

Cabinet

Agenda

Date: Tuesday, 10th November, 2009
Time: 2.00 pm
Venue: Council Chamber, Municipal Buildings, Earle Street, Crewe
CW1 2BJ

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

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

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda

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

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to the work of the Committee.

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

Where a member of the public wishes to ask a question of a Cabinet Member, three clear working days' notice must be given to the Democratic Services Manager, and the question must be submitted in writing.

4. **Minutes of Previous meeting**

To approve the minutes of the meeting held on 3 November 2009 (minutes to follow).

Please contact: Paul Mountford
Tel: 01270 529749
E-Mail: paul.mountford@cheshireeast.gov.uk

5. **Proposed Off Street Parking Places Order (to introduce Car Parking Control and Charging in the area of the former Borough of Congleton) - Consideration of outcome of statutory consultation periods** (Pages 1 - 28)

To give further consideration to the proposed off-street parking places order in the light of representations made during the consultation process.

6. **Residents' Parking Policy** (Pages 29 - 50)

To consider a proposed Residents' Parking Policy for Cheshire East Borough Council.

7. **Sites Surplus to Children & Families Requirements** (Pages 51 - 54)

To seek the approval of Cabinet to declaring surplus to educational requirements a number of school sites.

8. **Financial Update – Quarter 2 (Mid Year Review)** (Pages 55 - 126)

To advise the Cabinet of the mid-year financial position in 2009-10.

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

The report relating to the remaining item on the agenda has been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matter may be determined with the press and public excluded.

The Committee may decide 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 1 and 2 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

10. **Managing Workforce Change** (Pages 127 - 132)

To consider a report on managing workforce change.

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 10 November 2009

Report of: Strategic Director Places

Subject/Title: Proposed Off Street Parking Places Order (to introduce Car Parking Control and Charging in the area of the former Borough of Congleton) - Consideration of outcome of statutory consultation periods

Portfolio Holder: Councillor David Brickhill

1.0 Report Summary

- 1.1 At its meeting on 8 September 2009, Cabinet resolved, subject to consultation, to approve the following modifications to the proposed off-street parking places order:

(a) to introduce a new tariff of 10p for 2 hours in relation to Parkway and London Road car parks, Holmes Chapel

(b) to remove the proposed free 30 minutes parking in relation to Fairview car park, Alsager

and that, in the event of there being no objections to the modifications that the Borough Solicitor be authorised to make the order as modified (subject to the removal of any legal impediments).

- 1.2 A further consultation period was necessary to gauge reaction to the proposed modifications. This period ended on 22 October 2009 and Cabinet is now asked to consider the representations received during that period.
- 1.3 Further, the decision taken on 8 September has been the subject of criticism on the basis that the Cabinet report was published before the end of the consultation period. Whilst, as confirmed by the Portfolio Holder (Environmental Services) all responses received up to and including 5 September 2009 were assessed, the report provides Cabinet with a further opportunity to consider all the representations made to the proposed off-street parking Order during the original consultation process. The report also highlights other legal issues that Cabinet needs to take into account before a final decision is made, namely, appropriation of land, the s122 duty within the Road Traffic Regulation Act 1984 and the discretion to hold a public inquiry.

2.0 Decision Requested

- 2.1 Cabinet is requested to consider the representations received in relation to the proposed modifications to the Order and resolve whether to approve the amendment of the Order so as to include:
- (a) a tariff for Parkway and London Road car parks, Holmes Chapel of: Monday to Saturday - 8.00 am to 6.00 pm up to 2 hours maximum stay: 10p; Sundays – no charge; and
 - (b) the removal of the provision for a free first thirty minutes parking at Fairview car park, Alsager.
- 2.2 Cabinet is requested to consider whether to approve, subject to relevant consultation, any further modifications to the Order arising as a result of any of the consultation responses received throughout the two consultation periods.
- 2.3 Having taken into consideration all of the legal implications and information within the report, Cabinet is requested to approve the Order on the basis set out within Appendix A, subject to;
- 2.3.1 any modifications approved under 2.1 and, subject to any necessary consultation, any modifications approved under 2.2;
 - 2.3.2 the Borough Solicitor taking such action as he deems necessary to remove any legal impediments affecting the car parks referred to at 9.1 of this Report; and
 - 2.3.3 the Borough Solicitor providing the necessary statutory public notice of the intention to appropriate to car parking purposes the list of car parks within Appendix A insofar as it is land owned by the Council;
- and in the event of there being no objections to any further modifications and no objections received to the public notice regarding the appropriation of the land, to authorise the appropriation of the said land to car parking purposes and to authorise the Borough Solicitor to make the Cheshire East Borough Council (Off Street Parking Places)(Congleton Area) Order 2009 PROVIDED THAT the Order shall not be made in respect of the car park(s) or parts thereof referred to at 9.1 of this Report if the legal impediments affecting the said car park(s) remain unresolved.

3.0 Reasons for Recommendations

- 3.1 The Local Authorities' Traffic Orders (Procedure)(England and Wales) Regulations 1996 provide that before a local authority makes an off-street parking places order it must consider all valid objections received during the consultation period which have not been withdrawn.

4.0 Wards Affected

- 4.1 Alsager
- 4.2 Congleton Rural
- 4.3 Congleton Town East
- 4.4 Congleton Town West

- 4.5 Middlewich
- 4.6 Sandbach
- 4.7 Sandbach East and Rhode

5.0 Local Ward Members

- | | | |
|-----|-------------------------|--|
| 5.1 | Alsager - | Rod Fletcher
Derek Hough
Shirley Jones |
| | Congleton Rural - | Les Gilbert
Andrew Kolker
John Wray |
| | Congleton Town East - | David Brown
Peter Mason
Andrew Thwaite |
| | Congleton Town West - | Gordon Baxendale
Roland Domleo
David Topping |
| | Middlewich - | Paul Edwards
Simon McGrory
Michael Parsons |
| | Sandbach | Stella Furlong
Gillian Merry
Barry Moran |
| | Sandbach East & Rhode - | Elsie Alcock
Rhoda Bailey
Andrew Barratt |

6.0 Policy Implications including - Climate change - Health

- 6.1 In accordance with the Car Parking Strategy the introduction of controls on car parks is intended to encourage people to use more sustainable and healthy forms of travel, minimise vehicle use and help tackle the impact of congestion and vehicle emissions on air quality. Making better use of our available spaces particularly through the designation of long and short stay car parks will help reduce congestion at peak periods in central locations.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 N/A

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 Adoption of the Holmes Chapel tariff reduces forecast annual income from £15000 to £5500.
- 8.2 The financial implications are as set out in the previous report of 8th September 2009.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 Members will be aware of certain matters affecting the two car parks referred to at paragraphs 3.3 and 3.4 of the Part II Report of 16 June 2009 and which the Officers are seeking to resolve. In the event that these matters cannot be resolved to the satisfaction of the Borough Solicitor within an appropriate timescale it may be necessary to implement the order in part. This is permitted by the Regulations made under the Road Traffic Regulation Act 1984 ("the Act") and the recommendation makes provision for the order not to be made in relation to the car park in the event that the impediment affecting that particular car park remains unresolved. In such circumstances, these car park(s) (or part thereof) would be deferred to a later date until the impediments have been resolved. Officers instructions are that the parking strategy objectives are unaffected should it be necessary to do so.

9.2 Appropriation

Before the order is made under Section 32 of the Act, it will be necessary to ensure that the car parks to be the subject of the order have been appropriated to car parking purposes. Given the number of car parks involved and historical records of any previous appropriation not being available, it is necessary for Cabinet to make a decision to appropriate all of the car parks listed in Appendix A to parking.

- 9.3 Appropriation of land to any purpose is governed by Section 122 of the Local Government Act 1972, which authorises councils to appropriate land to any purpose for which they are authorised to acquire land by agreement and which is no longer required for the purpose for which it was used immediately prior to the appropriation.
- 9.4 The council may not appropriate any land consisting of or forming a part of open space without first providing public notice for two consecutive weeks in a local newspaper and thereafter considering any objections received. According to instructions received, some of the car parks to be appropriated have occasionally held events such as festivals and therefore it is possible that the land may be viewed as open space for the purposes of s122 of the 1972 Act. It will be necessary, therefore, to provide public notice of the intention to appropriate. In the event that objections are received in response to the public notice, the matter will be returned to a future meeting of the Cabinet to enable it to consider the objections received. The decision requested, however, does allow for the order to be made without having to return to Cabinet if no objections are received. This does not affect the need to return to Cabinet in the event that

further modifications are made to the order and objections received as a result of those modifications.

