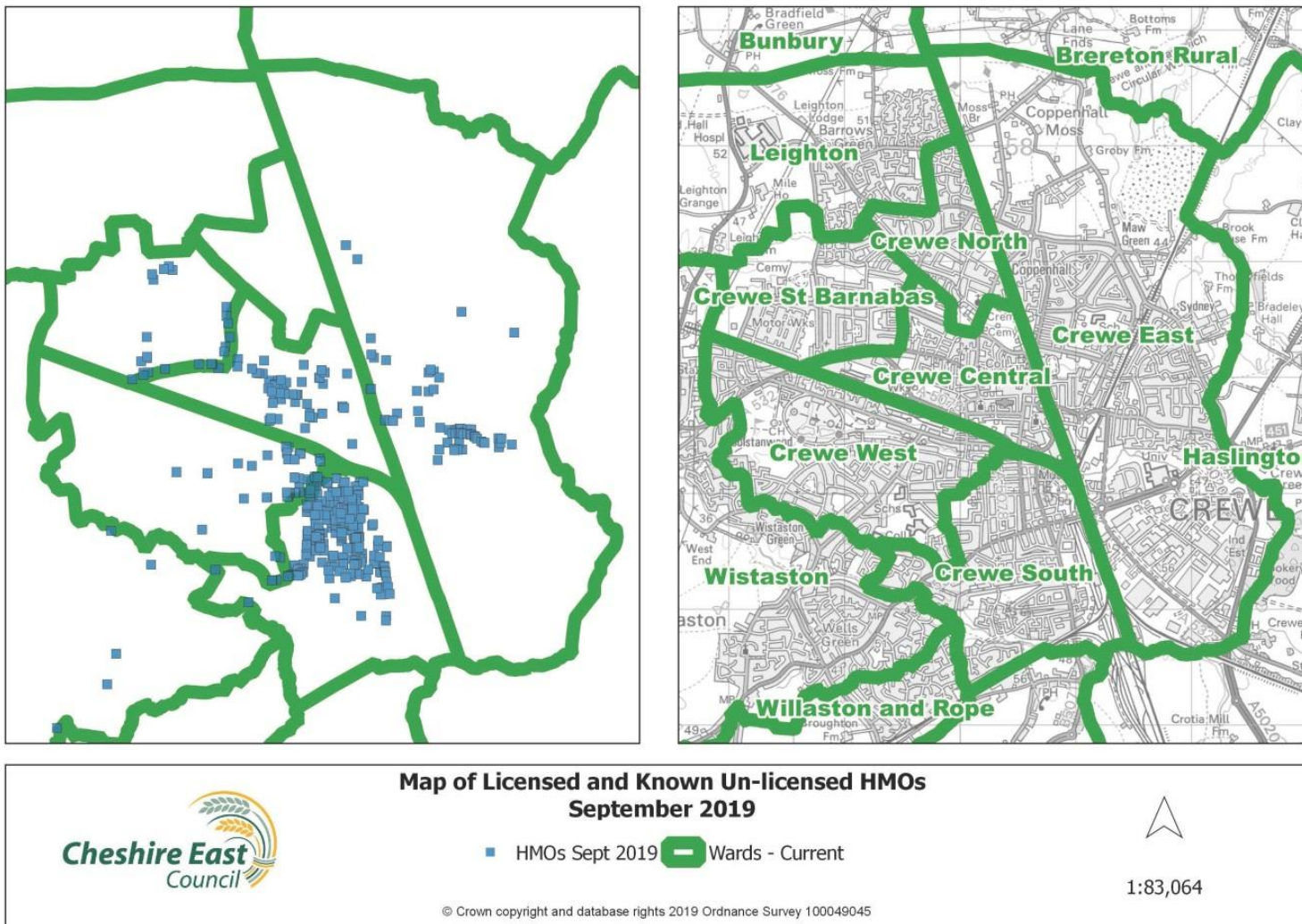
Distribution of known HMO's

- 2.13 Table 2 shows the distribution of HMOs across wards that have 5 or more known HMOs. The majority are located within the Crewe titled wards (454 HMOs or 72%)³.

Table 2: Distribution of HMO's		
Ward	Number	Percentage
Crewe South Ward	262	42%
Crewe East Ward	65	10%
Crewe Central Ward	57	9%
Crewe West Ward	47	7%
Macclesfield Central Ward	47	7%
Crewe St Barnabas Ward	23	4%
Macclesfield South Ward	16	3%
Macclesfield Tytherington Ward	15	2%
Congleton West Ward	12	2%
Alsager Ward	7	1%
Knutsford Ward	7	1%
Nantwich North and West Ward	6	1%
Middlewich Ward	6	1%
Nantwich South and Stapeley Ward	6	1%
Wistaston Ward	6	1%
Macclesfield West and Ivy Ward	6	1%
Areas		
Crewe titled wards (5)	454	72%
Macclesfield titled (6) + Broken Cross & Upton wards	97	15%

- 2.14 Map 1 shows that there are concentrations within parts of wards, including the Nantwich Road area (mainly Crewe South), the West Street area (mainly Crewe Central) and the Hungerford Road areas (Crewe East). Elsewhere HMOs are more scattered.

³ Focuses on urban area of Crewe. Figures exclude Wistaston which has 6 known HMO's.



Map 1: Known HMOs

3. Evidence for Article 4 Directions

- 3.1 Planning Practice Guidance states that Article 4 Directions should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area. Potential harm that the direction is intended to address should be clearly identified and there should be particularly strong justification for the withdrawal of permitted development rights relating to a wide area (for example the whole Borough or a whole Town). Immediate directions can only be made where the development presents an immediate threat to local amenity or prejudices the proper planning of an area.
- 3.2 The problems associated with high concentrations of HMOs has been recognised by the government. In 2008, the Department for Communities and Local Government (DCLG) published a report titled “Evidence Gathering – Housing in Multiple Occupation and possible planning responses”. The report summarised the impacts that can occur as a result of high concentrations of HMOs, including:
- Anti-social behaviour, noise and nuisance
 - Imbalanced and unsustainable communities
 - Negative impacts on the physical environment and streetscape
 - Pressures upon parking provision
 - Increased crime
 - Growth in the private rented sector at the expenses of owner-occupation
 - Pressure upon local community facilities
 - Restructuring of retail, commercial and recreational facilities to suit the lifestyle of the predominant population.
- 3.3 There is generally no single piece of evidence that can be used to establish whether an Article 4 Direction is necessary to protect local amenity or the wellbeing of the area. Information about the number and location of HMOs in a particular area is likely to be the most compelling piece of evidence to show whether a concentration exists.

- 3.4 Alongside evidence of concentrations, the council has considered environmental, social and economic indicators within areas with the highest HMOs together with observations about the areas. Relevant findings are presented below.

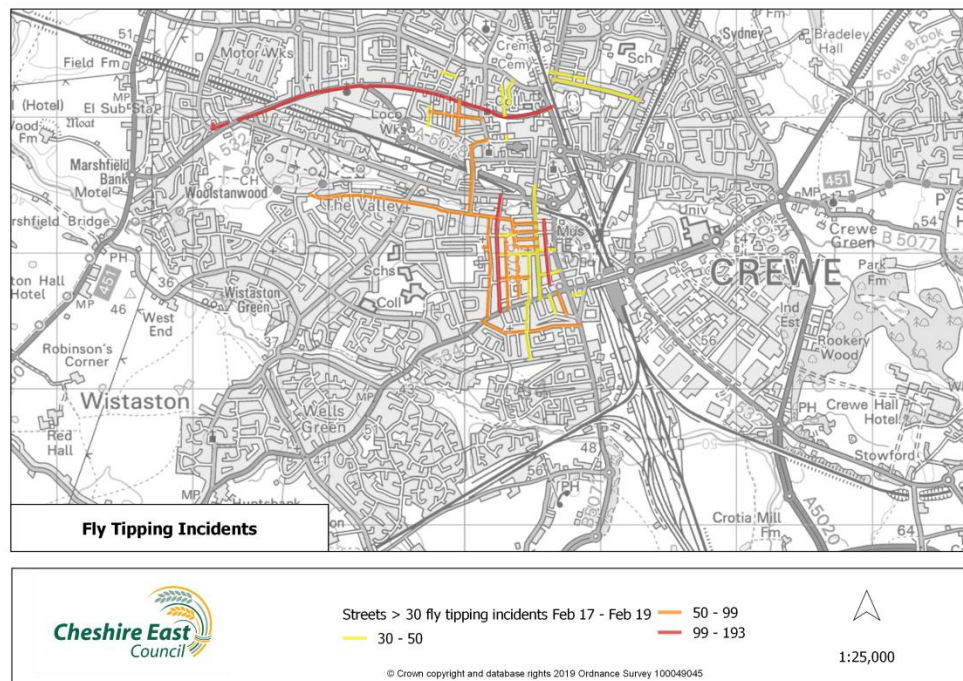
Fly tipping

- 3.5 As set out in the DCLG report, an increase of environmental impacts may be experienced in areas with high concentrations of HMOs. This could be due to more people living in HMOs than would generally live in the same size house occupied by a family or higher levels of transience meaning that people have less motivation to look after the area if they are staying there for a short time.
- 3.6 Environmental indicators include increased litter or fly tipping reports. The council's fly tipping records for two year period of February 2017-2019 have been reviewed and there have been 5,770 reports across the borough over this period. 65% of all recorded incidents were located within Crewe.
- 3.7 Table 3 shows all streets within Crewe that have experienced 10 or more fly tipping reports over this period. Streets that lie within areas of the proposed Article 4 Directions are shaded.

Table 3: Fly tipping reports							
Approx. location - street	Reports	Approx. location - street	Reports	Approx. location - street	Reports	Approx. location - street	Reports
West Street	193	Camm Street	44	Richard Street	24	Casson Street	16
Walthall Street	190	Newdigate Street	37	Oxford Street	24	Chetwode Street	16
Lord Street	108	Ernest Street	36	Moss Lane	23	Bright Street	15
Lawton Street	92	Ludford Street	35	Broad Street	23	Alban Street	15
Derrington Avenue	86	Union Street	35	Nantwich Road	22	Lewis Street	14
Westminster Street	81	Hammond Street	34	Elizabeth Street	22	Bridle Road	14
West Avenue	81	Wood Street	32	Minshull New Road	21	Derrington Avenue	14
Alton Street	72	Edleston Road	31	Gresty Road	21	Edward Street	14
Maxwell Street	71	Ramsbottom Street	30	Ford Lane	20	Badger Avenue	14
Myrtle Street	71	Audley Street	30	Davenport Avenue	19	Frank Webb Avenue	13
Ruskin Road	66	Hewitt Street	30	Underwood Lane	18	Stafford Street	12
Chambers Street	60	Fletcher Street	30	Richard Moon Street	18	Wistaston Road	12
Bedford Street	58	Electricity Street	28	Hope Street	18	High Street	12
Samuel Street	57	Vincent Street	26	Collins Street	18	Gresty Terrace	12
Nelson Street	54	Hungerford Road	26	Waldrons Lane	17	Derrington Ave	12
Nile Street	52	Catherine Street	26	Meredith Street	17	Lokitt Street	11
Flag Lane	51	Furnival Street	26	Gainsborough Road	17	Queens Park Drive	11
Brooklyn Street	46	Rigg Street	25	Adelaide Street	17	Delamere Street	11
Stalbridge Road	45	Barker Street	25	Leighton Street	16		

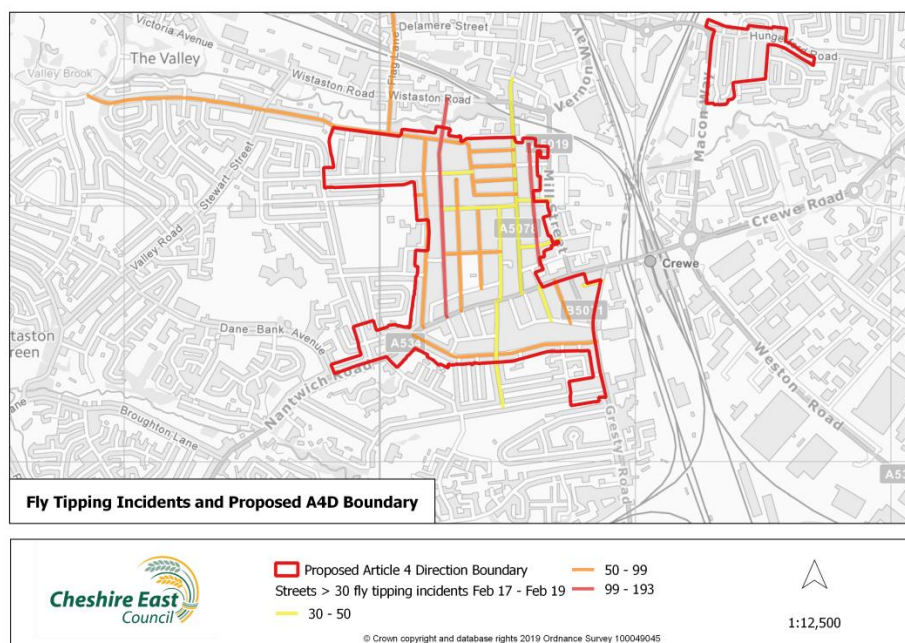
- 3.8 All streets that have experienced 30 or more reports have been mapped. The mapping shows that the areas with the highest number of reported incidents are in the streets to the north and south of Nantwich Road and the West Street area. These areas are characterised by higher density terraced streets.

- 3.9 While the mapping does not reveal high levels of fly tipping reports in the Hungerford Road area, it is noted that this road experienced 26 reports, just under the mapping threshold.

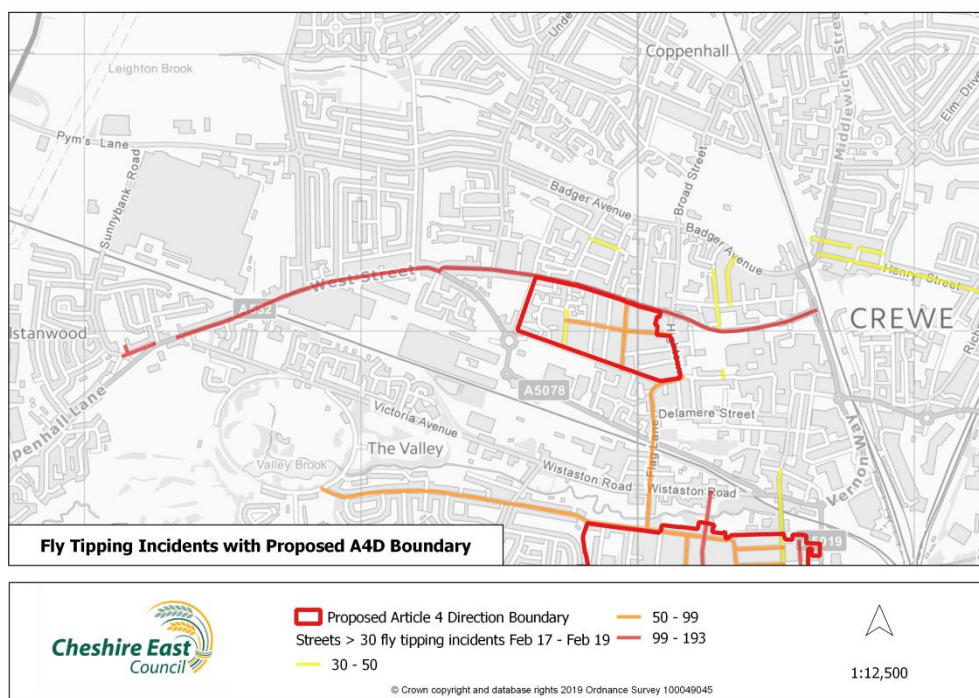


Map 2: Fly tipping reports

- 3.10 Maps 3 & 4 show fly tipping data in relation to the areas of the proposed Nantwich Road, Hungerford Road and West Street Article 4 Directions.



Map 3: Fly tipping Nantwich Road and Hungerford Road areas

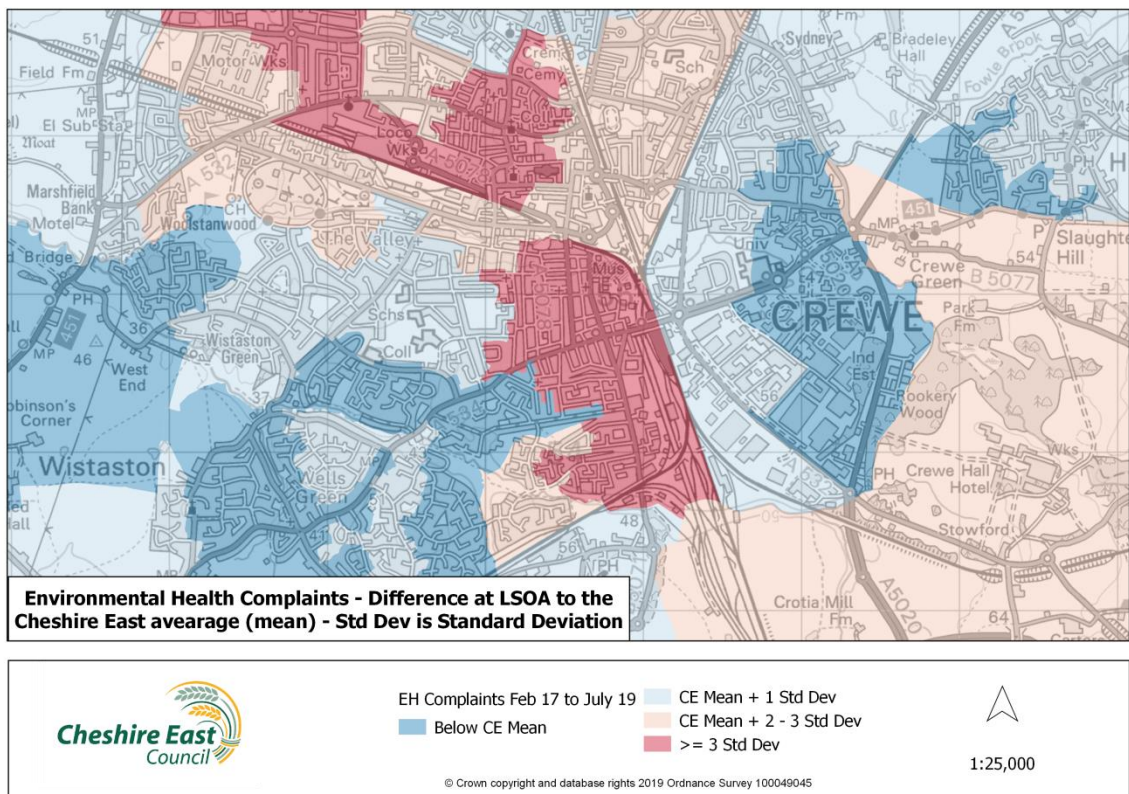


Map 4: Fly tipping and West Street area

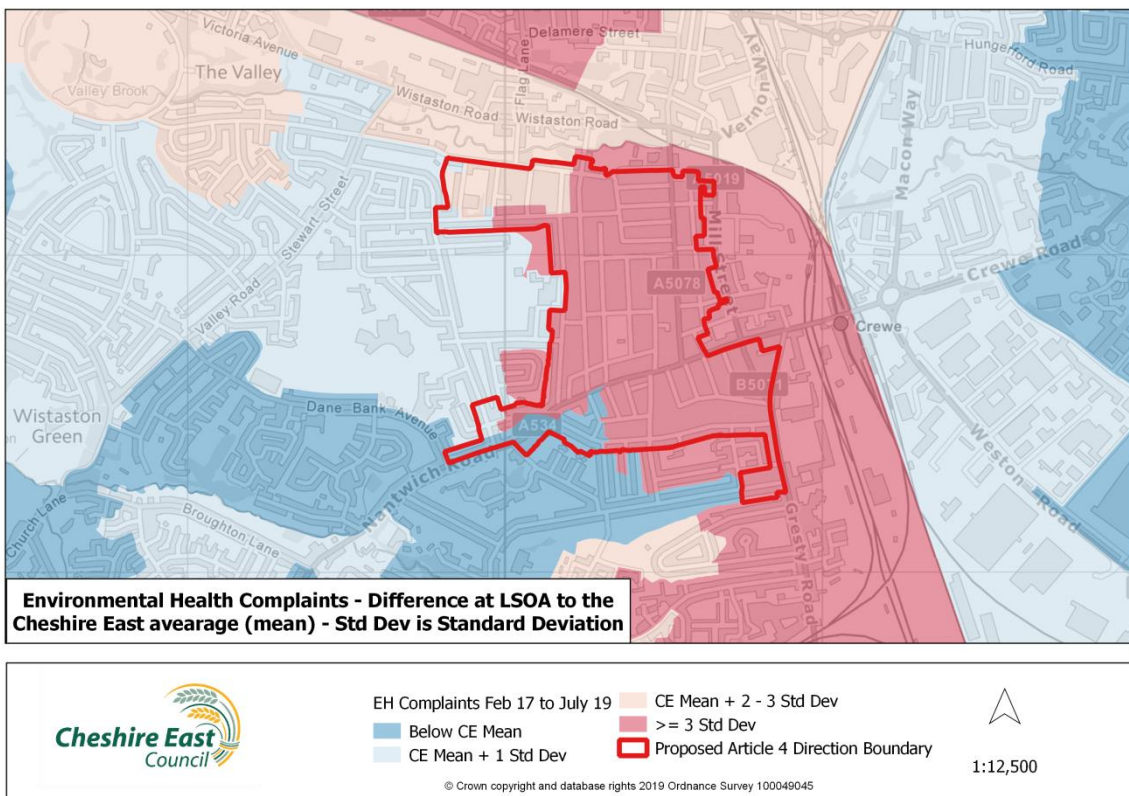
Environmental health complaints

- 3.11 A further indicator of environmental issues is the number of environmental health complaints received in areas, including noise and other nuisances⁴.
- 3.12 During the period February 2017 – July 2019 there were 3,397 environmental health complaints of which 3,179 could be mapped (Map 5). The mapping shows those areas which experienced a level of complaints below the Cheshire East average (mean) and those areas that experienced higher levels than the average (expressed as + standard deviation). The higher the levels of complaint, the higher the deviation from the mean.
- 3.13 Mapping of environmental health complaints shows that the areas with the highest levels of complaints include the town centre, the Nantwich Road area, West Street and surrounds. Lower levels of environmental health complaints were experienced in the Hungerford Road area, although levels are slightly higher in this area than the borough average.
- 3.14 Maps 6, & 7 show this data in relation to the areas of the proposed Article 4 Directions.

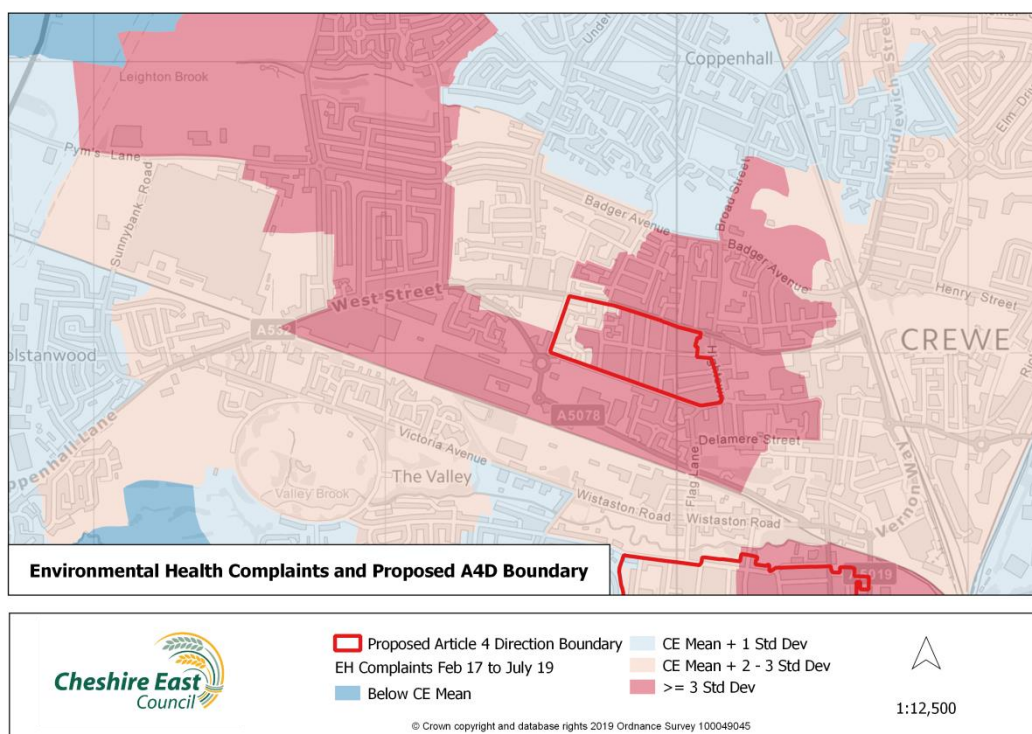
⁴ Includes complaints concerning noise, animals, fires, deposits on land, filthy and verminous properties and air pollution



Map 5: Environmental Health Complaints



Map 6: Environmental health Complaints and proposed Nantwich Road and Hungerford Road Article 4 Direction areas.

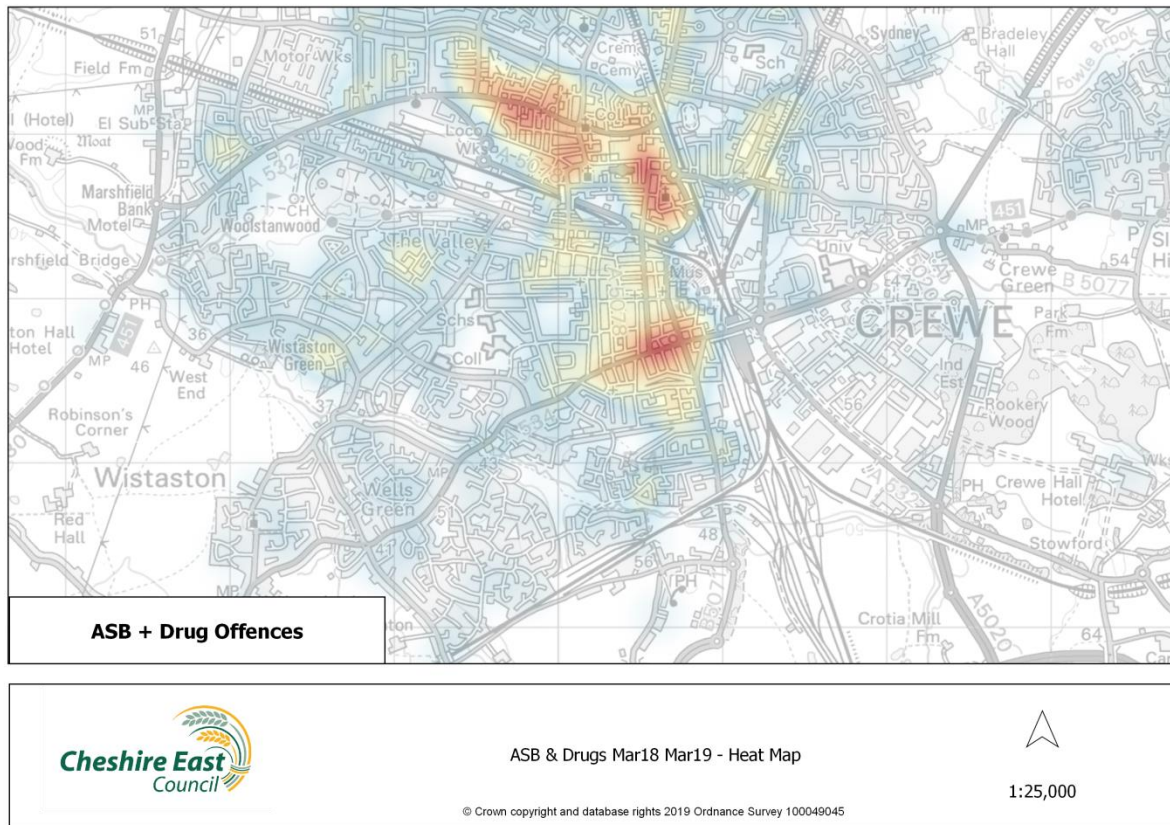


Map 7: Environmental Health complaints and West Street areas

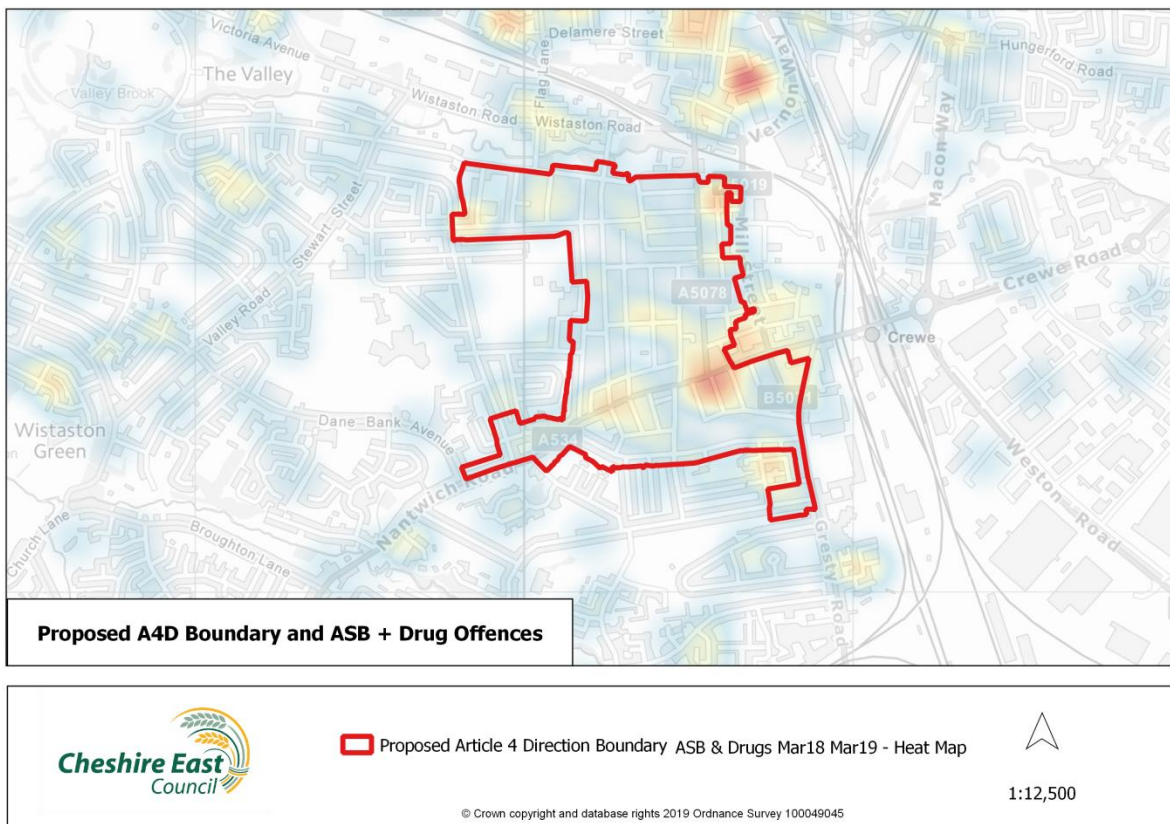
Anti-social behaviour & crime

- 3.15 As set out in the DCLG report, increases in crime can be experienced in areas with high concentrations of HMOs.
- 3.16 During the year ending the 31 March 2019, there were 7,945 recorded anti-social behaviour and drugs related offences across the Borough⁵. Those occurring within Crewe have been heat mapped (Map 8).
- 3.17 The heat mapping shows that the areas with the highest levels of recorded anti social behaviour and drugs incidents are the Town Centre, the Nantwich Road area and the West Street area. There is a small pocket of anti-social behaviour recorded close to the junction of Macon Way with Hungerford Road. Maps 9, 10 & 11 show this data in relation to the areas of the proposed Article 4 Directions.

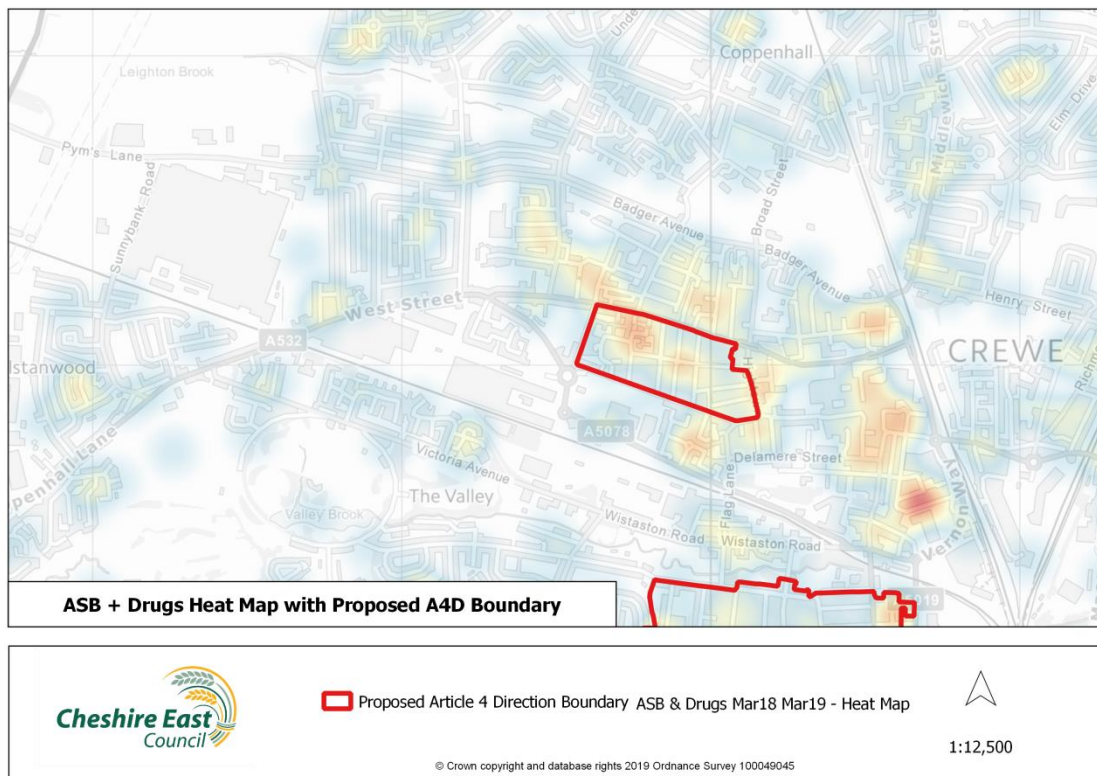
⁵ Source: Year end March 2019 - Police.uk



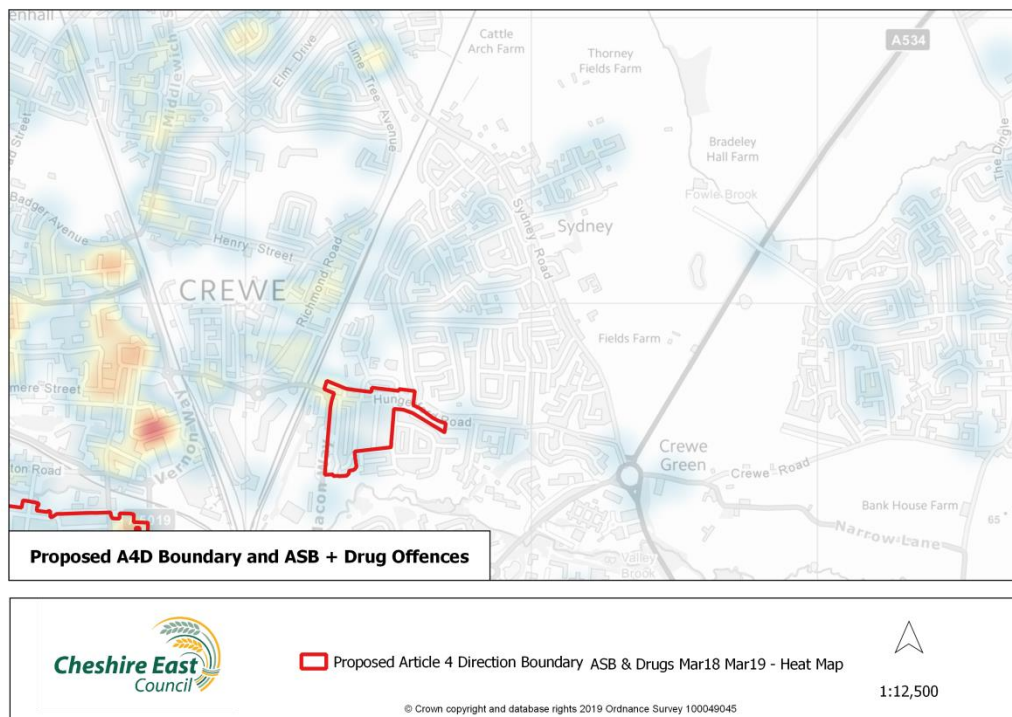
Map 8: Anti-social behaviour and drugs



Map 9: Anti-social behaviour & drugs – Nantwich Road area

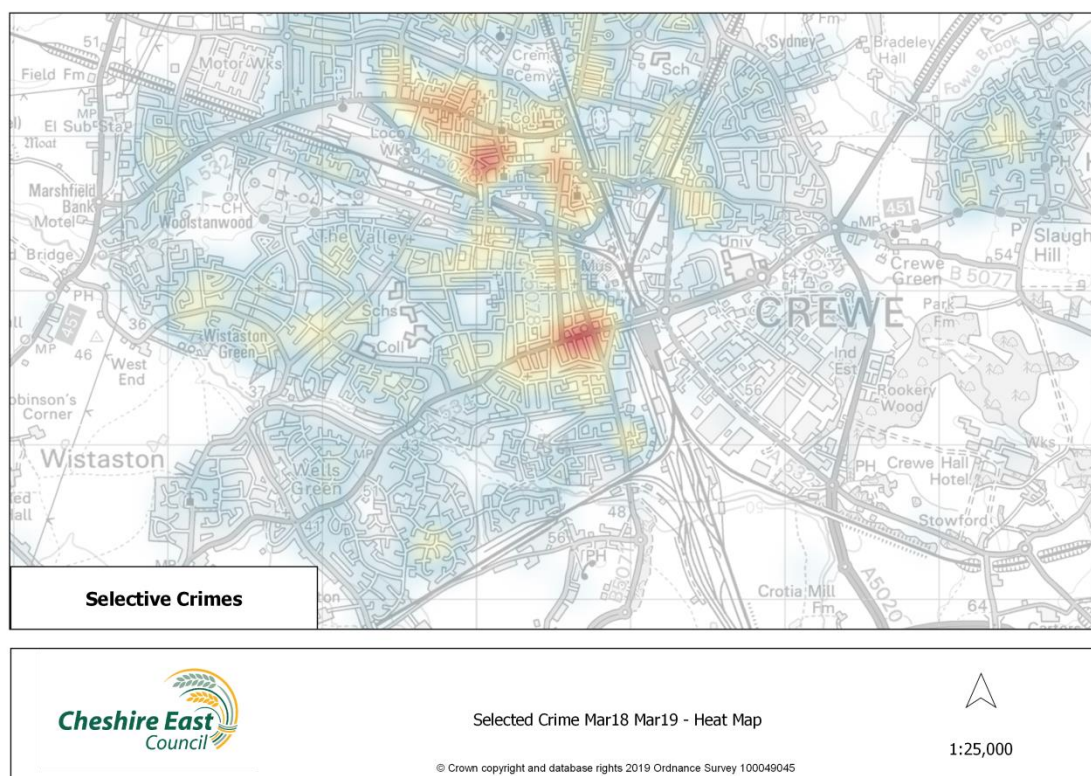


Map 10: Anti-social behaviour & drugs – West Street area



Map 11: Anti-social behaviour & drugs – Hungerford Road Area

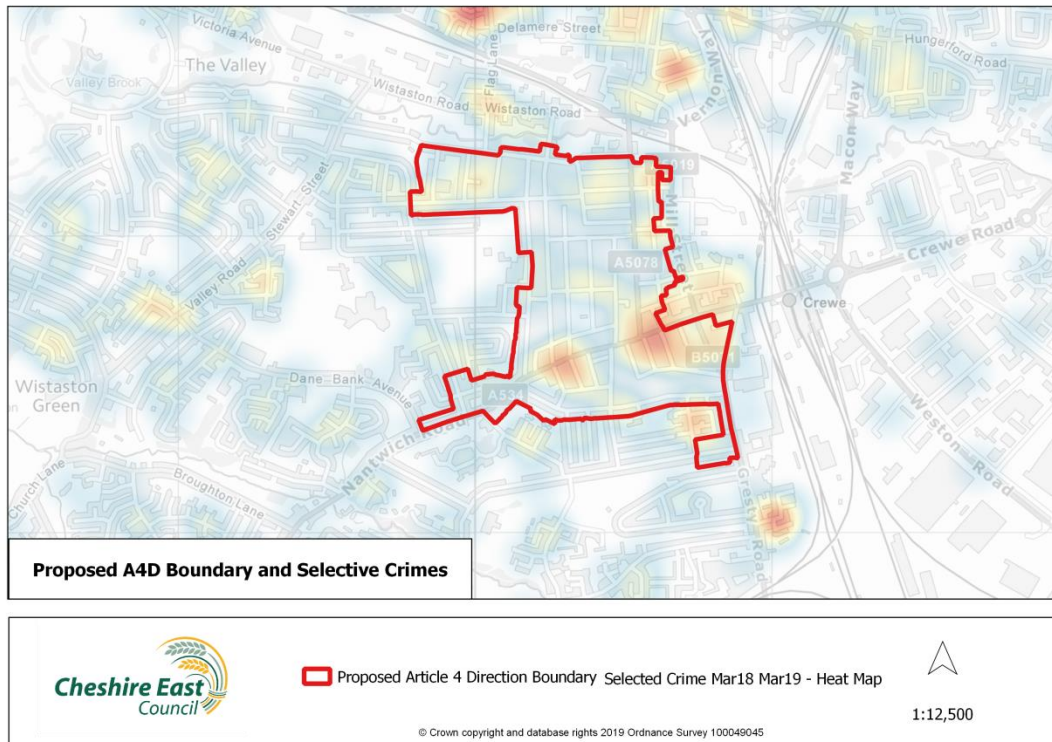
- 3.18 It is a similar picture with regards to selected crime data⁶. The number of crimes recorded in the Borough were highest within the town centres of Crewe and Macclesfield as might be expected.
- 3.19 Crewe Central had the highest number of recorded crimes (2,650 crimes or 8.6%) followed by Macclesfield Central (1,917 or 6.2%). Third was Crewe South (1,884 crimes or 6%) followed by Crewe East (1,645 or 5.3%).
- 3.20 Heat maps have been produced to show the location of crimes (excluding shop lifting). Excluding town centres, the mapping indicates higher levels of crime around the Nantwich Road and West Street areas and to a lesser extent around the Hungerford Road areas (Map 12).