9.5 Amendments

Should Cabinet's decision include an amendment to the order as a result of objections received, it may be necessary to reconsult on any such amendment. The Regulations provide that an authority may modify an order before it is made, but where such modification makes a 'substantial change' in the order the authority shall take such steps as appear appropriate for;

- (a) informing persons likely to be affected by the modifications;
- (b) giving those persons an opportunity of making representations;
- (c) ensuring that any such representations are duly considered by the authority.

Thus, any further amendments may require a further period of consultation and thereafter consideration of any further objections received and not withdrawn

9.6 S122 duty

Section 122 of the Act imposes a general duty on the local authority to have regard to certain factors when exercising its functions under the Act. The making of a car parking order is one of the functions under that Act and therefore the authority is required to consider the duty when making its decision. Section 122 states the following;

'It shall be the duty of every local authority upon whom functions are conferred by or under this Act, so to exercise the functions conferred on them by this Act as (so far as practicable having regard to the matters specified in subsection (2) below) to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway or, in Scotland, the road.'

9.7 The matters specified under s122(2) are as follows:

- 'a. the desirability of securing and maintaining reasonable access to premises;*
- b. the effect on the amenities of any locality affected and (without prejudice to the generality of this paragraph) the importance of regulating and restricting the use of roads by heavy commercial vehicles, so as to preserve or improve the amenities of the areas through which the roads run;*
- bb the strategy prepared under section 80 of the Environment Act 1995 (national air quality strategy);*
- c the importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles; and*
- d any other matters appearing to the local authority to be relevant.'*

9.8 There is differing case law on how to interpret section 122 and the courts have acknowledged that it is a difficult section to construe. Some previous decisions of the courts have presumed that the matters specified in s122(2) are subordinate to the main duty in s122(1), whereas other decisions have stated

that the words 'so far as practicable' qualify the main duty in s122(1), thus making the duty qualified rather than absolute. In a sense, the overall objectives must be 'to secure the expeditious, convenient and safe movement of vehicular and other traffic', and 'the provision of suitable and adequate parking facilities on and off the highway', but this is expressed to be 'so far as practicable', having regard to the matters specified in s122(2) of the Act. On a practical level, it requires the decision maker to achieve those twin objectives, so far as practicable, whilst having regard to the matters in s122(2) and then striking a balance between all of the various requirements within the Section.

9.9 Thus, in making a final decision, it is necessary for the Cabinet to consider the s122 duty in relation to the draft order before it. Members will find a full analysis of the s122 duty in relation to the proposed order at Appendix B to this Report.

9.10 Public inquiry

When considering whether to make an order under the Act, Members will be aware of the discretion it has to hold a public inquiry under Regulation 9 of the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. Factors which Members ought to take into account in deciding whether or not an inquiry should be held are;

- the complexity of the proposals;
- the nature of the objections received;
- whether Members are able to take into account competing arguments and weigh them against each other;

9.11 Members' discretion as to whether to hold a public inquiry or not should be exercised according to rules of natural justice, i.e. fairly in all the circumstances. Any decision is not to be based on any self-imposed rule of policy or practice and therefore the decision must be made in relation to the present circumstances. It must not be based upon any previous presence or absence of an inquiry in similar proposals, nor must it be based upon a fear of setting a 'precedent'.

9.12 Making of an order

As soon as practicable after an order is made the authority is required to include a copy of the order within the documents held on deposit at the Council's offices and, within fourteen days of the making of the order publish a 'notice of making'; notify the making of the order to any person who has objected to the order; and take such steps as are considered appropriate to ensure adequate publicity is given to the making of the order.

10.0 Risk Management

10.1 Estimates of income from parking are based on assumptions about occupancy which are taken from experience elsewhere and are subject to variations in customer behaviour.

10.2 Legal risks are set out in section 9 above.

11.0 Background and Options

11.1. At its Meeting of 8 September, Cabinet considered the objections received during the statutory consultation period in relation to the implementation of an off-street parking places order for the Congleton area. The table at Appendix A sets out the original proposals in relation to the car parks to be covered by the Order, including the charging hours, the maximum period of stay and proposed tariffs. Having considered the representations, Cabinet determined to approve the Order subject to consultation on modifications relating to London Road and Parkway car parks in Holmes Chapel and Fairview car park, Alsager.

11.2 That decision to approve the Order, subject to the consultation on the modifications, made by Cabinet on 8th September, has been subject to criticism on the basis that the Cabinet report was published before the end of the consultation period. Whilst, as confirmed by the Portfolio Holder (Environmental Services) during the meeting, responses received up to and including 5th September 2009 were assessed, Cabinet are invited to consider all of the representations made during the original consultation process. All of the consultation responses are available for inspection by Cabinet Members and will be available at the meeting. Appendix C contains a summary of the representations made during the initial consultation period together with the response provided by officers within the 8th September Cabinet report.

11.3 Further analysis of the representations received between the date of publication of the original Cabinet report and the end of the consultation period has been undertaken. The representations made during this period raised issues which were responded to within the 8th September Cabinet report, however, the following points are highlighted for Members' assistance:

11.3.1 information to illustrate how the aims of the parking strategy are to be achieved – further supporting information to address this point is provided within Appendix B

11.3.2 the environmental impact of the proposals –this is dealt with within the Parking Strategy which, in line with national and local transport policy, states that one of the purposes of charging is to discourage unlimited vehicle use in town centres. This point is addressed further within the analysis of the section 122 duty at Appendix B.

11.3.3 permit schemes– in considering this point it may be noted that the Order as drafted makes provision for the issue of permits by the Council. The use of permit schemes will be addressed as a part of the tariff review to be considered by both Environment and Prosperity Scrutiny Committee and the Cabinet.

11.4 Summary of Key Grounds for Objections:

Over 100 separate responses were received in relation to the proposed modifications for Fairview car park, Alsager and London Road and Parkway car parks, Holmes Chapel, the vast majority relating to Fairview car park. The original responses are filed at Westfields and are available for inspection at the

Cabinet meeting). The grounds for comment, which reflect a number of issues similar to those raised within the original consultation exercise, are summarised as follows:

11.4.1 Economic Impact

Objectors felt that parking charges will have an adverse impact on town centre businesses by discouraging customers.

Response:

This was a concern that was identified by the report to Cabinet on 8th September and of which Members are aware. In response to the recent objections the following points are relevant. Effective control through charging will encourage the circulation and turnover of customers on short-stay 'shoppers' car parks and restrict long stay parking in the central locations. There is no clear evidence that the imposition of appropriate charges is the key factor in a customer's decision as to whether to visit a town. It is the retail offer itself which is the main determinant of a destination as well as other factors such as accessibility, convenience and security.

11.4.2 Alternative Tariffs

Specific objections are;

- If charges are to be applied, then Saturday and Sunday should be made totally free to compensate
- There should be a lower, initial tariff of 20p for the first hour as many people do not require 2 hours' parking.
- Replace the proposal with a small annual charge for regular users
- Objection to any charge in principle
- The small charge in Holmes Chapel will be insufficient to cover costs

Response:

Similar representations were considered by Cabinet on 8th September 2009 as a number of alternative tariff options have been put forward during both consultation exercises. Cabinet are aware that a complete review of the existing Tariff Bands will be undertaken this year under the auspices of the Environment & Scrutiny Committee in order to produce a borough-wide approach reflecting local pressures and needs in accordance with the agreed Car Parking Strategy.

In addition, the proposed Order does not seek to introduce charges on a Sunday. Permits will also be available for regular users.

11.4.3 Permits

Objectors raised concerns over the cost, coverage and flexibility of any permit scheme especially for Alsager Highfields CP School and the opportunities for abuse that are inherent in such schemes. A suggestion to use 'Disc Parking' was put forward for ease of customer use. Concerns were also raised about the anticipated 'free period' of 20 minutes for parents available through the issuing of permits.