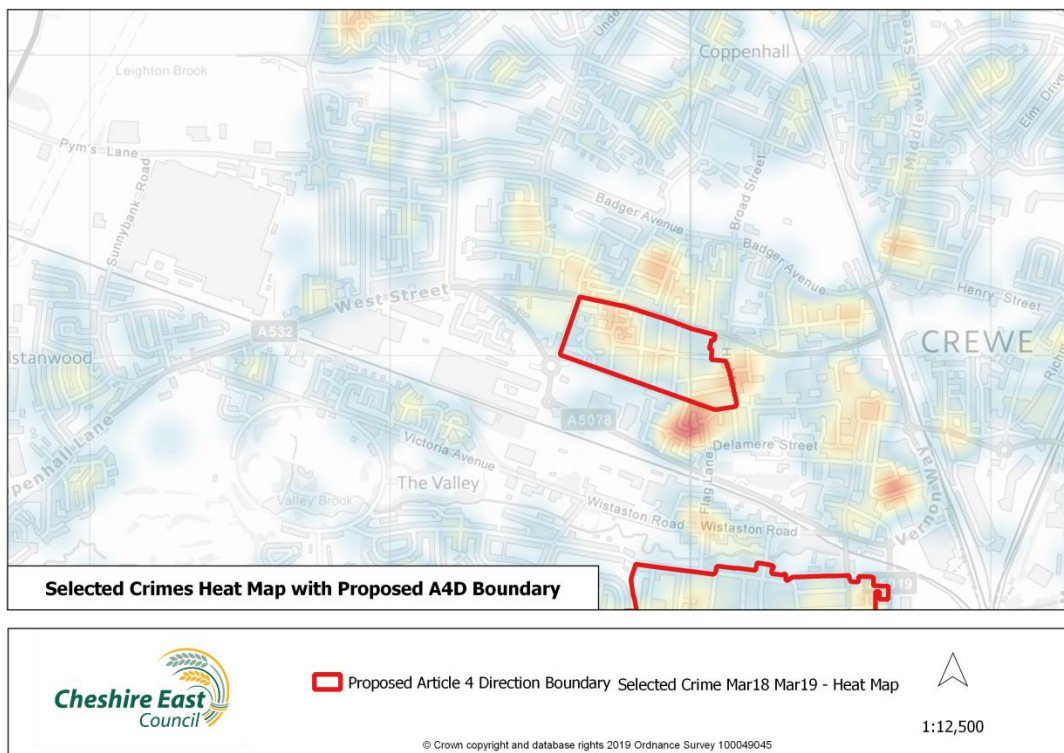
Map 12: Selected crime data

- 3.21 Maps 13, 14 & 15 show this data in relation to the areas of the proposed Article 4 Directions. Crime and anti-social behaviour within these areas could impact on the demand for owner occupation properties. This could encourage property owners to look at alternative means of letting properties such as sub-division, perpetuating the potential for harm in these areas.

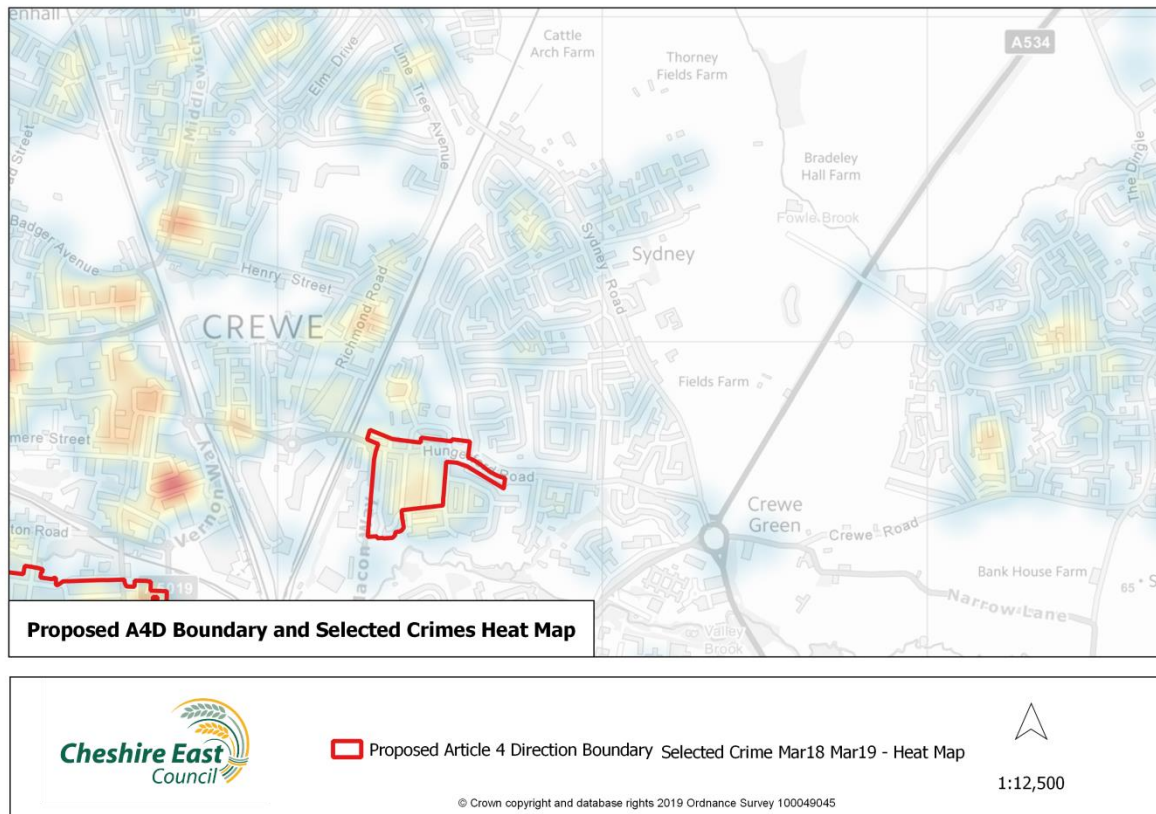
⁶ Source: 2017 & 2018 data - Police.uk. Selective crimes excludes ASB+drugs (see separate indicator) and shoplifting.



Map 13: Selective Crimes and Nantwich Road area



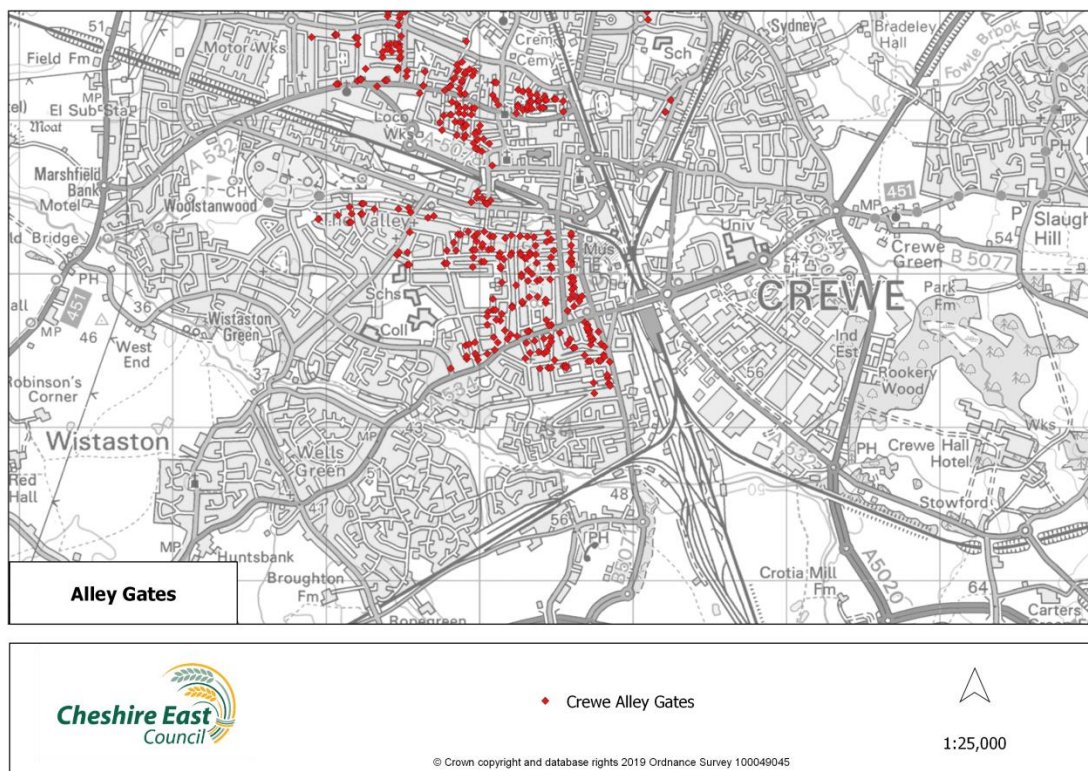
Map 14: Selective Crimes and West Street area



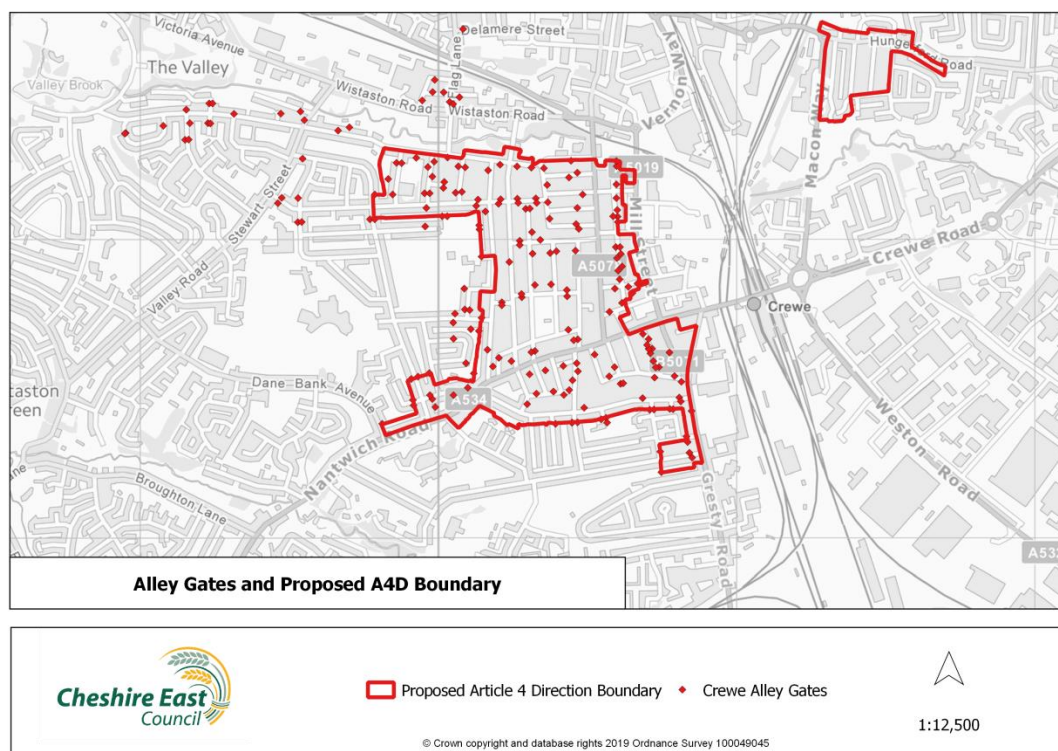
Map 15: Selective Crimes and Hungerford Road area

Alley gates

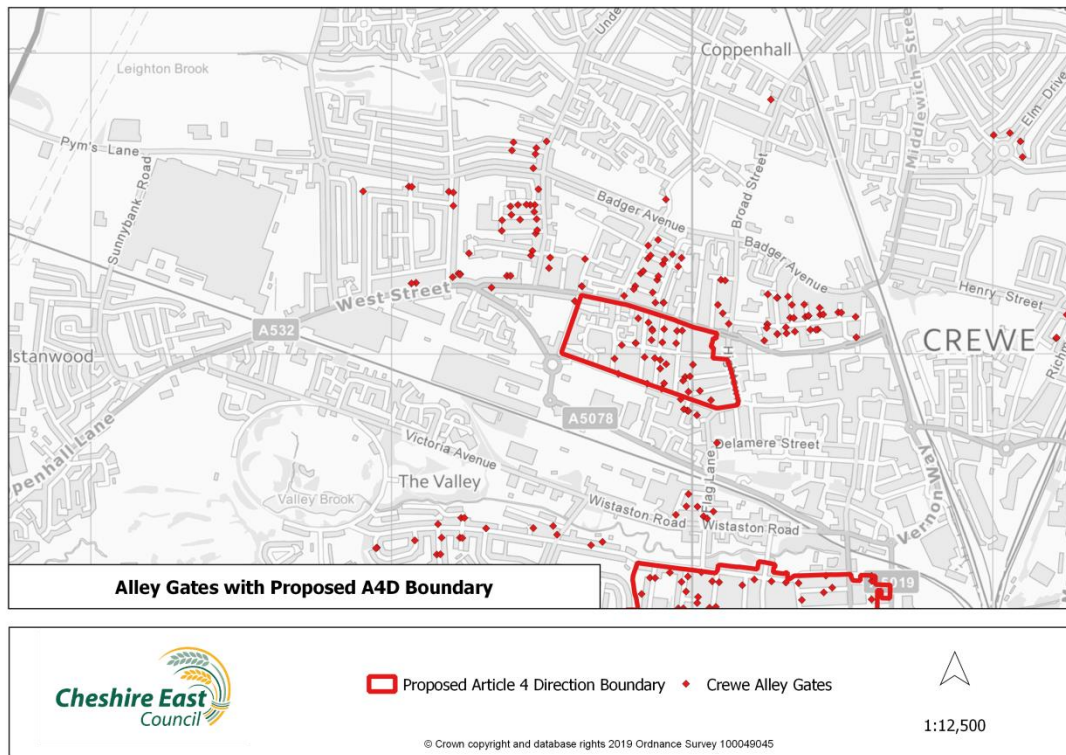
- 3.22 The council has installed a number of alley gates within Crewe as a response to crime and disorder issues. The location of installed alley gates therefore potentially highlights those areas that have experienced amenity issues in the past and are potentially vulnerable to further issues.
- 3.23 Mapping of alley gates (Map 16) highlights high numbers of gates to the north and south of Nantwich Road and the West Street area.



Map 16: Alley Gates



Map 17: Alley gates and Nantwich/ Hungerford Road areas

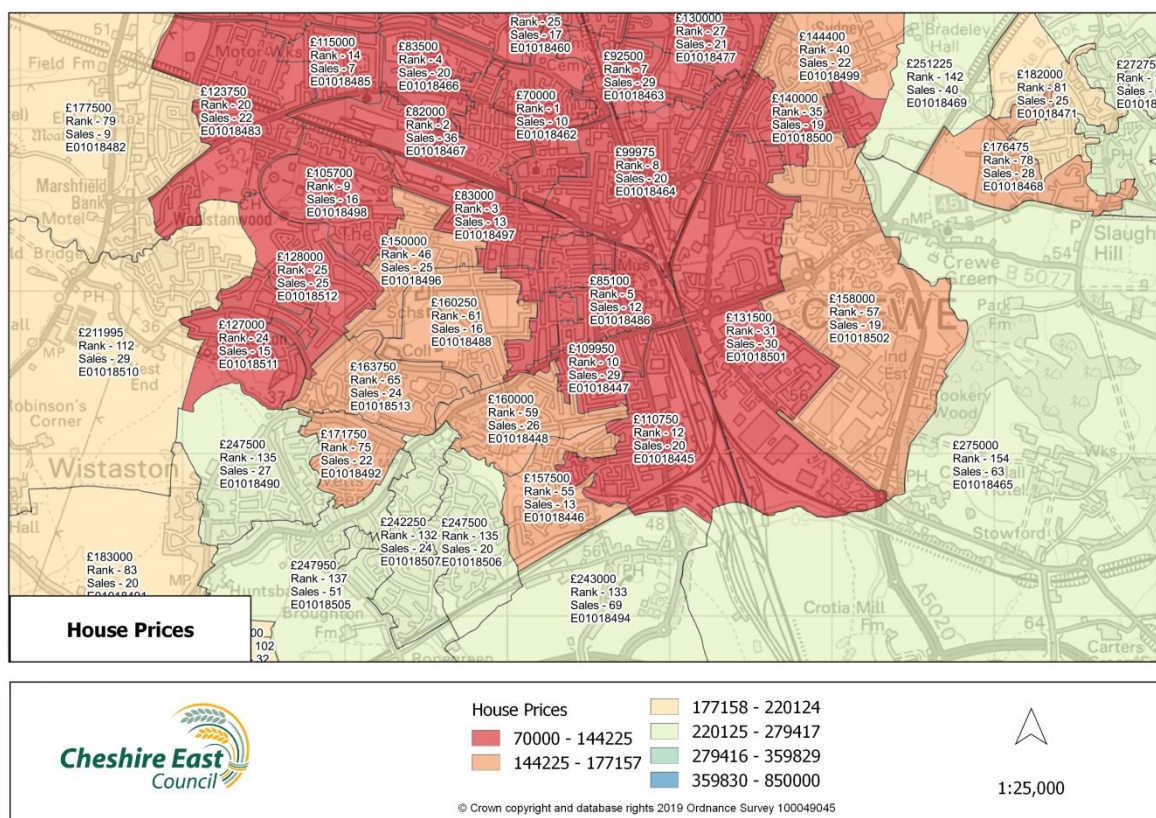


Map 18: Alley Gates – West Street area

House prices

- 3.24 There may be a coincidence between lower house prices in areas of Crewe, concentrations of HMOs and other environmental/ social issues. Lower house prices may also correlate to the nature of the housing stock within lower value areas.
- 3.25 HMOs tend to be located in areas of denser, older, traditional terraces. Lower prices may further increase the attractiveness of properties to investors/ landlords meaning that these areas are vulnerable to further change.
- 3.26 Across the borough, areas with the lowest house prices are within the Crewe wards⁷. Map 15 shows the areas within Crewe with the lowest average house prices.

⁷ House Price Statistics for Small Areas (HPSSAs), year ending 2018, ONS



Map 15: House prices

3.27 The mapping shows a coincidence of lower house prices with the Nantwich Road and West Street areas.

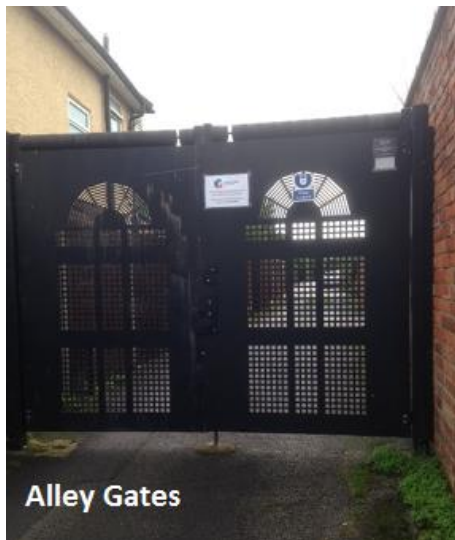
Other observations

3.28 All areas of HMOs concentrations were visited during September/October 2019. Observations made included:

- Property types and sizes
- Litter and street conditions
- Property conditions
- Presence of marketing boards advertising rooms to let
- Availability of car parking
- Presence and condition of alley gates

Nantwich Road area

- 3.29 The majority of HMOs in this area are contained within the streets to the north and south of Nantwich Road. The streets within this area are very dense, predominantly comprising of traditional brick terraces. Many of the dwellings have small, walled front gardens.
- 3.30 Some litter was observed on the streets, front gardens and alleyways. No anti-social behavior was noted. There are high levels of on-street parking due to the terraced nature of the streets.
- 3.31 The condition of properties within the area is mixed. High numbers of 'To let' and 'rooms to let' signs were observed within this area. The following photographs show examples of house types and the streets within this area.





West Street area

- 3.32 The housing in this area is more mixed to that seen in the Nantwich Road area. There is a prevalence of older traditional terraced houses but generally properties appear smaller in the streets to the south of West Street than those in the Nantwich Road area. Many houses have no front garden areas. There are pockets of modern social housing within the area.
- 3.33 Some litter was observed on the streets, front gardens and alleyways. No anti-social behavior was noted. There are high levels of on-street parking due to the terraced nature of the streets.
- 3.34 The condition of properties within the area is mixed. Evidence of 'to let' signs were observed within this area. The following photographs show examples of house types and the streets within this area.



Hungerford Road area

- 3.35 The majority of HMOs in the Hungerford Road area are located on the main road itself and tend to comprise of older, terraced dwellings. While there are lower levels of HMOs in the quieter, surrounding residential streets, there are pockets of older terraced dwellings to the south of Hungerford Road, which could lend themselves to conversion to HMOs.
- 3.36 Low levels of litter levels were observed on the streets. No anti-social behaviour was noted. There high levels of on street parking observed in the streets to the south of Hungerford Road with little on street parking apparent on the main road itself. Several to let boards were observed.
- 3.37 The following photographs show examples of house types and the streets within this area.



Hungerford Road - looking towards Manchester Bridge



Buxton Avenue



Rear alleys - ungated in this area



Hungerford Road - view from junction of Coleridge Way



Bulkeley Street - looking in an easterly direction. Terraced dwellings on left but clear change to property type on opposite side of the road.

4. Conclusions

- 4.1 Mapping of all known HMOs within the Crewe area highlights that they tend to be concentrated within specific parts of the town. While HMOs do occur in other areas, they are at lower levels and more dispersed.
- 4.2 From observations of areas of mapped concentrations, HMOs tend to be located in densely populated areas characterised by older, smaller sized housing which is close to main routes and retail centres.
- 4.3 Mapping of HMOs has highlighted concentrations in the following areas:
- The areas to the north and south of Nantwich Road;
 - West Street; and
 - Hungerford Road.
- 4.4 A coincidence of social, environmental and economic issues can occur within areas with concentrations of HMOs. This has been recognised by the government⁸. Available evidence of environmental, social and economic issues within the areas of the highest HMO concentrations has been reviewed. The evidence shows that:
- Fly tipping levels are particularly high in the Nantwich Road and West Street areas;
 - Environmental health complaints are high in the Nantwich Road and West Street areas. There are lower levels in the Hungerford Road area;
 - Outside of the town centre, there are pockets of anti-social behaviour and crime incidents in the Nantwich Road and West Street areas. There are also recorded incidents of crime in the Hungerford Road area;
 - Alley Gates have been used in the past to address anti-social behaviour in the Nantwich Road and West Street areas. There are no alley gates in the Hungerford Road area;
 - House prices are lower in the West Street and Nantwich Road area and higher in the Hungerford Road area by comparison.

⁸ See DCLG Report 'Evidence Gathering – Housing in Multiple Occupation and possible planning responses'.

- 4.5 The evidence suggests that there is a coincidence of environmental, social and economic issues in the areas around the Nantwich Road and West Street areas of Crewe. While there is less evidence of issues in the Hungerford Road area, there is a clear concentration of HMOs plus an availability of house types that could lend themselves to conversion.
- 4.6 It is not being claimed that all HMOs cause or exacerbate social, economic or environmental problems. However, they can provide for a far more intensive use of residential areas and result in a much larger population living in areas already of high density. This often leads to conflict and tension due to lack of space, pollution, poor environment and services being stretched. Residents of HMOs are often short term tenants and transitory and the perception is that they have less stake in the local neighbourhood when compared to the longer term residents.
- 4.7 On the basis of the evidence, there is potential for harm should permitted development rights for HMOs continue to be utilised in the Nantwich Road and West Street areas. The Hungerford Road area may also be vulnerable to further harm should permitted development rights continue to be utilised.
- 4.8 The removal of permitted development rights will mean that proposal to convert a dwelling to a small HMO will require planning permission. This will allow the council to fully assess the impact of the proposal on future residents, neighbouring residents and the neighbourhood as a whole.
- 4.9 The introduction of the Article 4 Directions is therefore justified on the basis of the amenity and well-being of these areas. These issues cannot be addressed through environmental management measures alone.

Appendix 1: Article 4 Direction: Nantwich Road

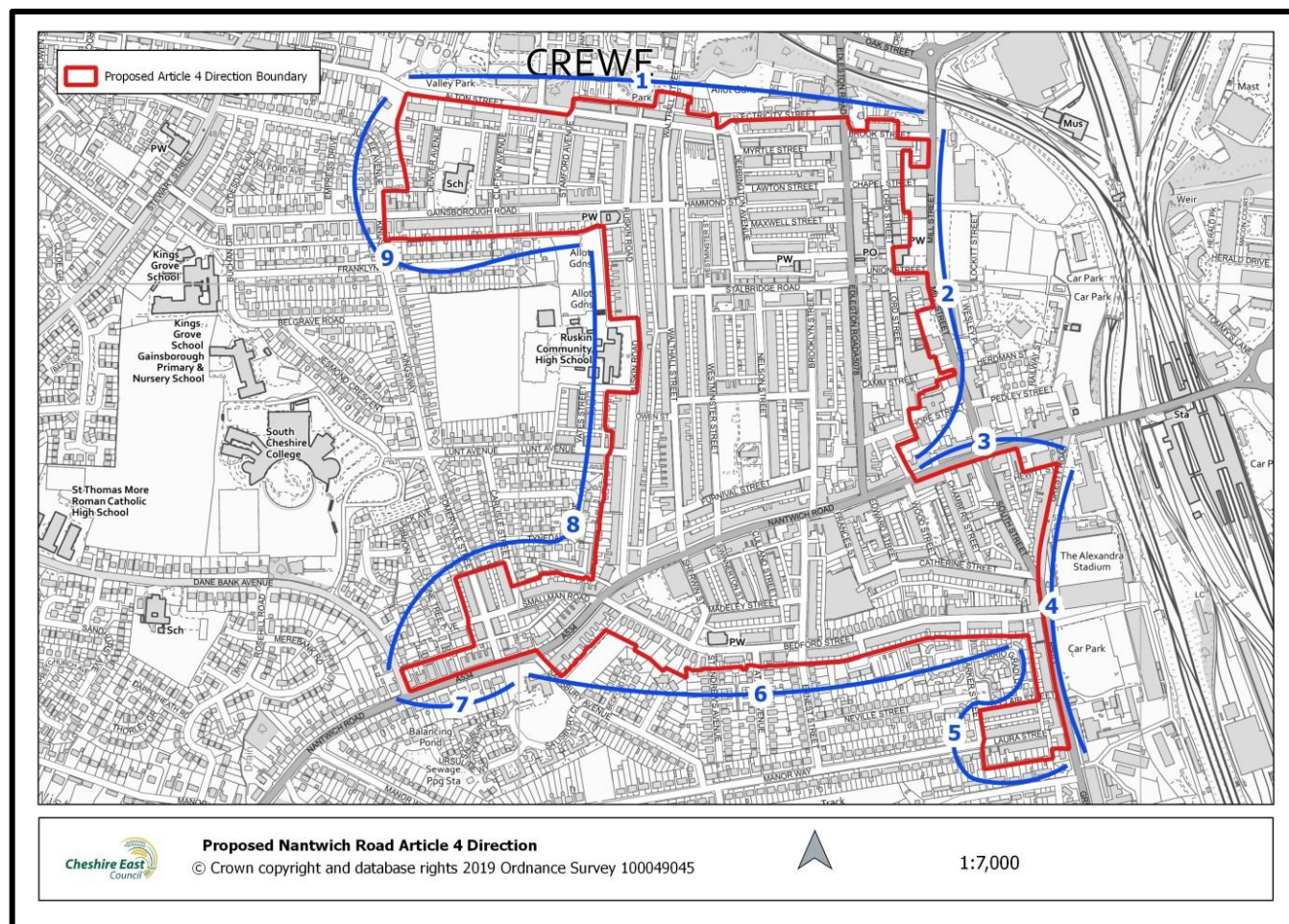
A1.1 Introduction

A1.1.1 In defining the boundary for the Nantwich Road Article 4 Direction, consideration has been given to the following factors:

- Evidence of concentrations of HMOs in particular streets;
- The nature of the housing stock in the area. HMOs tend to be concentrated in densely built areas and predominantly streets with high numbers of older terraced dwellings. Much lower concentrations are observed outside of these areas, for example in surrounding semi-detached dwellings or more modern housing – house prices also often sharply increase in the lower density areas;
- Walking tours of the areas and observations about street conditions, including litter, presence of advertising boards for house shares;
- Location of any areas of non-residential buildings. These have been excluded where it makes logical sense to do so;
- The coincidence of environmental, social and economic factors within the areas of the proposed Direction.

A1.2 Boundary review

A1.2.1 For the purposes of review, the boundary has been divided into a number of sections (Map Nantwich Road 1: Boundary Review) with justification provided in Table Nantwich Road 1.



Map Nantwich Road 1: Boundary Review

Table Nantwich Road 1: Boundary Justification

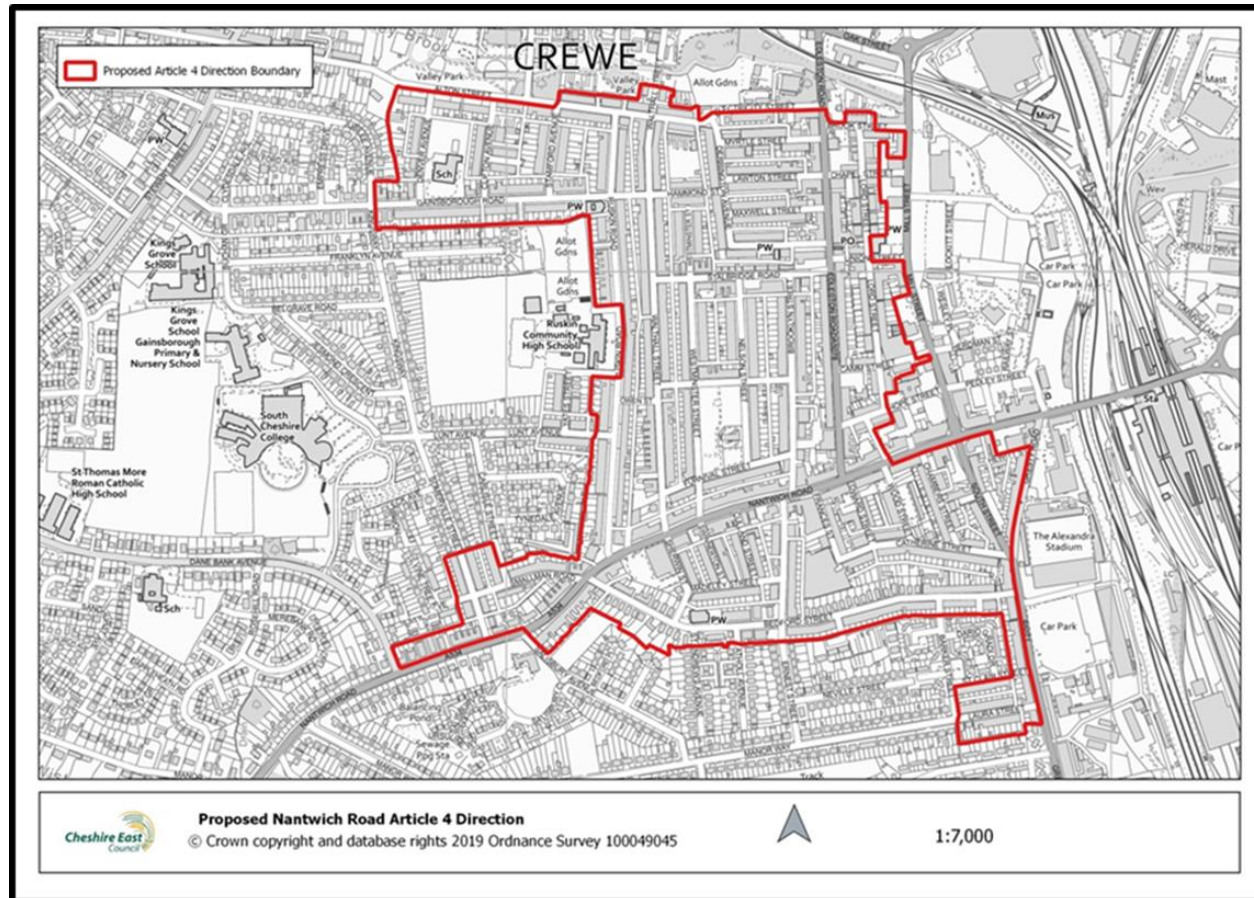
Boundary Section	Proposed boundary	Justification
1. Alton Street – Mill Street	This section follows the row of terraced dwellings on Alton Street opposite Valley Park and proceeds along Alton Street to the east to its junction with Walthall Street. The boundary takes in a small group of dwellings located to the north of the Alton Street/ Walthall Street junction. The boundary then proceeds along Electricity Street, excluding a garage block on the northern corner. The boundary continues along Electricity Street to the junction with Edleston Road, excluding the substation site to the north. The proposed boundary then crosses over Edleston Road and down to Brook Street to the south. The boundary includes the terraced dwellings along Brook Street but excluding the commercial building located at the Mill Street junction.	Land to the north of the proposed boundary is excluded from the proposed boundary as it predominantly comprises of commercial buildings, allotment gardens and public open space. To the west of the proposed boundary on Alton Street, the character of dwellings changes from the denser terraces within the proposed boundary to a higher proportion of semi-detached dwellings. There are few recorded HMOs with the area to the west of the proposed boundary.
2. Mill Street	The proposed eastern boundary follows the western side of Mill Street but excluding commercial buildings and land where it is logical to do so.	There are a number of dense terraced residential streets located to the west of Mill Street with evidence of concentrations of HMOs. The boundary therefore follows boundaries of residential properties close to the Mill Street junctions and those residential dwellings located on Mill Street itself. Land to the east of Mill Street is predominantly commercial - including the site of the consented Lidl store. There is limited evidence of HMO activity to the east of Mill Street.
3. Nantwich Road – Gresty Road	This section includes a number of properties on the southern side of Nantwich Road up to the junction with Gresty Road but excluding a group of commercial buildings on the corner of Nantwich Road/ Gresty Road.	There is evidence of HMO activity in the 'triangle' area bounded by South Street, Gresty Road and Nantwich Road. Commercial properties are excluded where it is logical to do so. Beyond the proposed boundary there is

		limited evidence of HMO activity.
4. Gresty Road – Laura Street	This section starts at the junction of Hewitt Street with Gresty Road, excluding the commercial properties on the corner of Gresty Road and Nantwich Road. The boundary proceeds to the south, along the western side of Gresty Road down to the junction with Laura Street.	The boundary excludes land on the eastern side of Gresty Road as this comprises of the Crewe Alexandra Football Stadium, associated car parking, commercial land and buildings. The boundary also excludes the group of commercial properties close to the junction of Gresty Road and Nantwich Road. Beyond Laura Street to the south, dwellings are predominantly semi-detached and there are few recorded HMOs within this area.
5. Laura Street – Bedford Street	The boundary includes a terrace to the south of the Laura Street/ Gresty Road junction but excludes the brick semi-detached dwellings beyond. The boundary then includes a group of terraced dwellings to the north and south of Laura Street but excludes the semi-detached dwellings along Manor Way. The boundary then returns north to the rear of the properties on Gresty Road, excluding the modern housing development at Dario Gradi Drive.	Properties to the south and west of the proposed boundary along Laura Street are predominantly semi-detached dwellings and the number of HMO's in this area is significantly lower. The boundary excludes the modern housing development in Dario Gradi Drive as there is no evidence of HMOs within this area.
6. Bedford Street – Nantwich Road	The boundary includes all dwellings either side of Bedford Street from its junction with Gresty Road to the east down to the junction with Nantwich Road to the south.	There is evidence of concentrations of HMOs within the Bedford Street area. While there are a number of semi-detached dwellings on the southern side of the road towards the Nantwich Road junction, the proposed boundary is considered to follow a logical route.
7. Nantwich Road West	The boundary continues in a south-westerly direction from the junction with Bedford Street to take in a group of terraced dwellings on the southern side of Nantwich Road up to the junction with Salisbury Avenue. On the northern side of Nantwich Road, the proposed boundary extends as far as Dane Bank Avenue.	The boundary includes terraced dwellings on the southern and northern side of Nantwich Road as there is evidence of HMOs within this area. The boundary excludes the former Police College at the junction of Salisbury Avenue. Dwellings to the south of the proposed boundary (south side of Nantwich Road) are generally

		semi-detached and there is no evidence of HMO concentrations within this area. The same applies on the opposite side of Nantwich Road (northern side) there is little evidence of HMOs along Dane Bank Avenue itself or in the Vine Tree Avenue area.
8. Dane Bank Avenue - Smallman Road – Ruskin Road	This section of the boundary follows the dwellings fronting Nantwich Road but also takes in the terraces at the southern end of Somerville Street and along Smallman Road back to its junction with Nantwich Road. The boundary then continues down the length of Ruskin Road following the rear gardens of the dwellings on the western side of the road.	Land to the north and west of this section is excluded primarily due to low levels of HMO's and clear changes in property type with excluded areas comprising predominantly of semi-detached dwellings. There is clear evidence of high HMO concentrations within the Ruskin Road area.
9. Gainsborough Road – Denver Avenue	This section extends to the west from the junction of Ruskin Road along Gainsborough Road down to the junctions with Kingsway/ Jubilee Avenue. The boundary then continues to the north to include the rear boundaries of dwellings in Denver Avenue, up to the junction with Gainsborough Road.	The proposed boundary along Gainsborough Road takes in a number of terraced properties to the north and south side of the road. Beyond the boundary to the west, there is a clear change in property type with a higher number of detached or semi-detached dwellings. There is also little evidence of HMO activity beyond the proposed western boundary.

A1.3 Boundary

A1.3.1 The boundary for the Nantwich Road Article 4 Direction is shown on the map below.