Response:

Parking Services will process all applications, produce permits and administer the scheme at no cost to the school based on the information provided to them. Such passes or permits will be non-transferable. The use of the disc scheme for this specific car park and other areas will be considered as part of the tariff review mentioned above. Permit Schemes are already successfully in place in the former borough areas of Macclesfield and Crewe & Nantwich and we will extend this practice to the former Congleton Borough Council area.

The Car park Order does not specify the period for the school permit scheme. The 20 minute 'window' was based on the original request from the School in a letter dated 9th June 2009. However, subject to the Order being approved by Cabinet, Officers will then agree the full operational details of any permit scheme with the School in order that the requirements of parents can be taken into account.

11.4.4 Original 'first half-hour free' proposal

The change from the above proposal to the introduction of a school-user permit scheme is seen as detrimental to all other users

Response:

This proposal was originally considered by Cabinet as a direct result of representations from the Alsager Highfield School. Members have now proposed an alternative permit scheme to address this need.

11.4.5 Residents Parking Schemes

A number of responses to the Order asked that Residents' Parking Schemes should be introduced before the introduction of controls on car parks to avoid displacement problems due to imposition of charges. Also, there may be safety risks associated with any displacement.

Response:

Similar objections were previously considered by Cabinet on 8th September 2009. A Cheshire East Residents' Parking Policy is now being considered by Cabinet for adoption as part of the Council's overall framework for the effective management of both on and off-street parking across the borough. It is very difficult to accurately predict the level or impact of any displacement of vehicles resulting from introduction of charging. There is a risk of introducing residents' schemes at considerable cost where they are not actually needed or helpful. It is the responsibility of all drivers to park safely in accordance with existing regulations. The Council hopes to be granted on-street enforcement powers by the DfT early in 2010 and this will enable Civil Enforcement Officers to ensure people do park safely.

11.4.6 Use by Community Groups

Objectors were concerned about the impact on community groups such as the University of the Third Age (U3A).

Response:

Cabinet considered similar representations at their previous meeting on 8th September 2009. The response is that the position is similar for other facilities around the Borough, including hospitals, which are already served by charged for car parks. Charging control assists with the availability of spaces and the current proposal uses a low tariff option to minimise the impact on such users

11.4.7 Future Developments

Objectors again referred to 'imminent' development on car park sites which will affect any decision to charge for parking

Response:

The imposition of control through charging will assist with the management of our parking assets during major developments. Any loss of space due to development will be the subject of review and negotiation during the development proposal and planning application phases.

11.4.8 Strategic Considerations (including fit with overall strategy and environmental issues)

Objectors felt the introduction of charges did not align with the Car Parking Strategy objectives as set out and would negatively impact on the environment.

Response:

Cabinet considered the strategic 'fit' of the proposals at their meeting on 8th September 2009. Charging at point of use is in line with the Council's Parking Strategy and the Local Transport Plan as it is recognised as the most effective means of managing supply, accessibility and behaviour in support of a town's broader objectives. The impact on climate change and air quality is considerable given the issues surrounding traffic congestion. A key objective of the strategy is to encourage the use of more sustainable and healthy forms of travel.

11.5 Public Inquiry

In respect of whether a public inquiry should be held, the proposals are not considered to be complex and whilst a large volume of objections has been received during both consultation periods, they have been grouped according to their similar nature, so that Members are fully able to take into account of the competing arguments and weigh them against each other in order to reach a decision.

12.0 Overview of Year One and Term One Issues

N/A

13.0 Access to Information

Background Documents:

Consultation Files: containing all responses received during both statutory consultation periods.

Lodged at Westfields, in Members Room and available at Cabinet Meetings 8th September 2009 and 10th November 2009

Public Documents available at Westfields and on the Cheshire East Website.

Cabinet Report of June 16 2009 (Part I available to the public; Part II is confidential)

Environment and Scrutiny Committee Report of July 8th 2009

Cabinet Report of July 14th 2009

Cabinet Report of 8th September 2009

Enclosures: Appendix A – Schedule to Proposed Off Street Parking Places Order

Appendix B – Analysis of Section 122 Road Traffic Regulation Act 1984

Appendix C – Summary of original representations and responses

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

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APPENDIX A

SANDBACH

Name of Parking Place	Classes of Vehicle	Days and hours of operation of Parking Place	Charging hours	Maximum period Vehicle may wait within Charging Hours	Tariff	
Little Common	(i) motor cars within the provisions of section 136(2) of the Act (ii) motor cycles as defined in section 136(4) of the Act (iii) motor vehicles constructed or adapted for the conveyance of goods or burden the unladen weight of which does not exceed 3500 kilograms (iv) invalid carriages as defined in section 136(5) of the Act	All days All hours	Monday to Saturday 8.00am to 6.00pm	3 hours	0 – 1 hour 1 – 2 hours 2 – 3 hours	£0.30 £0.50 £1.00
Hawk Street	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Well Bank	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Crown Bank	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours	£0.50 £1.00

					4 – 10 hours	£1.50
Brookhouse Road	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Chapel Street	As above	All days All hours	Not applicable	Not applicable	Not applicable	
Westfields	As above	All days All hours	Not applicable	Not applicable	Not applicable	

CONGLETON

Name of Parking Place	Classes of Vehicle	Days and hours of operation of Parking Place	Charging hours	Maximum period Vehicle may wait within Charging Hours	Tariff	
Antrobus Street	(i) motor cars within the provisions of section 136(2) of the Act (ii) motor cycles as defined in section 136(4) of the Act (iii) motor vehicles constructed or adapted for the conveyance of goods or burden the unladen weight of which does not exceed 3500 kilograms (iv) invalid carriages as defined in section 136(5) of the Act	All days All hours	Monday to Saturday 8.00am to 6.00pm	3 hours	0 – 1 hour 1 – 2 hours 2 – 3 hours	£0.30 £0.50 £1.00
Princess Street	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	3 hours	0 – 1 hour 1 – 2 hours 2 – 3 hours	£0.30 £0.50 £1.00
Fairground	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	3 hours	0 – 1 hour 1 – 2 hours 2 – 3 hours	£0.30 £0.50 £1.00
Roe Street	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	3 hours	0 – 1 hour 1 – 2 hours 2 – 3 hours	£0.30 £0.50 £1.00

Back Park Street	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Chapel Street	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Ropewalk	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
West Street	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Park Street	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Blake Street/Edgerton Street	As above	All days All hours	Not applicable	Not applicable	Not applicable	
Rood Hill	As above	All days All hours	Not applicable	Not applicable	Not applicable	
Royle Street	As above	All days All hours	Not applicable	Not applicable	Not applicable	
Thomas Street	As above	All days All hours	Not applicable	Not applicable	Not applicable	

ALSAGER

Name of Parking Place	Classes of Vehicle	Days and hours of operation of Parking Place	Charging hours	Maximum period Vehicle may wait within Charging Hours	Tariff	
Fairview	(i) motor cars within the provisions of section 136(2) of the Act (ii) motor cycles as defined in section 136(4) of the Act (iii) motor vehicles constructed or adapted for the conveyance of goods or burden the unladen weight of which does not exceed 3500 kilograms (iv) invalid carriages as defined in section 136(5) of the Act	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 30 minutes 30 minutes – 2 hours 2 – 4 hours 4 – 10 hours	Free £0.50 £1.00 £1.50
Fanny's Croft	As above	All days All hours	Not applicable	Not applicable	Not applicable	
Station Road	As above	All days All hours	Not applicable	Not applicable	Not applicable	
Well Lane	As above	All days All hours	Not applicable	Not applicable	Not applicable	

MIDDLEWICH

Name of Parking Place	Classes of Vehicle	Days and hours of operation of Parking Place	Charging hours	Maximum period Vehicle may wait within Charging Hours	Tariff	
Seabank	(i) motor cars within the provisions of section 136(2) of the Act (ii) motor cycles as defined in section 136(4) of the Act (iii) motor vehicles constructed or adapted for the conveyance of goods or burden the unladen weight of which does not exceed 3500 kilograms (iv) invalid carriages as defined in section 136(5) of the Act	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Civic Way	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
Southway	As above	All days All hours	Not applicable	Not applicable	Not applicable	