Appendix 2: Article 4 Direction: West Street

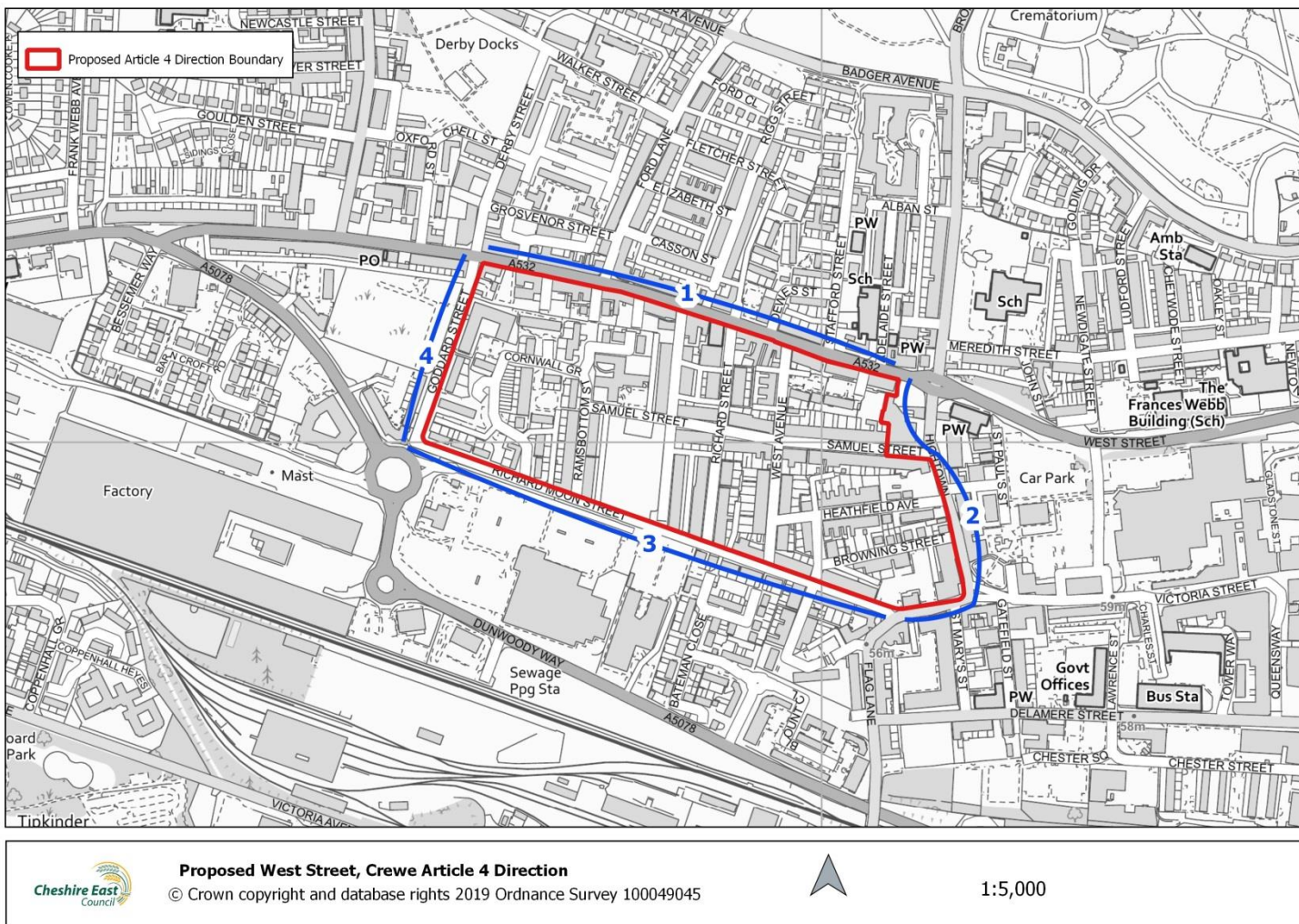
A2.1 Introduction

A.2.1.1 In defining the boundary for the West Street Article 4 Direction, consideration has been given to the following factors:

- Evidence of concentrations of HMOs in particular streets;
- The nature of the housing stock in the area. HMOs tend to be concentrated in densely built areas and predominantly streets with high numbers of older terraced dwellings;
- Walking tours of the areas and observations about street conditions, including litter, presence of advertising boards for house shares;
- Location of any areas of non-residential buildings. These have been excluded where it makes logical sense to do so;
- The coincidence of environmental, social and economic factors within the areas of the proposed Direction.

A2.2 Boundary review

A.2.2.1 For the purposes of review, the boundary has been divided into a number of sections (Map West Street 1: Boundary Review) with justification provided in Table West Street 1.



Map West Street 1: Boundary Review

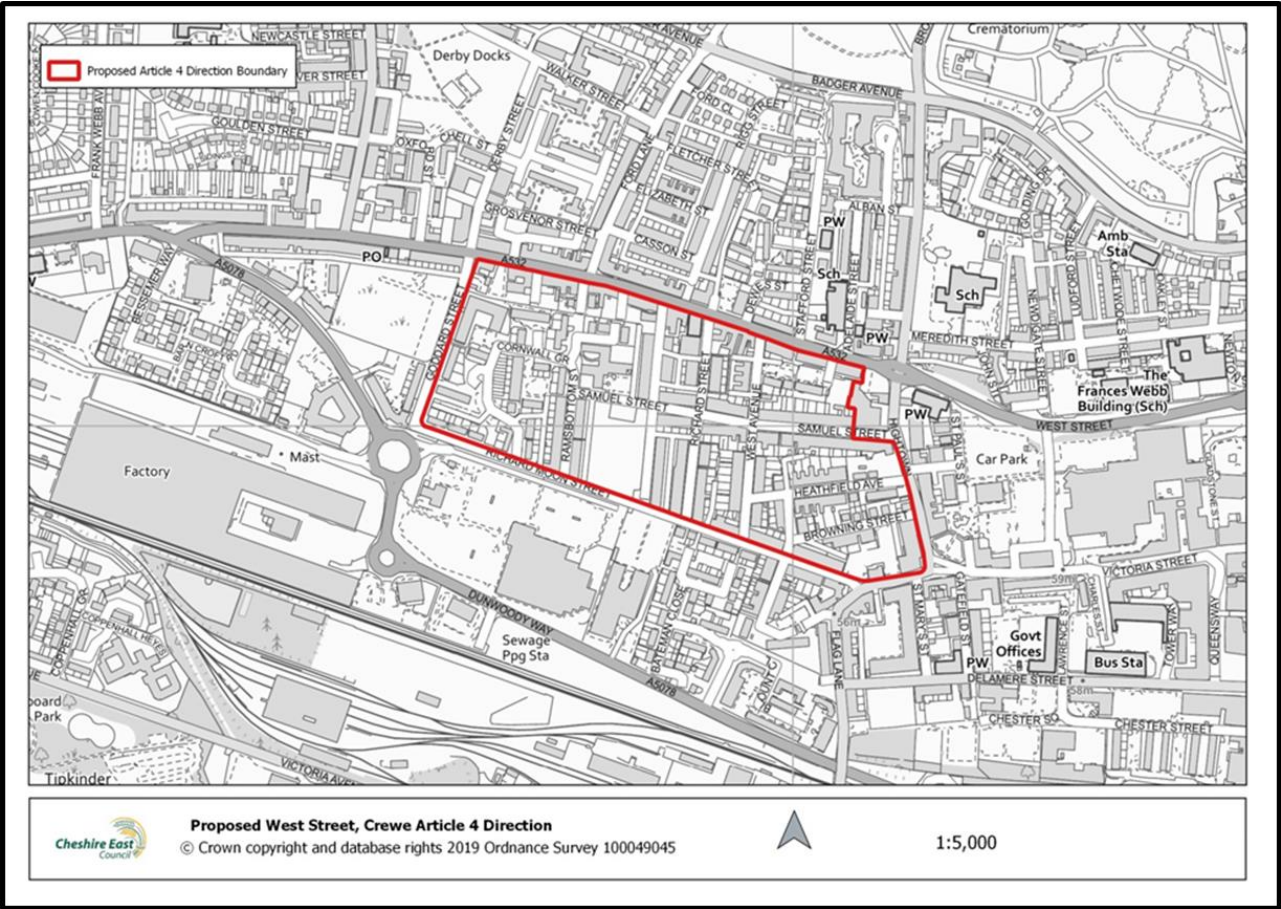
Table West Street 1: Boundary Justification

Boundary Section	Proposed boundary	Justification
1. West Street	This section follows the southern side of West Street from its junction with Goddard Street to the west to the junction with Hightown to the east.	<p>West Street is a busy main road with a mix of commercial and residential properties along its length. The proposed boundary includes dwellings located to the south of West Street between the junctions of Goddard Street to Hightown because it is the area with the highest concentrations of HMOs.</p> <p>To the north and west of the proposed boundary, HMOs are generally more dispersed along the bustling main road where there is a greater mix of uses. While there are some streets with older terraced properties to the north of West Street, HMOs are more scattered.</p>
2. Hightown	The proposed eastern boundary follows the western side of High Town but excludes commercial buildings and land where it is logical to do so.	There are a number of dense terraced residential streets located to the west of High Town with evidence of concentrations of HMOs. Land to the east of High town is excluded from the boundary as this is predominantly commercial (Kwik Fit/ Halfords) with some retail uses plus there is limited evidence of HMO concentrations to the east of the boundary.
3. Richard Moon Street	The boundary proceeds from the junction of High Town in a westerly direction down Richard Moon Street. The boundary follows the northern side of Richard Moon Street to its junction with Goddard Street.	<p>There is evidence of HMO concentrations between Richard Moon Street and West Street in the denser terraced residential streets.</p> <p>To the south of Richard Moon Street, there is a Morrison's supermarket and associated car park, a pharmacy and the rear gardens of a number of modern dwellings that are accessed from Dunwoody Way. While there are HMO's to the south of Richard Moon Street,</p>

		they are more dispersed than seen in the streets to the north.
4. Goddard Street	The boundary follows the eastern side of Goddard Street from the junction with Richard Moon Street to the south and West Street to the north.	There is currently limited evidence of HMO activity in the area to the immediate east of Goddard Street and to the west of Ramsbottom Street. Here there appears to be a number of social rented dwellings and/or sheltered accommodation that could be subject to tenancy agreements that limit sub-division. However there are pockets of older, terraced housing mixed into this area such as the terrace on the southern side of Cornwall Grove. The proposed boundary therefore follows Goddard Street as it forms a clearly identifiable and logical boundary.

A2.3 Boundary

A2.3.1 The boundary for the West Street Article 4 Direction is shown on the map below.



Appendix 3: Article 4 Direction: Hungerford Road

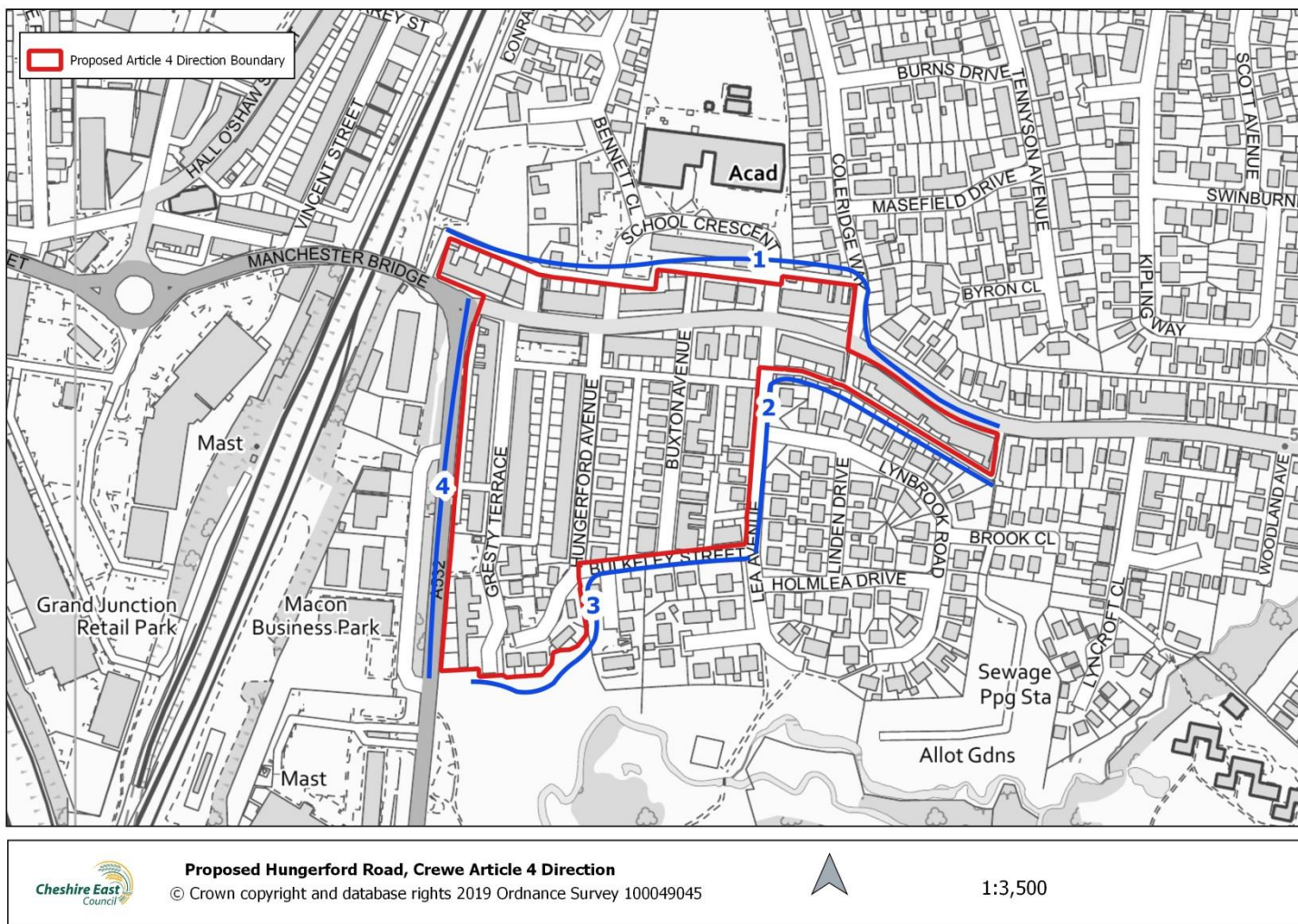
A1.1 Introduction

A1.1.1 In defining the boundary for the Hungerford Road Article 4 Direction, consideration has been given to the following factors:

- Evidence of concentrations of HMOs in particular streets;
- The nature of the housing stock in the area. HMOs tend to be concentrated in densely built areas and predominantly streets with high numbers of older terraced dwellings. Much lower concentrations are observed outside of these areas, for example in surrounding semi-detached dwellings or more modern housing – house prices also often sharply increase in the lower density areas;
- Walking tours of the areas and observations about street conditions, including litter, presence of advertising boards for house shares;
- Location of any areas of non-residential buildings. These have been excluded where it makes logical sense to do so;
- The coincidence of environmental, social and economic factors within the areas of the proposed Direction.

A1.2 Boundary review

A1.2.1 For the purposes of review, the boundary has been divided into a number of sections (Map Hungerford Road 1: Boundary Review) with justification provided in Table Hungerford Road 1.

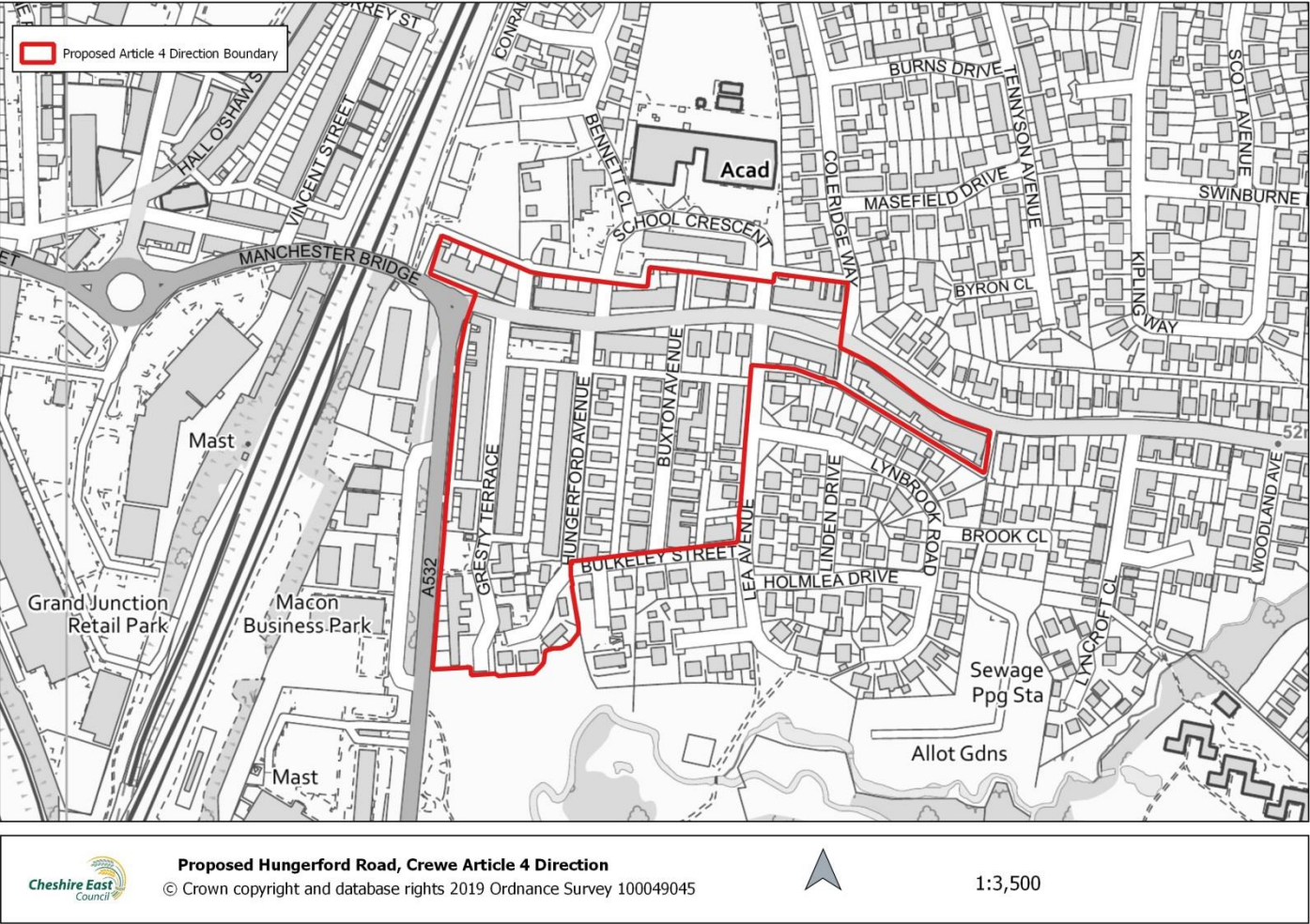


Map Hungerford Road 1 Boundary Review

Table Hungerford Road 1: Boundary Justification		
Boundary Section	Proposed boundary	Justification
1. Hungerford Road	This section follows the row of terraced dwellings on the northern side of Hungerford Road from the end of Manchester Bridge to Coleridge Way and then crosses to the other side of the road to include a group of terraced dwellings to the east. The boundary follows the rear of the dwellings on the southern side of Hungerford Road until it reaches Lea Avenue.	Land to the north of the proposed boundary on the northern side of Hungerford Road is excluded from the boundary as it predominantly comprises of a school, sheltered housing and an area of bungalows on Coleridge Way. To the east of the boundary (northern side of Hungerford Road, there is change of housing type beyond the boundary with increased presence of detached and semi-detached housing and there are fewer recorded HMO's in this area. To the west of this section, uses are predominantly commercial.
2. Lea Avenue	The proposed boundary continues around the back of the terraced dwellings on Hungerford Road to take in the terraced housing on the western side of Lea Avenue before proceeding along Bulkeley Street.	There are some older terraced dwellings located on Lea Street and to the west of this area which may be suitable for HMO uses. Land to the east of the boundary is primarily bungalows and semi-detached dwellings and there is less evidence of HMO activity within this area.
3. Bulkeley Street	This section follows the southern boundaries of a number of terraced streets including Buxton and Hungerford Avenue.	The boundary includes older terraced housing. To the south there is less evidence of HMO activity and consists primarily of bungalows. The boundary proceeds to join the southern end of Gresty Terrace and takes in an area of modern housing to the western end of Bulkeley Street. While there is no evidence of HMO activity within this area of modern housing, it forms a logical boundary.
4. Gresty Terrace	This section follows the junction with Bulkeley Street and rejoins Hungerford Road to the north.	The boundary excludes land to the west as this is predominantly commercial. To the south there is an area of open space. Gresty Terrace includes a number of older, terraced dwellings that are potentially attractive for conversion to HMOs.

A1.3 Boundary

A1.3.1 The boundary for the Hungerford Road Article 4 Direction is shown on the map below.



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Working for a brighter future together

Key Decision: Y

Date First

Published: 18/10/19

Cabinet

Date of Meeting: 3 December 2019

Report Title: Selective Licensing

Portfolio Holder: Councillor N Mannion - Environment and Regeneration

Senior Officer: Frank Jordan – Executive Director - Place

1. Report Summary

- 1.1. Cheshire East has seen a rapid growth within the private rented sector over the last few years. This is now the second largest tenure behind home ownership, overtaking social housing provision. It offers a flexible form of tenure and meets a wide range of housing needs. It contributes to greater labour market mobility and is increasingly the tenure of choice for young people. The private rented sector is an essential part of a strong housing market.
- 1.2. There are currently over 31,000 private rented properties across Cheshire East and the sector consists of a number of forms of housing including family accommodation, self contained flats and Houses in Multiple Occupation (shared houses, flats in multiple occupation, partial conversions and fully self contained flats which do not meet the 1991 Building Regulations standards).
- 1.3. Whilst it is acknowledged that many private landlords manage their tenancies well and maintain properties to a good standard, often above the standard required by the law, there are a number of landlords whose management and properties may not meet acceptable standards.
- 1.4. Cheshire East plays an essential role in quality assurance in this sector. Poor management and property standards can have a negative impact on

an area, leading to low housing demand, increased levels of anti social behaviour and community tensions. We have to ensure that we listen to community concerns and demonstrate our commitment to ensuring that existing housing is of good quality and it provides a safe and warm environment in which people can live and thrive.