HOLMES CHAPEL

Name of Parking Place	Classes of Vehicle	Days and hours of operation of Parking Place	Charging hours	Maximum period Vehicle may wait within Charging Hours	Tariff	
Parkway	(i) motor cars within the provisions of section 136(2) of the Act (ii) motor cycles as defined in section 136(4) of the Act (iii) motor vehicles constructed or adapted for the conveyance of goods or burden the unladen weight of which does not exceed 3500 kilograms (iv) invalid carriages as defined in section 136(5) of the Act	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50
London Road	As above	All days All hours	Monday to Saturday 8.00am to 6.00pm	10 hours	0 – 2 hours 2 – 4 hours 4 – 10 hours	£0.50 £1.00 £1.50

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APPENDIX B

SECTION 122 ROAD TRAFFIC REGULATION ACT 1984

1. Members' attention is drawn to the Legal Implications section of this Report in which Section 122 of the Road Traffic Regulation Act 1984 ("the Act") is outlined in detail. This Appendix contains an analysis of the proposed order in light of the Section 122 duty.
2. Insofar as the introduction of off-street car park controls can achieve the '*expeditious, convenient and safe movement of vehicular and other traffic*', the Cheshire East Council's Parking Strategy, upon which the introduction of car parking control is based, states as its objective

'To be consistent with and contribute to the overall aims of the National and Regional transport strategies which seek [inter alia];

- *to achieve a greater reduction in overall traffic*
- *to achieve a greater use of the more sustainable and healthy forms of travel*
- *to achieve a more effective and efficient transport system*

Thus, these overall aims are consistent with achieving the 'expeditious, convenient and safe movement of vehicular and other traffic'.

3. The introduction of control and the provision of long stay and short stay parking places ensure people wishing to park have options available to them, generally with short stay places being located in town centre car parks and long stay places being located in peripheral car parks. It is believed that short stay visitors are less likely to travel in peak periods, which reduces congestion in and around town centres.
4. By controlling the length of stay on the car parks, the likelihood of a customer finding a parking bay within a reasonable time is increased. It is expected that availability of spaces will reduce congestion and vehicle movements by reducing the number of vehicles having to queue or repeatedly exit/enter car parks having not found a space. Further, it reduces vehicles circulating local areas in search of parking places, all of which seeks to achieve the expeditious, convenient and safe movement of traffic.
5. The proposals achieve the '*provision of suitable and adequate parking facilities on and off the highway*' in respect of off street parking facilities by the imposition of control which as stated above results in more availability of parking spaces through increased turnover, effectively increasing parking stock in real terms. The use of the parking spaces should become more efficient as people will not leave vehicles for a longer period than they need to. The appropriate designation of car parks as long or short stay seeks to achieve the provision of '*suitable parking*', in that, the car parks closer to town centres are designated as short stay sites and those on the periphery are designated as long stay. With this duty in mind, the designation of certain car parks has changed during the development of the proposal.

6. It has been stated in objections received during the consultation process that as the proposals do not concern on street parking, it will result in increased on-street parking. It is difficult to accurately predict the level or impact of any displacement of vehicles as a result of the introduction of charging, however, potentially, it is a negative consequence of the proposals and may in itself comprise the issues under s122(2) i.e. access to premises, passage of public service vehicles and movement of traffic. Whilst the s122 duty includes on street parking too, Members have already agreed to introduce civil enforcement powers in the Congleton area and an application to DfT is pending approval. When those civil powers are introduced, it will provide the Council with a system of regulation for on-street parking, as it transfers the power to enforce from the police to the Council. Given the nature and timetabling of the on-street civil enforcement powers it is not appropriate to include it in these off-street proposals. Further, it is the aim of the Director to look at a residents' parking scheme, provided the funding is available, and a separate report on this is being presented to Members. Such a scheme will, in conjunction with the introduction of civil enforcement powers, provide regulation of any displaced parking which may result from the present proposals

7. In respect of the matters in section 122(2) of the Act, to which the Cabinet must have regard to;

a) *the desirability of securing and maintaining reasonable access to premises;*

The proposals assist such a matter in that the increase in the availability of parking spaces increases access to premises. Conversely, the proposals do not negatively affect any access to premises, in the sense of preventing or making access more difficult.

b) *the effect on the amenities of any locality affected and (without prejudice to the generality of this paragraph) the importance of regulating and restricting the use of roads by heavy commercial vehicles, so as to preserve or improve the amenities of the areas through which the roads run....*

The effect on the amenities are both positive and negative. The positive effect on the amenities of the localities affected is the availability of space. Some objections received during the previous consultation process stated that the imposition of charging will have a negative effect on businesses and community facilities by discouraging customers/visitors and further it will penalise the staff or voluntary workers. It was stated in paragraph 8.1.1 of the report to the Cabinet Meeting on 8 September in response to that objection,

'Effective control through charging will encourage the circulation and turnover of customers on short-stay 'shoppers'

car parks and restrict long stay parking in the central locations. There is no clear evidence that the imposition of appropriate charges is the key factor in a customer's decision as to whether to visit a town. It is the retail offer itself which is the main determinant of a destination as well as other factors such as accessibility, convenience and security. Charging can provide the incentive to town centre workers to explore alternative means of travel to work. Equally, charging should encourage employers to assist their colleagues in doing so.'

In relation to community facilities, a negative effect as suggested in one of the objections in that such facilities rely upon free parking. It also stated it is unfair that people should be charged to visit medical centres or surgeries. In response, it was stated at paragraph 8.2.2 of the 8 September report...

'This position is similar for other facilities around the Borough, including hospitals, which are already served by charged for car parks. Charging control assists with the availability of spaces and the current proposal uses a low tariff option to minimise the impact on such users.'

The matter of the 'effect on the amenities' also requires consideration of the effect on schools. Some objections received stated the proposal unfairly affects the schools in Alsager and Middlewich as parents have no option other than to use the car parks when dropping children off for school. At its meeting on 8 September, the Cabinet had regard to the effect on such amenities and the difficulty facing the parents and proposed that the implementation of a permit system be investigated with the schools concerned.

Generally, whilst some of the effects on local amenities can be negative, that is, having to pay to park near to local facilities and the objectors view that this will discourage use, the effect can be positive as the increase in availability of parking space means customers or visitors can find a parking space when visiting those local businesses or community facilities, which would encourage visitors. The proposed tariff is the lowest across Cheshire East and such a low tariff minimises the financial impact on those groups such as the elderly or those on a low income.

In respect of the need to have regard to heavy commercial vehicles, this matter is really aimed at considering whether it is important to regulate or prevent heavy goods vehicles from travelling through areas in order to preserve or improve the amenities of the area through which a road runs. It is difficult to assess an off-street parking places order in the light of this matter, other than to state that as the draft order will prevent any vehicle over 3500kg unladen from parking on the car parks

within the order, such vehicles will have to park elsewhere and this may be on the highway. Conversely, in respect of the first matter, i.e. *'the effect on the amenities of any locality affected'*, removal from car parks of such vehicles can have a positive effect on the amenities of the affected localities in that visually, areas are improved and are more attractive and desirable to visitors and local residents.

(bb) *the strategy prepared under section 80 of the Environment Act 1995 (national air quality strategy);*

The introduction of car parking control leads to increased likelihood of finding a parking space, thus reducing queuing or circulating vehicles and engine running time.

As short stay users are less likely to travel in peak periods, the appropriate designation of short stay and long stay car parks can have the effect of reducing peak time congestion.

This reduction in engine running time and congestion helps to reduce air pollutant emissions which is an objective of the 'Air Quality Strategy for England, Scotland, Wales and Northern Ireland 2007'

Further, the proposals may encourage the use of public transport and/or sharing of journeys to work, thus encouraging sustainable forms of travel, another key aim of the Strategy.

c) *the importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles;*

Although, as stated above, the proposals may encourage the use of public service vehicles, the proposals are not expected to have any effect upon the passage of such vehicles.

d) *any other matter appearing to the local authority*

There are no other matters appearing to the Officers.

8. Members will be aware that some of the obligations can be competing, however, it is a question of balance and in deciding whether to proceed with the proposed order Members must consider and balance these differing factors. The duty remains regardless of whether any objections have been received. Members need to consider, therefore, whether the Council should proceed with the order given the varying matters to which it is to have regard in section 122(2) as detailed above.

APPENDIX C

RESPONSES TO INITIAL CONSULTATION

Summary of Key Grounds for Objections

A large number of objections focussed on the following key themes which are summarised as follows:

1. Economic Impact

1.1 Objectors felt that parking charges will have an adverse impact on town centre businesses by discouraging customers who may choose to go to other town centres, superstores and retail parks where parking is free. The current recession may accelerate this. In addition, charges penalise low paid or voluntary staff who have to drive to work and for whom employers have no private parking. If businesses lose staff due to parking charges there will be knock-on effects on other businesses which rely on their expenditure in the town. Charging should at least be deferred until the recession is coming to an end.

Response: Effective control through charging will encourage the circulation and turnover of customers on short-stay 'shoppers' car parks and restrict long stay parking in the central locations. There is no clear evidence that the imposition of appropriate charges is the key factor in a customer's decision as to whether to visit a town. It is the retail offer itself which is the main determinant of a destination as well as other factors such as accessibility, convenience and security. Charging can provide the incentive to town centre workers to explore alternative means of travel to work. Equally, charging should encourage employers to assist their colleagues in doing so.

1.2 Congleton residents and Town Council raised the need for out of town "park and ride" car parks to improve long stay capacity and offer alternatives to charges.

Response: this can be considered subject to land availability but this is not a reason to delay the introduction of charges now in order to achieve a measure of control as well as contributing to the financing of such a facility.

2. Impact on Community Groups

2.1 Objectors considered that charges unfairly affect the elderly and less able to pay in some locations. Groups such as University of the Third Age (U3A), set up to encourage older people to be active, fear loss of membership and attendance due to parking charges. Community facilities such as churches and community halls, which rely on free use of the car park by their customers, will suffer reduced usage and therefore income. In many instances the car parks are regarded locally as "community assets" which help to promote thriving community and cultural life in the centres.

2.2 Similarly, several car parks serve medical centres or surgeries and objectors feel it unfair to charge visitors to these facilities.

Response: this position is similar for other facilities around the Borough, including hospitals, which are already served by charged for car parks. Charging control assists with

the availability of spaces and the current proposal uses a low tariff option to minimise the impact on such users.

2.3 Parents visiting schools in both Middlewich and Alsager have no choice but to use the car parks especially for safety reasons and so are unfairly affected by charges.

Response: The proposed Order includes a first half hour free on Alsager car park. However this will be extremely difficult and costly to implement. Instead, parents visiting schools or playgroups (Alsager and Middlewich) could be issued with a **parking permit or pass**, specific to the times and days required, which would then only require normal regular levels of patrol to enforce. As this might involve considerable administration, the school could be asked to administer it themselves (ie collect vehicle details, issue and update permits, maintain records and so on).

3.Tariffs

3.1 Sandbach Town Council suggested that the charges, if introduced, should be at a lower rate of 20p for 1 hour for short-stay but to double the proposed long-stay rates to address the need for control and separation of long stay parkers and encourage shoppers.

Response: it is difficult to justify this cheaper rate solely for Sandbach. If this were agreed it would require a review of all the rates in the Borough. This review is to be undertaken as part of the Budget setting process for 2010/11 anyway and the proposed rate in the Order of 30p is already the lowest across Cheshire East Borough.

3.2 Objectors in the smaller centres claim that charges should not be imposed because there is no availability or control issues in these locations and that again, a much lower rate should be considered. Charging in small towns and villages will not be cost –effective in that occupancy will be insufficient to cover operating costs.

Response: Charging is to be introduced consistent with Cheshire East's policy of charging for parking at point of use. Control of long and short stay is most effectively achieved through charging. Financial modeling of these car parks suggest this will be cost effective.

3.3 Others request a "first hour free" tariff to aid local businesses who wish to encourage "top up shoppers" staying for short periods.

Response: This was previously considered by Cabinet following the call-in and is extremely difficult to put into effect without large capital investment in new technology or virtually full time patrol presence.

3.4 Some car parks were considered to be wrongly designated: in Congleton, Chapel St should be long stay, with Fairground and Roe Street both needing to be short stay. (In fact these changes were accommodated in the final, advertised proposal). In Holmes Chapel some felt that to control long stay parkers, the car parks needed to be restricted to a maximum of 4 hours.

Response: restricting long stay is a valid alternative; however with limited space in the village it is felt better to allow long stay albeit with a charge.

4. Alternative Control

4.1 Several of the Town and Village Councils were interested in the idea that Cheshire East Borough Council should hand over control of the car parks to them in return for a sum to cover Cheshire East's fixed costs. This approach could be applied to all, or some of the towns concerned. To allow necessary negotiation and legal work, Cheshire East would be asked to defer the introduction of charging pending any agreement.

Response: this solution would fragment traffic and parking control across the Borough, against the aims of the Local Transport Plan and sets a precedent for a piecemeal, ad-hoc approach to the devolution of local powers. Further, it is not yet clear what residual costs or liabilities would lie with Cheshire East and any agreement would need to be in the form of a contract with specific terms and conditions. This suggestion could be considered in the future as part of the Council's overall approach to the *localism* agenda.

5. Legal Impediments

5.1 Several objectors cited legal reasons why charges could not be introduced including the existence of Common rights (in Middlewich and Alsager).

5.2 The issue of Scotch Common has also been given as a reason not to introduce charges in Sandbach at all until it is resolved.

Response: No evidence has been found of other legal impediments affecting the two Middlewich car parks proposed for charging. All other legal issues affecting car parks are dealt with in the Part II report referred to in the original Cabinet Report of 16th June.

6. Strategic Considerations

6.1 Charges should not be imposed without full reviews of parking and traffic control. Off Street charging will otherwise lead to increased on-street parking and therefore lead to worsening traffic control, safety and access problems.

6.2 Charges should not therefore be decided upon unless and until sustainable public transport alternatives are made adequate and cost-effective.

6.3 Income from charges, if introduced, should be ringfenced for improvements to local infrastructure and environment.

6.4 It was also felt that charges should only be imposed in tandem with on-street enforcement powers being granted to Cheshire East BC.

Response: Charging at point of use is in line with the Council's Parking Strategy and the Local Transport Plan as it is recognised as the most effective means of managing supply, accessibility and behaviour in support of a town's broader objectives. Income from charging is first applied to the costs of the service including ongoing improvements to parking facilities. Any surpluses accrue to the Council's General Fund for other services which include the development of sustainable public transport.

7. Residents' Parking

7.1 A number of responses to the Order stated that Residents' Permit Schemes should be introduced alongside the introduction of controls on car parks to avoid displacement problems due to imposition of charges. Introduction of charges should then be deferred until a Residents' Parking Scheme for town centre residents can be rolled out.

Response: It is very difficult to accurately predict the level or impact of any displacement of vehicles resulting from introduction of charging. There is a risk of introducing residents' schemes at considerable cost where they are not actually needed or helpful, whilst delaying the introduction of control and charging. It is usually more effective to react to observed difficulties and tailor scheme solutions to fit the local problem after charging has been introduced. Whilst a Residents' Parking Policy is to be imminently discussed at Scrutiny Committee and shortly submitted to this Cabinet, a simultaneous introduction in every town and projected location is virtually impossible given that the design of a scheme and proper consultation with residents can take up to six months. Residents' Parking Schemes are currently being piloted in the former Macclesfield Borough Council area.

8. Parking for Festivals and Events

8.1 Several car parks are used periodically by local groups for events and for annual fairs and festivals.

Response: these can be accommodated by existing car parking management policy either through dispensations or temporary closures. The events organisers will not be charged for this.

9. Other Free Car Parks

9.1 Objectors have referred to other towns and villages in Cheshire East where parking is uncharged. In addition, they refer to Council staff and members who receive free parking and claim this is unfair.

Response: All Cheshire East Council operated car parks are to be reviewed and considered for charging using the criteria established in the Parking Strategy. Staff and member parking is also under review and charges do apply in the former Macclesfield and Crewe & Nantwich Borough Council areas.

10. Development and Planning Applications Pending

10.1 Objectors refer to 'imminent' developments which could affect a decision to charge for parking in that this will act against the development aims of the town centre. In Alsager reference is made by the Town Council to the overall plan for the town contained in the Supplementary Planning Document (SPD) which sets the scene for town centre regeneration to encourage shoppers and visitors.

Response: the imposition of control through charging will assist with the circulation of users and management of our parking assets during major developments. Any loss of space due to development will be the subject of review and negotiation during the development proposal and planning application phases.