- 1.5. This paper concentrates on the ability and mechanism to introduce a Selective Licensing scheme within Cheshire East and explains the rationale. It outlines the legislative requirements and the evidence that has been established to support the approach. The report also highlights Government guidance and a recommended approach to ensure that it is a success and would not be subject to challenge.

2. Recommendations

2.1. That Cabinet

- 2.1.1. Confirms and approves the development of an action plan for the area detailed on the map attached at Appendix A (Nantwich Road area, Crewe);
- 2.1.2. Notes that a further report will be brought to Cabinet to consider progress of the action plan and the need for a Selective Licensing scheme to be introduced after all other reasonable measures have been implemented.

3. Reasons for Recommendations

- 3.1. Local authorities have a discretionary power under Part 3 of the Housing Act 2004 to designate an area for Selective Licensing for up to five years. A Local Authority must first demonstrate the evidence for their concerns, look at alternative approaches and consult widely.
- 3.2. A detailed review of the conditions for Selective Licensing has identified the Nantwich Road area of Crewe as a priority area for intervention as it is displaying multiple issues around poor property condition, higher levels of deprivation, crime and of anti social behaviour that are considerably higher than other areas of Cheshire East. The proportion of private rented properties in this area is significantly higher than the Cheshire East and national pictures.
- 3.3. The Government have issued non-statutory guidance in Selective Licensing in the private rented sector, A Guide for Local Authorities, Department for Communities and Local Government March 2015. The guidance states that Selective Licensing should form part of a wider strategy and that schemes

should be adequately resourced. They should include services such as active outreach support programmes to engage with landlords and tenants.

- 3.4. This is reinforced in the independent review of Selective Licensing carried out by Opinion Research Services in 2019 where it indicates that when implemented in isolation the effectiveness of Selective Licensing is often limited, and schemes appear to be more successful as part of a wider, well planned, coherent initiative with an associated commitment of resources.
- 3.5. This is a finding entirely consistent with the aims of the Housing Act 2004. For example, if the focus is on poor property conditions, further resource will be required for housing enforcement. If the focus is on anti social behaviour, landlords will need adequate support to help them deal with problem tenants.
- 3.6. A two-staged approach is recommended, as it will enable the Council to develop a collaborative action plan across a number of services to firstly coordinate current services and then determine if additional targeted interventions could have the potential to drive improvements in the proposed area. This approach would demonstrate that due diligence has been undertaken and all options considered. A further review would then be undertaken and if it is apparent that existing measures alone are not sufficient to tackle the underlying problems within the area then approval will be sought to progress to the consultation stage of the Selective Licensing process.

4. Other Options Considered

- 4.1. The Council could move straight into the Selective Licensing consultation process, however this would be against Government guidance, which clearly advises that all options are considered prior to the implementation of a scheme.

5. Background

- 5.1. The Environment and Regeneration Overview and Scrutiny Committee has been considering the issue of extra controls in the private rented sector. Changes in legislation has ensured that more Houses in Multiple Occupation now come under the mandatory licensing regime, however Members wanted to consider approaches which would enable all private rented properties to come under more rigorous controls.
- 5.2. One approach to applying controls that are more rigorous is the introduction of a Selective Licensing scheme. The features of a scheme include:

- 5.2.1. It would be mandatory for all private rented properties in the designated area to be licensed;
- 5.2.2. It would give the Council access into all private rented properties in the designated area to be able to assess the housing conditions;
- 5.2.3. All licence holders would have to comply with licence conditions; failure to comply with these conditions could result in a criminal conviction and unlimited fine or a civil penalty of up to £30,000; a rent repayment order for up to 12 months rent; and a management order where the Council would take control of the property. Operating a property without a licence would attract similar sanctions.
- 5.2.4. The landlord/agent would pay a fee as part of their licence application to cover the Council's processing costs. The fee cannot however include the cost of enforcing the scheme or any other services that are needed to make the scheme effective; these would require additional Council funding.
- 5.3. There are a number of criteria and stages that have to be satisfied before introducing a Selective Licensing scheme. Officers have undertaken a robust assessment of the criteria which included:
- Does the proposed designated area have a higher proportion of private rented sector (PRS) properties than 19% (the proportion in England)?
 - Is the proposed designated area suffering from one or more of the following:
 - Low housing demand
 - Significant and persistent problem caused by anti-social behaviour
 - Poor property conditions
 - High levels of migration
 - High level of deprivation
 - High levels of crime
 - Are there any other courses of action available to us that would achieve the same objective(s) without the need for Selective Licensing? And, if there are no alternatives, will Selective Licensing significantly assist in achieving the objectives?
- 5.4. Data has been collated from extensive sources to establish whether all or part of Cheshire East would meet this criteria. The data has been collated to generate a 'vulnerability score' for each Lower Level Super Output Area (LSOA) in order to establish the priority areas for Selective Licensing. The vulnerability score is centred around 100, which is the Cheshire East average. For example, a score of 200 would indicate for that item, the

figure is twice that of the Cheshire East average, equally 300 would be three times the Cheshire East average.

5.5. The findings have been collated and summarised within Appendix 2. The outcome of the analysis is:

5.5.1. There is evidence to support a Selective Licensing Scheme within 51 LSOAs across Cheshire East;

5.5.2. 13 LSOAs displayed a higher incidence of multiple poor conditions, predominantly in Crewe;

5.5.3. An area of 4 LSOAs around Nantwich Road in Crewe has been identified as a priority area due to the high density of private rented housing and high vulnerability scores.

Next steps

5.6. It is recommended that the Council considers alternative strategies to tackle issues in this area prior to introducing Selective Licensing, which would be articulated through the development of an action plan.

5.7. There is currently a broader review being undertaken of all projects and initiatives across the areas identified for Selective Licensing and Article 4 Directions to achieve a cleaner and safer Crewe. It is likely that the actions in the table below will be consolidated into this wider piece of work and form part of a single action plan. This will ensure that there is no duplication, strategies are aligned and resources are targeted effectively to achieve a common goal to improve environmental conditions in the area.

Stages	Actions	Timescale
1. Establishment of a Working Group	<ul style="list-style-type: none"> Scope out and confirm the aims and objectives to be incorporated into a Terms of Reference Map existing services across the Crewe area and the effectiveness these are having within the wider and focused Selective Licensing area Establish if existing interventions could be refocused or require additional resources 	January to June 2020
2. Identify gaps in provision and targeted interventions which could drive forward improvement	<ul style="list-style-type: none"> Development of business cases for submission as part of the 2021/22 budget setting process 	July to September 2020

3. Implementation of any new interventions	<ul style="list-style-type: none"> • Monitor outcomes of existing and new interventions 	July 2020 to March 2022
4. Carry out a review of the proposed Selective Licensing area to establish if improvements have been made	<ul style="list-style-type: none"> • Complete a report on the outcomes of the project and the recommendations to either continue with the interventions or seek approval to consult on the introduction of Selective Licensing 	April 2022 to August 2022
5. If Selective Licensing is recommended	<ul style="list-style-type: none"> • Seek Cabinet approval to consult • Consultation for 10 weeks • Publish notifications • Implement scheme 	September 2022 to February 2023

5.8. It will require the coordination of a number of services to achieve this, including but not limited to Communities and Partnerships, Strategic Planning, Housing, Adults and Children's Services, as well as external partners including Crewe Town Council, Ansa and Cheshire Police.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1 The ability for a Local Authority to introduce a Selective Licensing scheme comes under Part 3 of the Housing Act 2004. Under Section 80 of the Act a Local Housing Authority can designate the whole or any parts of its area as subject to Selective Licensing.

6.1.2 All properties in the private rented sector which are let or occupied under a licence, are required to be licensed by the Local Housing Authority unless the property is a House in Multiple Occupation and is required to be licensed under Part 2 of the Act.

6.1.3 Any authority who wishes to implement a scheme which would cover more than 20% of their geographic area or that would affect more than 20% of privately rented homes in the local authority area would require approval from the Secretary of State for the Ministry of Housing, Communities and Local Government.

6.1.4 If the scheme covers 20% or less of its geographical area or privately rented properties, the scheme would not be needed to be submitted to the Secretary of State, provided the authority had consulted for at least 10 weeks on the proposed designation.

6.1.5 A designation may be made for up to 5 years.

6.1.6 Section 83 of the Act requires Local Housing Authorities to publish a notice of the designation once it has been confirmed. A Local Authority must publish a notice within the designated area within seven days of the designation being confirmed and notify all those consulted on the proposed designation within two weeks of the designation being confirmed.

6.1.7 Dedicated legal resource would be needed to implement a Selective Licensing scheme including the placing of statutory notices.

6.2. Finance Implications

6.2.1 The development of the action plan will identify any growth areas and a business case will be developed and submitted for consideration as part of the 2021/22 budget setting process.

6.2.2 The cost of operating a Selective Licensing scheme is recoverable through a licence fee payable by the landlord/agent. If implemented in the priority area it would generate an income of approximately £1.44million over the 5-year licensing period to cover staffing, publicity, administrative costs and overheads. The fee cannot however include the cost of enforcing the scheme by Housing and Legal Services or any additional interventions that may be required. A business case will be developed to fund the increased resources needed to enforce a scheme and this would accompany the action plan.

6.3. Policy Implications

6.3.1 Government guidance highlights that Selective Licensing is not a tool which can be used in isolation. The Council has to demonstrate how the scheme will form part of the overall strategic borough wide approach and how it fits with existing policies including homelessness, empty homes, regeneration and anti social behaviour.

6.3.2 The Council need to take this a step further and develop a more coordinated approach with other services to explore further initiatives that may provide an effective method of achieving the objectives that a Selective Licensing scheme is intended to achieve. This will

demonstrate that we have tried all appropriate measures prior to the implementation of any scheme.

6.4. Equality Implications

6.4.1 An Equality Impact Assessment will be completed as part of the development process for the action plan, and any equalities implications will be addressed through the plan's implementation.

6.5. Human Resources Implication

6.5.1 The implementation of an action plan may require additional resources; this will be included as part of the action plan and form part of any business case brought forward as part of the 2021/22 budget setting process.

6.6. Risk Management Implications

6.6.1 The recommended two-stage approach will demonstrate that all methods of intervention have been explored and tested.

6.6.2 Government guidance states that Local Authorities should also consider any potential negative economic impacts that licensing may have on their area, particularly the risk of increased costs to landlords who are already fully compliant with their obligations. This will be considered through the development of the action plan and consultation with landlords will form part of the process.

6.6.3 Expectation is that we will be able to tackle poor housing conditions by imposing licence conditions under Selective Licensing, however these can only be tackled through Part 1 of the Housing Act 2004. Selective Licensing under Part 3 of the Housing Act 2004 gives us the mechanism to access private rented properties to identify poor housing conditions and we can then use our powers under Part 1 of the Housing Act 2004 to bring about any improvements.

6.6.4 There is a risk that Landlords may migrate to other neighbouring areas outside of the designated areas if a Selective Licensing scheme is implemented.

6.6.5 Research shows that fee setting for Selective Licensing is difficult to get right, as Local Authorities are not able to make a profit and it can only cover certain costs. If set too low this would result in costs to the taxpayer or the scheme delivery would have to be tailored which

will impede its effectiveness. Time will be required to adequately cost and test the scheme.

6.7. Rural Communities Implications

6.7.1 There are no direct implications for rural communities, as the proposed priority area is within Crewe.

6.8. Implications for Children & Young People/Cared for Children

6.8.1 Improvements brought about through an action plan to tackle poor quality housing will have a positive impact on the physical and mental wellbeing of children and young people and their educational attainment.

6.9. Public Health Implications

6.9.1 Improvements in housing and the local environment will have a positive impact on mental health and reduce the risk of many preventable diseases that are made worse by poor housing conditions.

6.10. Climate Change Implications

6.10.1 The Council has committed to becoming carbon neutral by 2025 and to encourage all businesses, residents and organisations in Cheshire East to reduce their carbon footprint. Improvements in housing standards such as improved heating systems and insulation can help to tackle fuel poverty for vulnerable residents and tackle climate change.

7. Ward Members Affected

7.1. Crewe South Ward

8. Consultation & Engagement

8.1. Engagement has taken place with Ward Members for Crewe and with Crewe Town Council, and will continue throughout the development and implementation of the action plan.

8.2. The development of the action plan will require engagement with partners, landlords and other service areas. This will be carried out as part of the development process.

- 8.3. If the action plan does not achieve the objectives required, Cabinet approval will be required to proceed to consultation on a Selective Licensing scheme.

9. Access to Information

- 9.1. Background papers are available by contacting the report writer.

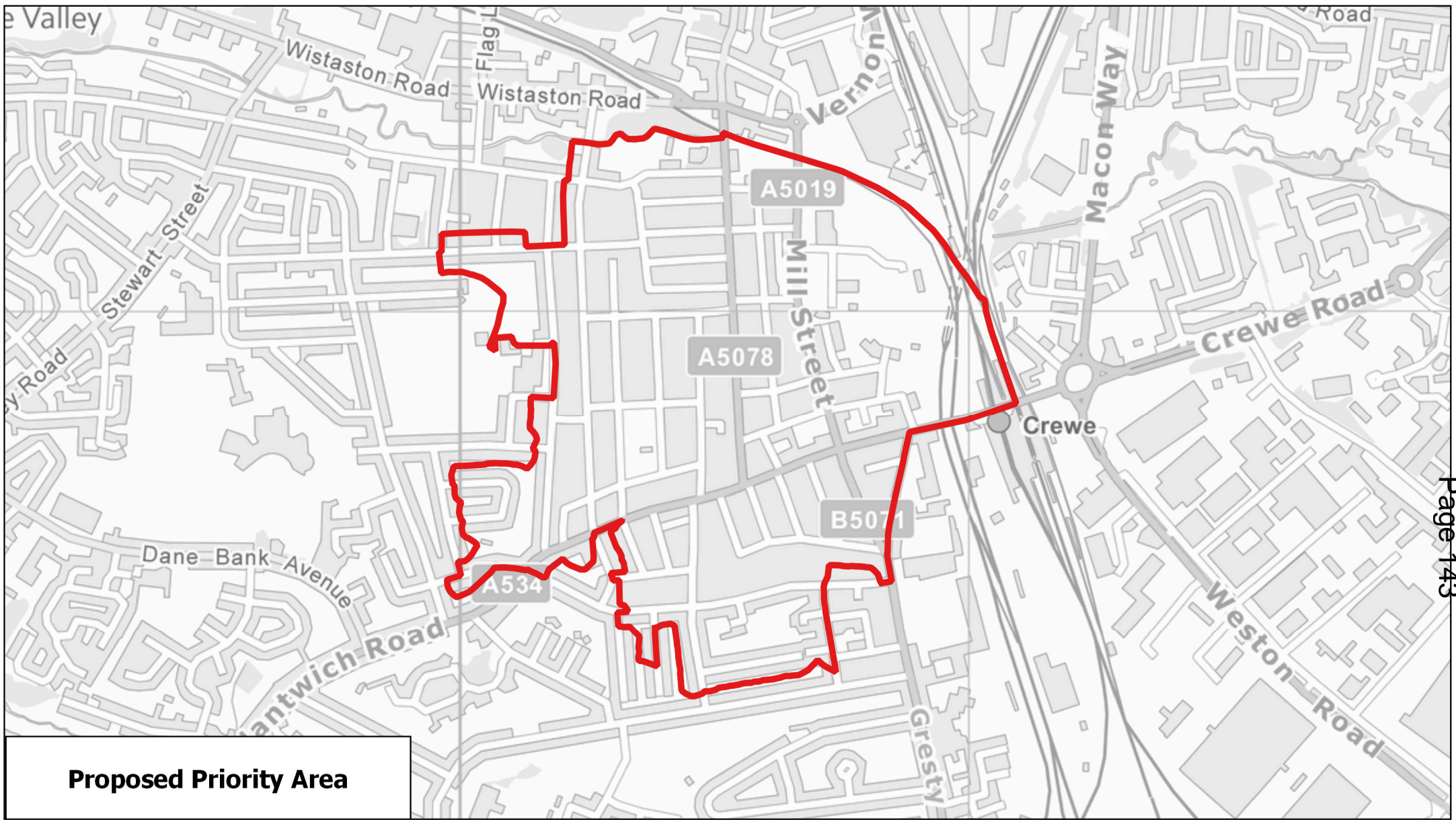
10. Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

Name: Karen Whitehead

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Email: karen.whitehead@cheshireeast.gov.uk



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Key Findings from Review of Evidence for Selective Licensing

Criteria

Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local housing authority area. Under Section 80 of the Act a local housing authority can designate the whole or any part or parts of its area as subject to selective licensing.

A selective licensing designation may be made if the area to which it relates has a high proportion of properties in the private rented sector. Nationally the private rented sector currently makes up 19% of the total housing stock in England (English Housing Survey 2017/18). If an area has more than 19% it can be considered as having a high proportion of privately rented properties.

As well as having a high proportion of private rented properties, a selective licensing designation may be made if the area to which it relates satisfies one or more of the following conditions. The area is one experiencing:

- Low housing demand (or is likely to become such an area)
- A significant and persistent problem caused by anti-social behaviour
- Poor property conditions
- High levels of migration
- High level of deprivation
- High levels of crime

Methodology

Data has been collated at Lower Level Super Output Area (LSOA) due to the availability of data at this level. LSOAs are a geographic subsection of the borough, each containing around 1,500 households, allowing us to make reliable comparisons between areas. There are 234 LSOAs in Cheshire East.

Tenure data has been taken from the Integrated Dwelling Level Housing Stock Modelling and Housing Stock Condition Database that was commissioned by Cheshire East Council from BRE in 2019.

Data has been collated from extensive sources to generate a 'vulnerability score' for each LSOA in order to establish the priority areas for Selective Licensing. The vulnerability score is centred around 100, which is the Cheshire East average. For example, a score of 200 would indicate for that item, the figure is twice that of the Cheshire East average, equally 300 would be three times the Cheshire East average. This method allows us to focus on the areas with greatest levels of problems that a selective licensing designation may be used to tackle.

Key Findings

1. Tenure

1.1 The proportion of private rented properties in Cheshire East is 17.7%. Therefore a borough-wide selective licensing scheme has been discounted as it does not meet the threshold.

1.2 At Lower Level Super Output Area (LSOA), there are 57 LSOAs that have a high proportion of private rented properties exceeding 19% (referred to in this document as 'high PRS'). This would cover an area with an estimated 16,571 private rented properties (52.5% of the PRS in Cheshire East).

1.3 Top 5 LSOAs with high proportion of private rented households:

Table 1

	LSOA Code	LSOA Name	Ward	Proportion of housing that is private rented
1	E01018624	Macclesfield Town Centre L3	Macclesfield Central	69.3%
2	E01018487	St Johns L2	Crewe South	66.4%
3	E01018467	West Coppenhall & Grosvenor L5	Crewe Central	60.5%
4	E01018489	St Johns L4	Crewe South	59.7%
5	E01018447	Alexandra L3	Crewe South	56.5%

2. Low housing demand

2.1 There is no evidence to suggest that there are any areas of low housing demand in Cheshire East.

2.2 The data did highlight some pockets of long term empty homes across Cheshire East. Initial analysis suggests that this may be attributable in parts to recent housing developments which are being marketed for sale; further detailed analysis is needed to understand any other reasons for the spikes in the data.

Table 2

	LSOA Code	LSOA Name	Ward	Proportion of housing that has been empty for 6 months or more
1	E01018601	Wilmslow Town South East L2	Wilmslow West and Chorley	3.9%
2	E01018648	Knutsford Rural L3	High Legh	3.5%
3	E01018496	Central & Valley L3	Crewe West	3.1%
4	E01018425	Middlewich West L2	Middlewich	2.8%
5	E01018487	St Johns L2	Crewe South	2.8%

2.3 Government guidance recommends that the value of residential premises in the area is considered in comparison to the value of similar premises in other areas which the authority considers to be comparable (whether in terms of type of housing, local amenities, availability of transport). The average house price in Cheshire East is £234,995. Areas with lower house prices include the areas surrounding Crewe Town Centre. In the West Street area, average property prices are in the region of £70,000 to £99,000. House prices in the area to the north and south of Nantwich Road are in the region of £85,000 to £110,000. In the Macclesfield Town Centre area, house prices range from £130,000 to £223,500. It is not possible to compare the value of properties in Crewe to those in Macclesfield due to the higher land values in Macclesfield which distorts any comparison in house prices.

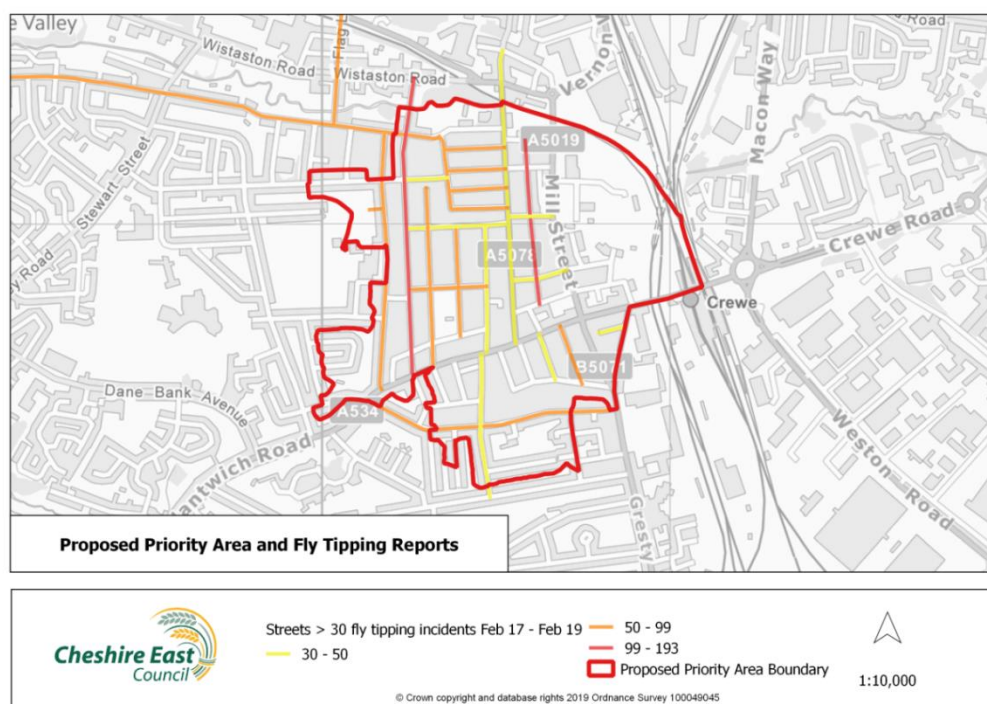
3 Anti social behaviour

3.1 In considering whether an area is suffering from anti-social behaviour which a landlord should address, Government guidance states that regard must be had as to whether the behaviour is being conducted within the curtilage of privately rented properties or their immediate vicinity.

3.2 During the year ending 31 March 2019 there were 7,945 anti-social behaviour and drugs related offences across Cheshire East. The mapping of offences highlights that the areas with the highest recorded offences are Macclesfield and Crewe Town Centres. Outside of these areas, heat mapping identifies concentrations around the Nantwich Road and West Street areas; these two areas correlate with high proportions of private rented households and concentrations of HMOs.

3.3 Flytipping is a form of anti social behaviour. Evidence gathered for the 2 year period from February 2017 to 2019 shows that there have been 5,770 recorded fly tipping reports within Cheshire East. Of these reports, 65% were in Crewe with 10.9% being in Macclesfield.

3.4 All streets that have experienced 30 or more fly tipping reports over this period have been mapped. There are no streets outside of Crewe that have experienced 30 or more incidents. The mapping shows a strong correlation with high PRS, and specifically between the streets with the highest reports of fly tipping and those with high concentrations of HMOs.

Map 1: Fly Tipping Reports

3.5 For the period February 2017 to July 2019, there were 3,179 recorded environmental health complaints across Cheshire East. These complaints include waste, noise nuisance, animal related problems and pest control. 33 LSOAs with high PRS experienced a higher number of environmental health complaints than the Cheshire East average, with the highest levels being in 4 LSOAs to the north and south of Nantwich Road in Crewe.

Table 3

	LSOA Code	LSOA Name	Ward	Environmental health complaints per 1,000 population
1	E01018487	St Johns L2	Crewe South	28.8
2	E01018489	St Johns L4	Crewe South	26.7
3	E01018447	Alexandra L3	Crewe South	26.2
4	E01018445	Alexandra L1	Crewe South	25.2
5	E01018483	St Barnabas L2	Crewe West	24.6

4 Poor property conditions

4.1 Where the authority considers a significant number of properties in the private rented sector need to be inspected in order to determine whether any of those properties contain Category 1 or 2 hazards, it may designate an area for Selective Licensing.

4.2 A review of housing conditions conducted in 2019 by BRE found that 16.7% of private rented properties in Cheshire East are likely to have a Category 1 hazard, compared to 14% for England. In parts of Cheshire East, around one-third of properties have Category 1 hazards that could put the health and safety of tenants at a higher risk.

Table 4

	LSOA Code	LSOA Name	Ward	Proportion of PRS that is estimated to have Category 1 hazards
1	E01018487	St Johns L2	Crewe South	33.3%
2	E01018497	Central & Valley L4	Crewe West	32.9%
3	E01018635	Macclesfield Town Centre L6	Macclesfield Central	31.6%
4	E01018480	Acton Minshull & Wybunbury L2	Bunbury	31.3%
5	E01018486	St Johns L1	Crewe South	29.5%

4.3 There is sufficient evidence to designate 34 of the 57 'high PRS' LSOAs as areas for Selective Licensing due to poor property conditions. If all areas were designated, this would bring an estimated 11,113 private rented properties within the scope for selective licensing (35.2% of the PRS in Cheshire East).

5 High levels of migration

5.1 Government guidance states that 'migration refers to the movement of people from one area to another. It includes migration within a country and is not restricted to migration from overseas. A selective licensing designation can be made, as part of a wider strategy, to preserve or improve the economic conditions of the area to which migrants have moved and ensure people occupying private rented properties do not live in poorly managed housing or unacceptable conditions'. The guidance suggests a population increase of around 15% or more should be used as a measure of high levels of migration.

5.2 Seven LSOAs have had a population increase of more than 15% between 2011 and 2017, the highest increase being in Central and Valley L1 in Crewe Central ward (32%).

Table 5

	LSOA Code	LSOA Name	Ward	Change in population 2011 to 2017
1	E01018462	Central & Valley L1	Crewe Central	+32%
2	E01018440	Sandbach West and Wheelock L1	Sandbach Elworth	+31%
3	E01018416	Holmes Chapel L4	Dane Valley	+25%
4	E01018467	West Coppenhall & Grosvenor L5	Crewe Central	+25%
5	E01033376	Acton, Minshull & Wybunbury L5(B)	Nantwich South and Stapeley	+24%

5.3 Consideration has also been given to Department of Work and Pensions' data for National Insurance Registrations to Adult Overseas Nationals entering the UK between 2010 and Q1 2019, Cumulative 2010 to Q1 2019. 19 LSOAs have a higher rate of registrations than the national average of 103.1 per 1,000 population; the highest rates can be found in St Johns L1, L2 and L4 LSOAs in Crewe South ward which are 5 times

higher than the national average. However, the population change in these three LSOAs is 2% over the 8 year period, which suggests a high turnover of Adult Overseas Nationals in the area as despite the number of registrations the population levels remain steady.

5.4 English spoken as another language in schools is above the national average in 12 LSOAs in Cheshire East, 11 of which are in Crewe, and 1 in Macclesfield. The national picture is 20.5%; the Cheshire East average is 6.8% which rises to 51% in St Johns L1 in Crewe South ward.

6 High levels of deprivation

6.1 Fifteen LSOAs have high out of work benefit claimant rates. The highest rates are in part of Crewe Central ward (9%, compared to 1.9% for Cheshire East) and part of Handforth ward for other out of work benefits (10.9% compared to 4.3% for Cheshire East).

6.2 Twenty-eight LSOAs have a median household income below the national average of £31,500; the lowest incomes in the range £19,000 to £23,000 can be found in the Crewe and Handforth areas.

7 High levels of crime

7.1 Crime data indicates that the number of crimes recorded in the Borough were higher within the town centres of Crewe and Macclesfield, as might be expected. In 2018, Crewe Central ward had the highest number of crimes (2,650 crimes or 8.6%) followed by Macclesfield Central ward (1,917 or 6.2%). Third was Crewe South ward (1,884 crimes or 6%) followed by Crewe East ward (1,645 or 5.3%).

7.2 Heat mapping has shown that, excluding town centres, there are higher levels of crime around the Nantwich Road and West Street areas of Crewe.

Selecting an area(s) for Selective Licensing

The data showed clearly that there are areas within Cheshire East that are suffering from one or more conditions that could warrant the designation of the area for selective licensing. Conversely, it also showed that a greater proportion of Cheshire East is not displaying issues that would justify selective licensing. For this reason, together with the threshold for the proportion of private rented households not being reached, a borough-wide selective licensing scheme should be discounted.

There are 57 LSOAs with high PRS in Cheshire East. Of these, 51 are displaying one or more conditions that would justify selective licensing. The size of these areas and the numbers of private rented households could render a scheme unfeasible given the level of resource that would be needed to implement a scheme of this nature. Having regard to resource implications, officers sought to prioritise these areas to be able to target resources at the areas in most need.

Using a vulnerability scoring methodology allowed us to rank the LSOAs into a priority order. Where the Cheshire East average is 100 (so any LSOAs scoring less than 100 are experiencing better conditions than the average for Cheshire East), 14 LSOAs scored in excess of 200, so their vulnerability to the conditions being reviewed was at least double the Cheshire East average. Three LSOAs had a vulnerability score more than 4.5 times the Cheshire East average.

One LSOA (East Coppenhall in Crewe East) was discounted due to the lower proportion of private rented households in that area, reducing the number of LSOAs under consideration to 13.

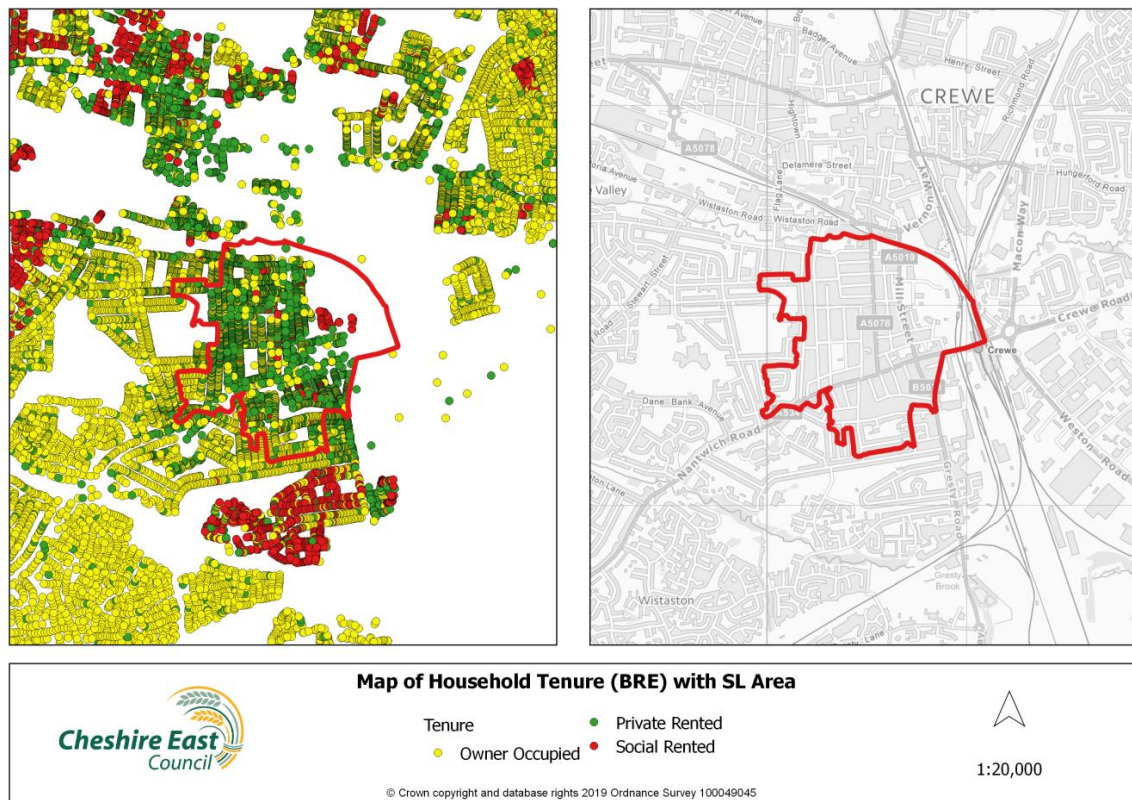
Table 6

Ranking	LSOA Code	LSOA Name	Ward
1	E01018486	St Johns L1	Crewe South
2	E01018487	St Johns L2	Crewe South
3	E01018489	St Johns L4	Crewe South
4	E01018464	Central & Valley L2	Crewe East
5	E01018447	Alexandra L3	Crewe South
6	E01018462	Central & Valley L1	Crewe Central
7	E01018624	Macclesfield Town Centre L3	Macclesfield Central
8	E01018497	Central & Valley L4	Crewe West
9	E01018467	West Coppenhall & Grosvenor L5	Crewe Central
10	E01018445	Alexandra L1	Crewe South
11	E01018466	West Coppenhall & Grosvenor L4	Crewe St Barnabas
12	E01018501	Waldron L3	Crewe East
14	E01018498	Central & Valley L5	Crewe West

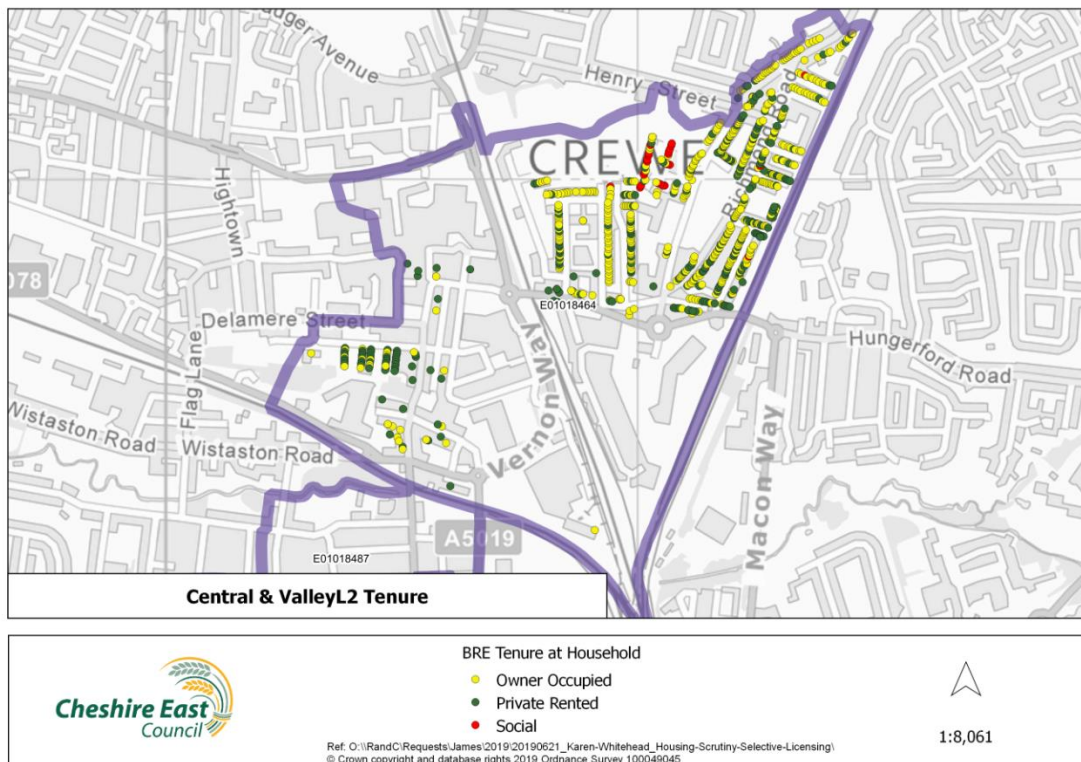
The estimated PRS for these LSOAs is 5,625 (17.8% of the PRS in Cheshire East). Again due to resource implications of implementing such a large scheme, and in line with a recommendation from the independent review of selective licensing by Opinion Research Services in 2019 that local authorities should start with smaller schemes, officers have looked to prioritise these areas further.

In considering the top 5 LSOAs, which had vulnerability scores of at least 3.5 times the Cheshire East average, it was found that although the LSOA boundaries were adjoined, the spatial distribution of the PRS was slightly disjointed in Central & Valley L2 in Crewe East ward from the other LSOAs, making it a distinctly separate area and one which would require a separate consultation if it were to be designated for selective licensing. This is illustrated in Maps 1 and 2.

Map 2: Tenure data for Crewe (the red boundary outlines the LSOAs ranked 1,2,3 and 5)



Map 3: Tenure data for Central & Valley L2 in Crewe East ward (the LSOA to the south is St Johns L2 in Crewe South ward which forms part of the proposed priority area)



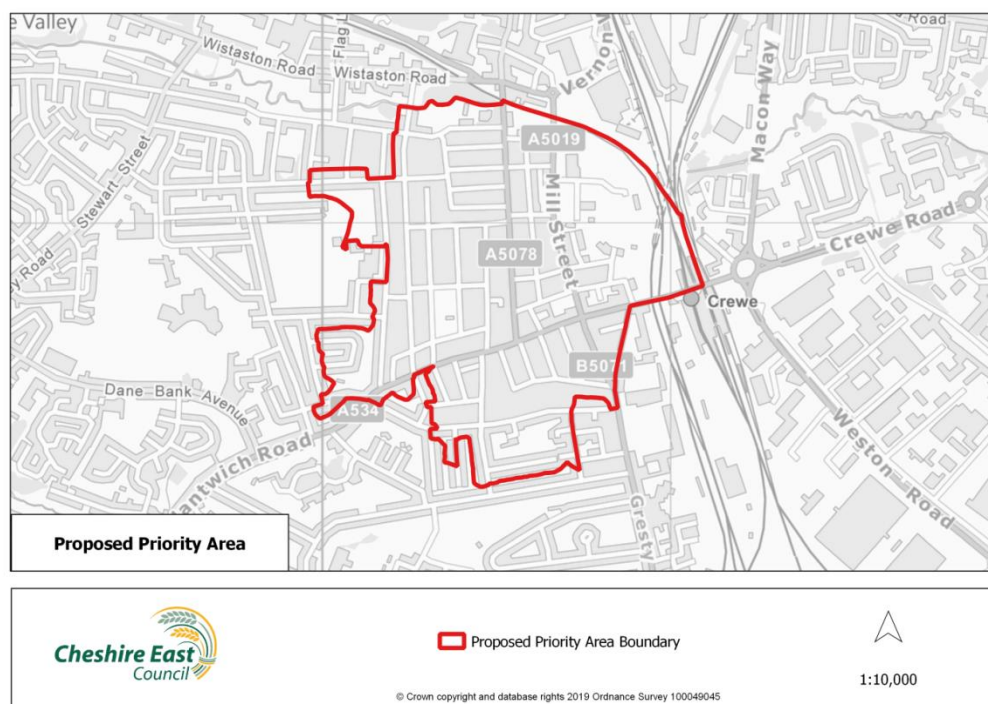
It is proposed that Central & Valley L2 in Crewe East ward should be discounted from the priority area due to its distinctly separate PRS. This would reduce the number of LSOAs under consideration to 4.

The estimated PRS for these LSOAs is 1,777 (5.6% of the PRS in Cheshire East). Whilst still a significant challenge in terms of the amount of resource needed to implement and operate a selective licensing scheme, this distinct area has multiple conditions that would warrant a designation. If we were to reduce the proposed priority area further, to say 1 or 2 LSOAs, there is a risk that problems may be exacerbated in those areas not selected as they are already suffering similar conditions.

Table 7: Key Indicators for Priority Areas

Area	Selected Crime Rate per 1,000 population	ASB + Drugs Rate per 1,000 population	Private Rented % of all Properties	% of Private Rented Properties with Cat 1 Hazard	Household Income (Median)	Overall IMD Percentile 1% = most deprived
England	69.8	26.7	19%	14%	£31,500	
North West	84.0	27.8			£27,200	
Cheshire East	63.2	20.9	17.7%	16.7%	£35,800	
E01018486	154.0	56.0	54.6%	29.5%	£22,200	13.2%
E01018487	107.0	37.6	66.4%	33.3%	£22,300	23.3%
E01018489	49.7	8.2	59.7%	28.2%	£24,900	29.0%
E01018447	180.9	60.0	56.5%	24.3%	£26,200	30.6%

Map 4: Proposed Priority Area for Selective Licensing



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Working for a brighter future together

Key Decision Yes

Date First

Published: 18/10/19

Cabinet

Date of Meeting: 3 December 2019

Report Title: Best4Business Update

Portfolio Holder: Cllr Amanda Stott - Finance, IT and Communications

Cllr Jill Rhodes - Public Health and Corporate Services

Senior Officer: Frank Jordan - Executive Director - Place

1. Report Summary

- 1.1. This report provides an update to Cabinet on the outcomes of this full programme review and makes recommendations to enable Cheshire East Council, and Cheshire West and Chester Council, to deliver this programme.