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 10 November 2009
Report of: Strategic Director Places
Subject/Title: Residents' Parking Policy
Portfolio Holder: Councillor David Brickhill

1.0 Report Summary

- 1.1 This report presents the proposed Residents' Parking Policy for Cheshire East Borough Council.

2.0 Decision Requested

- 2.1 To adopt the Residents' Parking Policy and Guidelines (Appendix 1).

3.0 Reasons for Recommendations

- 3.1 In accordance with Cheshire East's Parking Strategy agreed by Cabinet on 21st April 2009, this policy now seeks to address the parking needs of residents in areas which are affected by non-residential parking or other parking restrictions.
- 3.2 Residents' Parking Schemes form part of the holistic approach to parking management in our towns and villages and a robust policy will ensure the Authority is able to implement schemes fairly across the Borough.

4.0 Wards Affected

- 4.1 All.

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including - Climate change - Health

- 6.1 Residents' Parking Schemes seek to prioritise the parking needs of residents in areas which are affected by non-residential parking. This will reduce congestion in these areas by managing traffic flow and access needs. Reduced vehicle emissions will help improve air quality in residential streets.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

7.1 N/A

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

8.1 A capital programme bid for £480,000 over 3 years from 2010/11 has been submitted to support the implementation of schemes across the Borough. This has been profiled £285,000:2010/11, £105,000:2011/12 and £90,000:2012/13 to reflect the fact that there is already significant 'unmet' demand for these schemes in areas where charging and control of both on- and off-street parking is been in place.

8.2 It is intended that schemes will be self-funding from an annual charge. For the purposes of the current pilot schemes a figure of £50 has been used for participating residents (Chester has a well-developed Residents' Parking Scheme and charges £60 per annum for a permit) This is a typical annual charge for these schemes and is set to cover the costs of the repayment of the initial capital investment and ongoing management and enforcement.

8.3 Suggested charges for all types of permit are set out in Section 8 of the attached guidelines. It is intended to explore a range of charging options for future schemes based on national best practice.

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 The introduction of a residents parking scheme is achieved by the making of a traffic regulation order under the Road Traffic Regulation Act 1984 and in accordance with the procedure laid down in The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.

10.0 Risk Management

10.1 The principal risk to the Authority will be the effect on the Council's reputation of not implementing schemes in a fair and transparent way and failing to deliver on the Car Parking Strategy policy framework.

11.0 Background and Options

11.1 The proposed policy follows well established national principles for Residents Parking Schemes and has been developed locally through the existing pilot schemes currently being implemented in Wilmslow and Macclesfield. The Environment and Prosperity Scrutiny Committee have already reviewed and amended the Policy at their meeting on 23rd Sept 2009.

11.2 Their recommendations have been included in the final version for Cabinet's consideration. However, the Committee asked that Cabinet specifically comment on Section 10 (4th bullet point) of the Policy. This point seeks to

differentiate between the causes of residential parking problems and recognise that it is difficult to operate a scheme which in effect asks the Council to make choices as to which residents may or may not park in a street or zone. Schemes are best suited to streets where non-resident parking has created difficulties for residents.

- 11.3 The Policy provides suitable, well-established guidelines and criteria for evaluating and prioritising schemes. This is essential as a large number of applications are expected and officers need to be able to demonstrate that a fair and robust method has been used to select and prioritise those that may go forward to implementation.
- 11.3 The Policy emphasises the importance of full consultation with residents, local businesses, Town or Parish Councils, Emergency Services and the involvement of Ward Councillors before any scheme is implemented.
- 11.4 During the recent statutory consultation process and the public meetings for the introduction of charging and control in the former Congleton Borough Council area, Residents' Parking Schemes were highlighted by local people as being of vital importance to both deal with their existing problems of *non-residents* on-street parking and any potential displacement from the existing car parks into residential areas.

12.0 Overview of Year One and Term One Issues

N/A

13.0 Access to Information

Enclosures:

APPENDIX 1: Cheshire East Borough Council Residents' Parking Policy

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

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CHESHIRE EAST BOROUGH COUNCIL RESIDENTS' PARKING POLICY

INTRODUCTION

- 1 Although there is no inherent legal right for any vehicle owner to park on the public highway, residents' parking schemes are often introduced to assist those living in an area and to make town centres and fringe areas more attractive places, where it is not reasonable to manage parking problems through conventional parking restrictions.
- 2 The broader issues of parking on the highway should be noted. Parking on the highway (notwithstanding its designation as being for the passage and re-passage for legitimate travel) is accepted where there are no safety or highway management reasons why it should not be permitted. On other parts of the network, parking restrictions are provided under the formal, statutory process of Traffic Regulation Orders, they are approved by Members after consultation and consideration of any public objections. The restrictions can take different forms:-
 - double yellow lines - parking is banned, principally for highway safety needs, although there may be specific exceptions for loading;
 - single yellow lines - parking is banned at specified times (usually associated with highway operational needs); and
 - designated parking areas, identified where vehicles can be left and under what conditions (eg time-limited and/or pay on street parking). This ration on-street parking where the demand exceeds the supply. It can cover residential permit parking where residents' parking on the public highway is prioritised over other highway users.
- 3 This policy proposal sets out principles that can underpin Residents' Parking schemes. However, the issue as a whole can be very complex, with many individual circumstances that can be difficult to address within a prescriptive policy and a degree of interpretation for specific schemes is desirable. Whilst this policy sets a framework, additional supporting guidance that addresses details that do not sit comfortably in a policy document are provided in Appendix A – Guidance on the Introduction of Residents' Parking Schemes. This Guidance document will undoubtedly evolve as experience is gained as schemes are introduced.

ADVANTAGES AND DISADVANTAGES OF RESIDENTS' PARKING CONTROLS

- 4 Whilst there are immediate and obvious attractions of implementing residents' parking schemes there are both advantages and disadvantages:-

Advantages

- Discourage commuter/shopper parking in residential streets
- Enhanced environment in residential areas
- Residents find their on-street parking is easier and more convenient
- May provide improved parking and traffic management
- Can produce road safety benefits

Disadvantages

- Possible knock-on effect of re-located commuter / shopper parking
- Costs of introduction and management and payment for permits
- Permits do not guarantee a parking space
- May only help manage an under-supply of spaces not solve problems
- Can lead to inefficient use of on-street parking space
- Reduce levels of on-street parking, with problems for visitors and businesses

TYPES OF PARKING PERMIT SCHEME

- 5 There may be considered, to be broadly three types of location where residents' parking schemes would be appropriate:

Demand for Parking Exceeds Supply – Exclusive Permit Schemes

- 6 This is the most traditional and common form of scheme, where a street or area is divided into prohibited and permitted parking areas. In order to park in a permitted area, a vehicle would be required to display a valid permit. The permit categories may vary; usually residents, visitors, health care workers serving residents and other users the authority may see fit. The system provides optimum benefit to residents but low levels of residents' parking can lead to an inefficient use of on-street parking in situations where the overall parking supply is limited.
- 7 In areas where the demand for on-street spaces from residents alone exceeds the supply, the management and allocation of permits can be problematic; this is particularly the case where the scheme results in the kerbside space being reduced through formalisation of properly permitted parking – eg clearing parking at junctions.

On-Street Parking Control with Relaxation for Residents – Shared Spaces

- 8 This type of scheme is commonly referred to as 'shared space', where there is a dual use of on-street space, overcoming the under use problem noted above. It commonly enables the time-limited use of on-street space (which may or may not be charged for) to be operated alongside vehicles with residents' permits that would be exempt from either time or charge restrictions. In isolation, it does eliminate the need for the administration of permits for visitors, carers etc. Variations of this type of scheme could have bays exclusively marked for residents' use.

Areas Where Parking Has Environmental / Safety / Traffic Management Issues

- 9 In some instances the management of parking may be desirable for highway management or traffic reasons. Whilst this category of issue can include residents'

parking as a management feature, it should be noted that more conventional (but tightly restricted) parking restrictions can be as effective, but where these might interfere with residents, schemes to accommodate their needs may be appropriate.

CRITERIA FOR CONSIDERATION OF RESIDENTS' PARKING SCHEMES

- 10 The main criteria for justifying a residents' parking scheme is that there is insufficient space in which the residents of an area can park as a result of the presence of vehicles arising from visitor or commuter parking and / or as a result of existing parking restrictions. Initial principles would be that:-
 - there should be clear evidence of residents' support for a scheme in advance of any details of a scheme being prepared;
 - the enforcement associated with a scheme should be through Civil Enforcement Officers or be separate from the Police;
 - residents' parking schemes would not be introduced where the majority of residents have off-street parking or where there is sufficient on-street space to accommodate both residents' and non-residents' parking;
 - schemes generally should not be introduced to manage parking where the problem is linked to an over-demand for on-street parking from residents; and
 - there is a presumption against small isolated areas remote from other areas of parking enforcement.
- 11 Some authorities' criteria for the introduction of schemes are very prescriptive. Whilst some flexibility is desirable, it is recommended that some general principles are set to help further define manageable schemes; to develop an initial scheme, it is reasonable to consider that some of the following criteria should be met:-
 - at least 50% of properties in the proposed area have no off-street parking;
 - the kerb space occupied by non-residents is greater than 40% at times when parking problems caused by non-residents occur; and
 - there is sufficient kerb space to enable 75% of householders to park one vehicle on-street.
- 12 Requests that do not meet these criteria should not be considered unless:-
 - the scheme is part of a wider integrated traffic / parking management scheme;
 - there are road safety problems;
 - parking impact from development in residential areas would be adverse; or
 - schemes are to encourage the use of alternative facilities such as off-street parking or park & ride schemes.

LEGAL FRAMEWORK & MANAGEMENT

- 13 The issue of a Parking Permit in no way absolves the permit holder from parking legally and with due care. The Council does not accept any responsibility for the damage, theft or loss of, or to, any vehicle or its contents whilst parked in a Residents' Parking zone. When operated under Civil Parking Enforcement (CPE) procedures, vehicles parking in Residents' Parking zones without displaying a valid permit will be subject to a Penalty Charge Notice, enforced through CPE processes and powers, and normal approved procedures will be followed.
- 14 Any schemes implemented under present CPE processes would be managed by Cheshire East Parking Services and all existing pertinent management and appeal processes would apply. The Council reserves the right to withdraw any permit that is mis-used, with no financial compensation.
- 15 All schemes will be operated in full accordance with the Council's race and equal opportunities policies and, in all decisions proceeding to any scheme implementation, all comments from special needs groups will be fully assessed.

DEFINITIONS AND PERMIT DETAILS

- 16 In order to operate schemes satisfactorily there should be no ambiguity regarding particular terms used. There are two categories that should be defined – vehicles that would be covered by permits and the types of permits issued.

Permitted Vehicles

- 17 Permits will only be issued to cars and light goods vehicles with a weight limit of up to 3.5 tonnes. In the case of residents' parking schemes that include defined parking bays, permits will only be issued for those vehicles that can park wholly within a bay. Permits will not be issued to motorcycles, due to permit display practicalities, but, wherever possible, motorcycles will be provided a designated parking area where there is a demand.
- 18 Individual permits will not be issued for caravans or trailers, although these may be parked within a scheme on a short-term basis provided they are hitched to a vehicle bearing a valid permit.

Issue of Permits and Associated Definitions

- 19 **It should be remembered that the holding of a permit would not guarantee a parking space within the zone in question and where there are separate zones within an area, permits are zone specific.** Although some indication of definitions and requirements to be eligible for permits is given here, further details are set out in Appendix A – Guidance on the Introduction of Residents' Parking Schemes.
- 20 Permits and Use:-
 - Permits will be issued on a renewable annual basis and be effective for the period of 12 months. The issue (and renewal) will be through the request of individuals via appropriate application forms.

- Permits will show the name and title of the issuing authority, the relevant parking zone, the vehicle registration number (up to two may be designated) and reference number. Any specialist permits will provide individual details.
- All permits must be displayed on the inside surface of the windscreen so that the particulars recorded are clearly visible.
- Permits may be revoked through fraudulent or inappropriate use without any cost reimbursement.
- Where a hire/courtesy car replaces an existing vehicle a Visitor/Temporary Permit may be issued for a limited period.

21 A permit will not be required for vehicles carrying out essential duties and statutory powers, including: emergency service vehicles, statutory undertakers, postal collection/delivery, council/government business and formal wedding cars and hearses. In addition, permits will not be required for vehicles engaged in the loading unloading of goods and where passengers are boarding and alighting.

Residents' Permits: The following definitions / guidance should be considered as a part of a residents' parking scheme:-

- A resident will be considered as any person who resides at a residence within the defined scheme (eg for at least four nights per week).
- A residence would be defined as domestic property listed under Council Tax definitions.
- Specific note should be made of Houses in Multiple Occupancy (HMOs), where a house has been converted into a number of separate flats or apartments (at the time of the introduction of a scheme) each of which meets the formal classification of a residence) then each would be eligible to apply for both residents' and visitors permits (as applicable) as allowed under the policy, or applicable to the individual scheme. However, where one house has been converted to contain a number of habitable rooms (but still counts as one property) then this will be treated as a single residence.

22 The number of Residents' Permits available to one property should be specific to the scheme in question and thus some flexibility in interpretation is provided. Some guidelines should underpin the provision:-

- initially only one permit will be issued to an individual residence but subject to an assessment of parking demand/supply within a zone, additional permits could be made available;
- where a residence has at least one off-street parking space available then it would not be eligible for the initial allocation of one permit per residence, it would however be eligible for any allocation of visitors' permits and may be eligible for any subsequent allocation of 'second-round' residents' permits; and
- residents' permits would be specific to one (or two) registered vehicles and proof of ownership/responsibility for the vehicle(s) use must be proved to the satisfaction of the issuing authority.

Blue Badge Holders: Blue Badge holders will require a relevant Residents' Parking Permit to park in any specified Residents' Parking Zone. Any existing on-street disabled parking bays will be retained within zone, but to park there, both a Blue Badge and a valid Residents' Parking Permit will need to be displayed.

Attendance Permits: Visitors delivering a range of health and care needs to residents must be afforded access under Residents' Parking schemes. Residents who live within the parking scheme may apply for a parking permit for family or professionals who visit the resident to provide care or medical support. Where parking demand is heavy, these permits may be restricted to residents who do not hold a Residents Parking permit. Permit applications would normally be required to be supported by residents' medical practitioners.

Visitors' Permits: Normally, where local conditions allow, visitor permits will be available to all residents within the scheme (proof of residency would be required). Visitor permits would allow one vehicle to park for one day. Permits could be conveniently available through 'scratch card' vouchers validated on the day of use. Residents would initially be restricted to 40 permits per annum at a concessionary rate. If local conditions permit, additional vouchers could be available at an undiscounted cost.

Business Permits: A business that operates from within a Residents' Parking Zone may be eligible for a business permit; if any form of off-street parking were available these would be severely restricted. Within some schemes visitor permits could be made available through the business, although the charges should be made to reflect their value. Alternatively some alternative form of parking control could be operated, eg a short length of time limited waiting in the vicinity of a small shop.

Special Permits: Although the predominant parking uses will be covered by the permits detailed above, some more isolated uses lie outside those defined. At the discretion of the authority some special permits may be permitted for restricted periods on individual application. These uses cover key health workers, property maintenance contractors, visiting tradespersons etc. In the design of schemes, specific arrangements may have to be considered for churches and individual businesses where they are included in defined zones. Charges will reflect administrative costs.

FINANCIAL PRINCIPLES

- 23 The cost of the introduction and management of residents' parking schemes falls in to two categories.
 - a. Set up costs (capital costs covering the investigation of schemes, consultation, design and changes to signs and lines). These are usually provided for from the capital programme.
 - b. Operating costs of enforcement and management. These are covered from a charge for permit issues. Suggested charges are set out in Appendix A – Guidance on the Introduction of Residents' Parking Schemes in Cheshire.

It is intended that all schemes will be fully self-financing, including the repayment of capital costs and prudential borrowing. Any incidental surplus must be ringfenced for use in improving parking facilities.

SCHEME IMPLEMENTATION

24 Details of the various aspects of scheme implementation are covered in Appendix A – Guidance on the Introduction of Residents' Parking Schemes. However, it is appropriate that some principles relating to the implementation of Residents' Parking schemes should be acknowledged in the overall policy. Two key areas are guidance on the prioritisation of the consideration of specific schemes and a protocol covering consultation and the public acceptance of a scheme for implementation.