2. Recommendations

2.1. That Cabinet

- 2.1.1. Considers the recommendations of the Shared Service Joint Committee of 22nd November;
- 2.1.2. Endorses and approves the recommendations regarding the scope and phasing of the programme as outlined in section 6 of this report;
- 2.1.3. Agrees the revised programme governance arrangements that are being put in place as outlined in section 6 of this report;
- 2.1.4. Authorises the procurement of external advisors to provide ongoing support for the programme and delegates authority to Executive Director - Place to enter in to a contract for these services.
- 2.1.5. Supports the future arrangements for the member oversight of the programme as described in Section 6 and Appendix B of this report;

- 2.1.6. Approves the scope of the revised commercial arrangements with Agilisys as outlined in section 7 of this report;
- 2.1.7. Authorises the Executive Director – Place in consultation with the Director of Governance and Compliance and the Director of Finance and Customer Services to finalise the negotiations with Agilisys and to agree to variations to the contract in collaboration with Cheshire West and Chester Council;
- 2.1.8. Authorises the Executive Director – Place in consultation with the Director of Governance and Compliance, the Director of Finance and Customer Services, the Portfolio Holder for Corporate services and the Portfolio Holder for Finance IT and Communication to update the Inter-Authority Agreement between Cheshire East Council and Cheshire West and Chester Council to reflect any Deed of Variation agreed with Agilisys; and
- 2.1.9. Notes the revised forecast budget and programme plan in the confidential Appendix C.

3. Reasons for Recommendations

- 3.1. The review of the programme has concluded that the following key changes are required to enable the programme to be delivered:
 - 3.1.1. Rephrasing of the remainder of the programme;
 - 3.1.2. Revising the commercial arrangements for the programme;
 - 3.1.3. Revising governance arrangements within the programme; and
 - 3.1.4. Engaging appropriate external support.
- 3.2. Therefore, there is a need to reset the programme in terms of the timeframes and cost.
- 3.3. Approval of these recommendations would enable these key changes to be made to the programme to enable it to be delivered.

4. Other Options Considered

- 4.1. Section 6 and the confidential Appendix A of this report outline how the alternative approaches to implementation, support and solution hosting have been considered and the reasons why the recommended option represents the best option to Cheshire East Council and Cheshire West and Chester Council subject to the conclusion of the commercial negotiations.

5. Background

- 5.1. Cheshire East Council, in partnership with Cheshire West and Chester Council, has entered into a programme of work to procure a new system to replace the Councils' existing Finance and HR system, Oracle.
- 5.2. Both Councils' Cabinet meetings approved a recommendation in July 2017 to award a contract to Agilisys to implement the replacement of the Oracle with a system called Business World, which is produced by a company called Unit 4.
- 5.3. The original planned go live date for the programme was September 2018. This was not achieved, and subsequent target go-live dates have also not been achieved, the latest being April 2019.
- 5.4. At the end of the most recent testing phase, it was agreed on 14th February 2019 that the April 2019 go live date was no longer achievable.
- 5.5. As a consequence of this decision to defer the April go live target, the Councils and Agilisys agreed to carry out a thorough "solution gap analysis", comparing the Business World solution as built by Agilisys with the requirements the Councils originally specified when we entered into our contract with Agilisys.
- 5.6. As part of the Councils' response to the findings of the gap analysis outcomes, an external advisor, Ameo, was appointed following a competitive procurement exercise. The scope of their contract was to provide advice on the following:
- 5.6.1. A review of the specification for the system;
 - 5.6.2. The phasing of the implementation of the programme;
 - 5.6.3. How the programme should be governed and managed;
 - 5.6.4. How the commercial arrangements with Agilisys should be amended; and
 - 5.6.5. What other resources are required to deliver the programme.
- 5.7. This report provides an update to Cabinet regarding the outcomes of this review and the recommendations from Ameo. It also outlines the key changes that need to be made to enable the successful delivery of the programme and hence the recommendations that are being made to the Cabinet.

6. External review outcomes

- 6.1. Ameo have considered different programme options with the objective of delivering a successful solution which can be supported appropriately once the system is implemented. The options considered were:
- 6.1.1. Resolve existing programme issues;
 - 6.1.2. Split delivery from support and hosting;
 - 6.1.3. Split hosting from delivery and support;
 - 6.1.4. Split delivery / hosting / support; and
 - 6.1.5. Move to internal delivery, hosting and support.
- 6.2. Based on the analysis of these options, considering impact on time, cost, risk and ongoing support, Ameo have recommended that the best option is to resolve the existing programme issues and to deliver the remainder of the programme using the Agilisys contract. The confidential Appendix A to this report provides more detail on the options appraisal to support this recommendation.
- 6.3. The programme to date has worked on the basis of a single implementation date with all aspects of the new solution being switched on at the same time, with all use of the existing Oracle system also ceasing at the same time.
- 6.4. As part of the programme review, other options have been considered in relation to phasing, such as going live with the Finance, Procurement, Income and Payments elements of the solution at an earlier date to the HR and Payroll elements. The risks and benefits associated with different approaches to segmenting the implementation have been assessed, and it is Ameo's recommendation that the programme is delivered in phases.
- 6.5. A programme implementation plan and supporting resource plan is being developed by the Councils and Ameo with support from Agilisys, setting out key dates and milestones associated with the revised programme delivery approach.
- 6.6. Appendix C to this report sets out a high level draft programme plan based on programme replanning activity at the time of report. It must be noted that this plan is indicative at the time of report and subject to finalisation, commercial dialogue, and approval by the Councils.
- 6.7. In addition, the commercial position with Agilisys has been reviewed. Based on the required changes the commercial position would need to be renegotiated, and the parameters for this negotiation are set out in Section 7 below.

6.8. Subject to Cabinet approval of the revised programme approach and timeline, the commercial agreement with Agilisys would be finalised, including agreeing the revised contract price and required variations to the contract. Delegated authority to finalise these commercial arrangements is requested.

6.9. Delegated authority is also requested to enable the Executive Director – Place to undertake the required procurement activity to source additional programme management for the duration of the programme. This will ensure this critical element of ongoing programme resource is delivered by the most appropriate organisation and will demonstrate best value to the Councils.

6.10. As part of the programme review, Agilisys have replaced their Programme Director.

6.11. Appendix B to this report sets out the proposed new governance structure for the programme, indicating the flow of information and reporting which will be used to update the Councils' leadership teams, Portfolio Holders, Shared Services Joint Committee, and each Council's Overview & Scrutiny Committee, via the established Joint Scrutiny Working Group.

6.12. A timetable of currently scheduled meetings is shown below:

Body	Cheshire West & Chester	Cheshire East
Corporate Leadership Team	<ul style="list-style-type: none"> Weekly 	<ul style="list-style-type: none"> Weekly
Overview and Scrutiny	<ul style="list-style-type: none"> 14 November 2019 (cancelled due to Purdah protocols) 20 January 2020 3 February 2020 11 March 2020 	<ul style="list-style-type: none"> 31 October 2019 9 January 2020 3 February 2020 2 April 2020
	Cross-Council	
Joint Scrutiny Working Group	<ul style="list-style-type: none"> Forward Plan of meetings to be agreed with group at their scheduled meeting on 22nd November to ensure optimal input at key points of the developing revised project plan. 	
Shared Services Joint Committee	<ul style="list-style-type: none"> 22 November 2019 December briefing 	

	<ul style="list-style-type: none"> • 24 January 2020 • February briefing • 27 March 2020 • April briefing
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- 6.13. It is to be noted that in the lead up to Cabinet meetings, the Cheshire East Corporate Overview and Scrutiny Committee has been briefed on the programme review, and the scheduled briefing for the Cheshire West & Chester Overview and Scrutiny Committee was planned but cancelled due to pre-election Purdah protocols. The Joint Scrutiny Working Group will be asked to provide assurance regarding the delivery of the programme once it has been reset.
- 6.14. A key element of the external support required by the programme is to drive forward overall programme delivery and to ensure all parties are working to a shared and agreed programme plan.
- 6.15. Roles and responsibilities will be redefined, with programme governance and reporting lines re-established to ensure delivery against the agreed programme plan.
- 6.16. It is essential that improved working practices are established and maintained for the remainder of the programme, to reduce the risk that a future agreed go-live date is not achieved. The role of external advisors part of overall programme governance is an important element of this approach.
- 6.17. As part of the cost of completing the implementation of this programme, an estimate of the cost of continuing external advice and support forms part of the estimated costs set out in Section 7 below.
- 6.18. Members of the Shared Services Joint Committee and Corporate Overview and Scrutiny Committee have received reports on progress during this period.
- 6.19. The Corporate Overview and Scrutiny Committee at Cheshire East was provided with a verbal update on the programme and the outcomes of the review on 31st October 2019. Cheshire West and Chester Council's Overview and Scrutiny Committee were scheduled to review the outcomes of the review on 14th November 2019 but this meeting was cancelled as a consequence of Purdah pre-election protocols.
- 6.20. The outcomes of the review and the recommendations to improve the delivery of the programme were reviewed by the Shared Services Joint

Committee on 22nd November 2019. Members of the Joint Scrutiny Task Group were invited to the Shared Services Joint Committee on 22nd November.

- 6.21. The comments from these Committees have been incorporated in to this report.
- 6.22. Cheshire West and Chester Council's Cabinet will be considering the outcome of the review and the same recommendations as outlined above on 27th November 2019. Implementation of the recommendations set out in this report is subject to the approval of the same by Cheshire West and Chester Council.

7. Implications of the Recommendations

7.1. Legal Implications

- 7.1.1. Each Council has signed a contract with Agilisys. Cheshire East Council are responsible for the implementation phase for both Councils.
- 7.1.2. A comprehensive Inter Authority Agreement has been entered into by both Councils, ensuring that the Councils' obligations to the programme are documented, and ensuring Cheshire East Council are in a position to meet their contractual obligations on behalf of both Councils during the implementation phase.
- 7.1.3. Following implementation, each Council's ongoing operational management of the system will be managed through separate contracts with Agilisys.
- 7.1.4. The proposed changes to the programme timeline and associated cost impacts are being addressed in contractual terms by Cheshire East Council and Agilisys through agreed contract mechanisms (following programme approval). These changes will then be reflected in amendments to the Inter Authority Agreement that exists between the two Councils where appropriate.
- 7.1.5. As part of this process the Councils continue to seek ongoing external legal advice from Sharpe Pritchard, who supported the finalisation and award of the Councils' contracts with Agilisys and the Inter Authority Agreement at the conclusion of the procurement process. Proposed changes to the contracts between the Councils and Agilisys, to reflect the new working principles and practices set out in this report, will be subject to appropriate internal and external legal advice and guidance.

7.2. Finance Implications

7.2.1. In July 2017, both Cabinets approved a package of investment and savings for this programme.

7.2.2. The total agreed investment at this time was £11.8m (£5.9m per Council) based on a September 2018 go-live date. The annual net savings were £2.3m, to be phased over 2 years once the system went live. The savings comprised £2.2m for decommissioning legacy systems (mainly Oracle) and £1.2m in business process efficiencies (total £3.4m), offset by £1.1m for running and support costs of the new system.

7.2.3. As at 31 March 2019, actual implementation expenditure to this date was £11.5m. This expenditure comprised:

	£m
Agilisys – purchase of user licences	1.4
Agilisys – implementation	5.0
Council resources – programme management / functional teams	2.9
Council resources – business change	1.0
Council - technical	1.1
Other Council costs	0.1
Total expenditure to March 2019	11.5

7.2.4. As part of the prudent financial management approach taken by both Councils, the increasing costs have been reported to Members through the normal quarterly and outturn reporting cycle and additional funds identified to ensure that actual and potential future costs and available funding remain broadly aligned. As at 31 March 2019, available funding to the programme across both Councils had increased to £15.5m.

7.2.5. Since March 2019, further additional funds have been approved to ensure that actual and potential future costs and available funding remain aligned. There is therefore no further funding requests required to deliver this programme based on the revised forecasts. The table below summarises the total available funding for both Councils.

Available funding by Council	CW&C £000	CE £000	Total £000
Programme costs			
Total projected cost of the project	11,203	11,203	22,406
Less: costs funded to March 2019	5,751	5,751	11,502
Projected costs still to be incurred	5,452	5,452	10,904
Programme funding			
Approved funding available (B4B programme)	5,118	5,130	10,248
Planned funding available (Finance / HRP system development – capital programme)	500	500	1,000
Total Available funding			11,248
Surplus available funding			344

7.2.6. The key principles underpinning the renegotiated commercial arrangement and financial settlement with Agilisys include:

7.2.6.1. Councils take responsibility for the overall delivery of the programme – Agilisys role will be to focus on the technical delivery of the software solution;

7.2.6.2. A payment to be made for ownership of the system built which would only be paid once a mutually agreed and auditable assessment has been undertaken of the product that has been designed and built, including any defects rectification; and

7.2.6.3. Remaining contractual milestone payments under the current contract (which if the solution had gone live in April 2019 would have been fully paid at that time) are replaced with staged payments linked to a clear performance and payment mechanism.

7.2.7. Details of the further projected costs, and draft programme plan, to complete the implementation phase of the programme, and affordable with the budget set out in para 7.2.5, are set out in the confidential appendix C to this report.

7.3. Policy Implications

7.3.1. There are no policy implications arising from the recommendations in this report.

7.4. Equality Implications

- 7.4.1. At the current stage in the programme, an Equalities Impact Assessment (EIA) has been drafted, but further programme activity is required to finalise certain design aspects of the new solution before the EIA can be finalised.

7.5. Human Resources Implications

- 7.5.1. Implementation of the Business World solution will have a significant change impact on the Human Resources processes operated by the Council and its partners. This change impact will be addressed as part of the implementation plan which will be developed following approval to proceed with the revised programme approach as requested in this report.

7.6. Risk Management Implications

- 7.6.1. Programme risks will be identified and reported as necessary to the Programme Board, through agreed programme management mechanisms. The Board will escalate any significant risks to the Executive Steering Committee, as appropriate during the course of the programme.
- 7.6.2. As noted in paragraph 6.2 above, the risks associated with a number of different programme delivery options have been assessed, with the resulting recommendation to resolve existing programme issues and deliver the remainder of the programme using the Agilisys contract. The key risks associated with this approach are:
 - 7.6.2.1. Costs - the final cost position is very dependent on the delivery timescales as a longer implementation drives a higher cost profile. A potential phased delivery approach may mitigate this to some extent. Costs are also dependent on the Agilisys commercial agreement which is yet to be agreed.
 - 7.6.2.2. Change - there is more work to be done to take the organisation on the journey to be ready for go live both from a skills and belief perspective. The programme team has mitigations in place for implementation skills but the change approach will need to be well managed as the system is implemented.

7.6.2.3. Delivery timescales - the solution's technical build position is untested and this drives some risk around delivery timing. To mitigate this, a proposal to split delivery into phases that (on our implementation) minimise the risk to timing and implementation is being considered.

7.6.2.4. Commercial negotiations – there is a risk that the detail of the commercial negotiations cannot be agreed. To mitigate this, appropriate resource including external advice is being obtained.

7.7. Rural Communities Implications

7.7.1. There are no direct implications for rural communities.

7.8. Implications for Children & Young People/Cared for Children

7.8.1. There are no direct implications for children and young people.

7.9. Public Health Implications

7.9.1. There are no direct implications for public health.

7.10. Climate Change Implications

7.10.1. There are no direct implications for climate change.

8. Ward Members Affected

8.1. The implications of the recommendations in this report are borough-wide.

9. Access to Information

9.1. Shared Services Joint Committee report, 2 August 2019.

9.2. Appendix A (Confidential) – Options appraisal

9.3. Appendix B – Proposed governance structure

9.4. Appendix C (Confidential) – Legal and Finance update and outline programme plan

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

Name: Frank Jordan

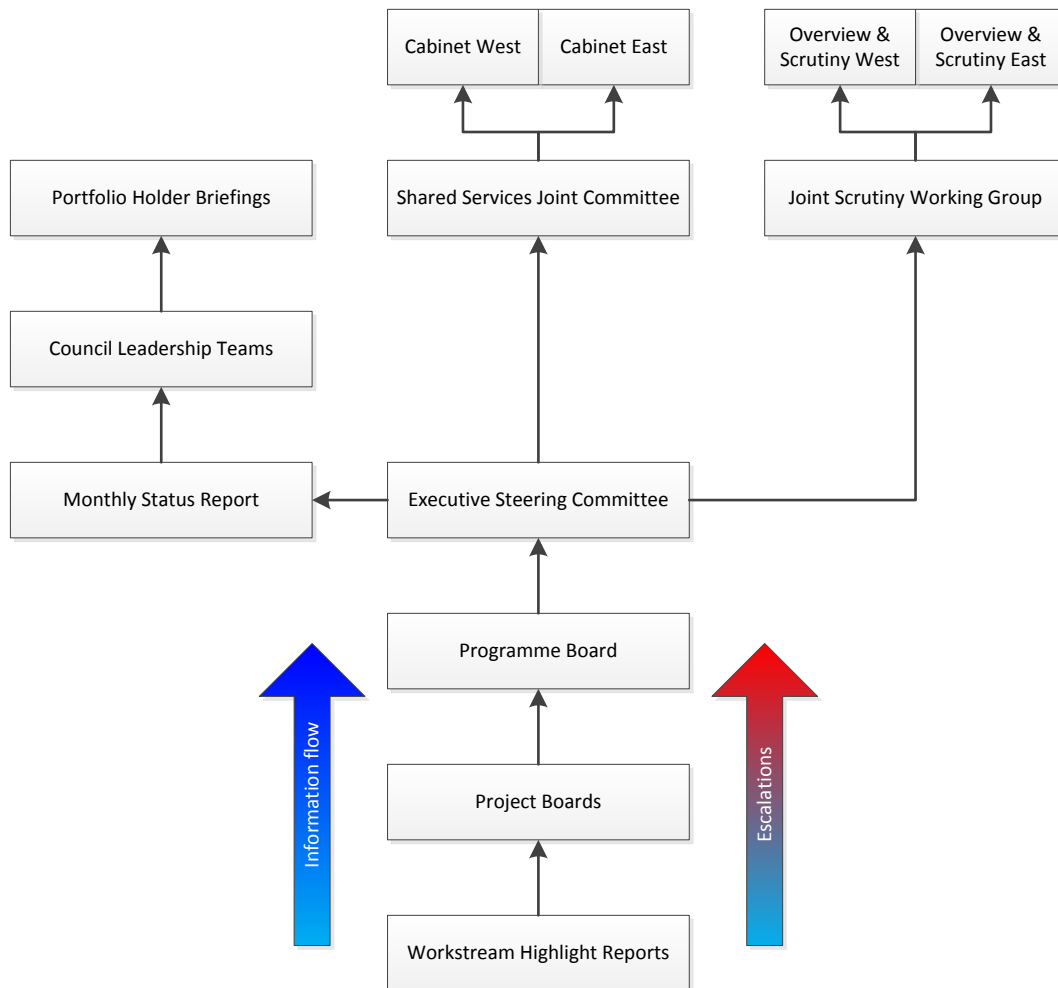
Job Title: Executive Director - Place

Email: Frank.Jordan@cheshireeast.gov.uk

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Appendix B

Proposed Best4Business Governance Structure



A brief overview of the Best4Business-specific governance bodies is provided below:

Body	Role
Workstream / Project Boards	<ul style="list-style-type: none"> • Business change and training • Processes which support the governance framework • Approve the update of programme documentation following decisions • Custodian of business requirements • Drives the vision of simple / standard / shared solution • Propose any recommendations to change the scope of the Best4Business solution, timeline, target milestone dates, or budget • Review business case submissions for enhancements / changes / customisations to the standard Unit 4 Business World solution • Mechanism to receive and propose design and delivery proposals • Escalates decisions to Programme Board where agreement cannot be reached

Body	Role
Programme Board	<ul style="list-style-type: none"> • Makes resources available for the programme • Resolves dependencies with other work, within or outside the programme • Reviews and approves the quality of programme outputs • Reviews progress on a regular basis and resolves issues • Reviews the risk profile of the programme and agrees mitigating actions
Executive Steering Committee	<ul style="list-style-type: none"> • Provides leadership and strategic context to the project • Defines and approves changes to the Project Scope and Vision • Approves project funding • Provides commitment to / endorsement of programme objectives via communications • Advises and supports the Programme Director • Approves completion of the project • Reviews programme progress and issues on a monthly basis
Joint Scrutiny Working Group	<p>The Joint Scrutiny Working Group have been asked to scrutinise:</p> <ul style="list-style-type: none"> • The governance process supporting the approval of the solution design; • The approach to business change and training; and • The outcome of the processes which support the recommendation to go live with the new solution.

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of the Local Government Act 1972.

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