Scheme Prioritisation

It is expected that the number and variety of schemes requested will be substantial and will probably exceed the resource capacity of the authority in any given financial year. Parking Services officers will need to evaluate these and working with Highways Engineers, short list those which are both viable and practical.

The decision as to whether to progress with any scheme will fall to the Portfolio Holder for Environment Services, provided that the zone falls within one ward and overall cost does not exceed the prescribed limit for a Non-Key decision. Any larger scale scheme, covering more than one ward, may require Cabinet approval. This approval is required partly because of the need to alter Traffic Regulation Orders, but importantly also because of the need to rank schemes in order of priority and to verify that Parking Services has carried out the evaluation and prioritisation fairly and reasonably. The system of prioritisation is important and a proposed methodology is set out in the Guidance notes. There will always be some requirement for interpretation of prioritising systems and assistance may be sought from the Scrutiny Committee. Factors for considering relative scheme priorities should be:-

- problems for emergency vehicle access;
- the availability of off-street parking for non-residents using the area;
- the impact of displacing non-residents' cars;
- the size of the proposed scheme; and
- the purposes for which non-residents are parking.

Consultation and Implementation Protocol

25 All proposed residents' parking schemes will be subject to consultation. The process will comprise:

- (i) an initial questionnaire is sent to all residents and businesses within and adjacent to the proposed area, to identify the level of community concern regarding parking difficulties and to establish the level of support for any proposed scheme. This consultation will also be used to identify the community's requirements for any scheme. The results of this questionnaire will then be used to inform the development of a proposed scheme based on the majority view expressed – full details and the consequences of schemes must be available to consultees;
- (ii) a second round of consultation by means of a staffed public exhibition that allows officers to answer questions on a one to one basis and a follow up questionnaire to all residents and businesses within the proposed zone. This will include asking if respondents are in favour or opposed to the scheme; and
- (iii) the formal stage of the process involves Public Notices in the local media and on-street notices.

- 26 **A scheme should only be considered for implementation if there was clear support from households in the zone for the proposals and are prepared to pay the annual permit costs (taken from the questionnaire in stage (ii) above).**
Consultation will also take place with the Town or Parish Council, representative groups (e.g. residents associations, chambers of trade, disabled peoples groups, etc.) and the emergency services.

GUIDANCE ON THE INTRODUCTION OF RESIDENTS' PARKING SCHEMES

1. Introduction

In developing Residents' Parking proposals it should be acknowledged that there are likely to be conflicting demands placed on individual schemes and, as well as providing particular benefits to residents, there may well be consequent disadvantages to other highway users. The policy should be flexible enough to adapt to local and individual circumstances and minimise any possible resulting problems, thus it should not be prescriptive in all detail, but schemes will have to conform to basic principles to ensure that there is a fairness of implementation. This Guidance note should provide help in generating schemes and managing their development and also give definitive descriptions of all necessary documentation underpinning their operation. It should be understood that the guidance will evolve through the practical experience of developing, implementing and operating schemes and this development should be seen as a positive factor in putting new schemes into practice.

2. Criteria for Introduction of Schemes

The general principles covering the introduction of schemes are clearly set out within the Residents' Parking policy. Unlike some authorities, these are not excessively prescriptive, but clearly some underlying principles should underpin any schemes that come forward. Within the criteria detailed in the policy there should be understood to be some flexibility to consider schemes within the context of local issues and problems. Further, the desirability of taking any scheme forward may be appraised in the full completion of the 'prioritisation' process (including the scoring assessment) set out below.

3. Prioritising Schemes

The likely demand for Residents' Parking schemes is difficult to assess at this time. However indications are that there will be a substantial number, especially once both off street parking charges and CPE powers are established in the former Congleton Borough area. There are already a large number of requests from the other former Borough areas. How these are dealt with and prioritised will depend on the number and how parking issues as a whole are being examined (eg town by town or as individual problem/solution based issues), in some circumstances requests should be determined only in the context of wider parking decisions. However, should there be a need to consider some form of prioritisation system (since the resources to examine, develop and consult on schemes will be both finite and limited) a formal process is needed. A structured process is set out in Appendix 1 and includes a scoring system alongside the base criteria that would help in appraising the justification of areas put forward for consideration.

4. Consultation and Approval

- 4.1 All proposed residents' parking schemes will be subject to consultation. The process should comprise:

- (iv) an initial questionnaire (agreed with the Ward members) is sent to all residents and businesses within and adjacent to the proposed area to identify the level of community concern regarding parking difficulties and to establish the level of support for any proposed scheme. This consultation will also be used to identify the community's requirements for any scheme. The results of this questionnaire will then be used to inform the development of a proposed scheme based on the majority view expressed – full details and the consequences of schemes must be available to consultees;
 - (v) a second round of consultation, preferably, by means of a staffed public exhibition that allows officers to answer questions on a one to one basis and a follow up questionnaire to all residents and businesses within the proposed zone. Alternative consultation processes may be considered dependent upon the size and scale of the proposed scheme in question. These could include newsletters / leaflets summarising the proposals, press articles and / or advertisements and information provided through the internet. The involvement of any locally representative community groups should be considered as a part of this process. Crucially this consultation stage will include asking if respondents are in favour or opposed to the scheme; and
 - (vi) the formal stage of the process involves Public Notices in the local media and on-street notices.
- 4.2 All consultation processes will be reported to Members as a part of the decision making process. **A scheme should only be considered for implementation if at least 50% of households in the zone support the proposals and are prepared to pay the annual permit costs** (taken from the questionnaire in stage (ii) above). Consultation will also take place with the Town or Parish Council, representative groups (e.g. residents associations, chambers of trade, disabled peoples groups, etc.) and the emergency services.

5. General Operation of Permits

- 5.1 The following general points of principle cover some key issues relating to the Permits and their use:
- Permits will be designated for use within a specified Residents' Parking Zone.
 - Permits must be clearly displayed within a vehicle when in use.
 - A Permit will detail the issuing authority, relevant zonal scheme and up to two vehicle registration numbers (and if relevant the business to which it is issued).
 - If a Permit is defaced it will be invalid.
 - If a Permit holder allows fraudulent use of their permit it may be cancelled with no further permit issued.
 - A Permit holder will surrender their Permit, without refund, if their personal circumstances change to the extent where a permit would no longer be issued i.e. move house or no longer own / drive the specified vehicle.
 - Replacement Permits – if a Permit is lost, stolen or damaged or the Permit holder moves address a replacement one replacement will be issued within the 12 month period.

- Permits are only valid for vehicles kept legally on the highway.
- Permits will be issued for a 12 month period and are renewable at the request of the holder, subject to the applicable charge.
- The issue of Permits is understandably a contentious matter particularly if there is a severe limitation of on street spaces. There should be an established principle of an initial allocation of one permit per household and any subsequent permits granted only on an assessment of available space. In any initial assessment some guidance on the likely availability may be taken from the following :

Proportion of Properties that Can Park 2 Vehicles Using On and Off Road Spaces	Number of Residents' Permits per Household	Availability of Visitors' Permits
75%-100%	2	Yes
40%-75%	1	Yes
Less than 40%	1	No

Any additional permit issue should only be considered where the on street space can accommodate at least 25% more cars than the number of permits issued and a judgement would have to be made in the light of use/take up of visitor permits.

- First Round Issue - One Permit per household to those with no off-street parking.
- Second Round Issue Options :
 - *One Permit to households with one off-street parking space;*
 - *Only issue second Permits where requests from all households could be accommodated - subject to available on street space;*
 - *Issue restricted number of second Permits on 'first come' basis;*
 - *Issue restricted number of second Permits at the consideration of the Parking Manager.*
 - *Designate a number of limited waiting parking bays – with no further Permit allocation.*

6. Definitions and Permit Issue Requirements

In order to qualify for a Residents' Parking Permit, in addition to providing details of vehicle ownership / use, representatives of a household within a zone must provide evidence of residency to the satisfaction of the issuing authority; this make take the following form :

6.1 Proof of Residency

Primary Evidence

1. Council Tax records will identify the main occupants of the property. *(If not paying Council Tax then one of the following plus number 9 of the Secondary Evidence will be required. In the event that a new vehicle has recently been purchased and the V5 registration document has not been returned from the DVLA then an invoice showing the vehicle and name and address will be required. On production of this a temporary permit will be given for a maximum period of two weeks. A full permit will only be produced on production of the DVLA V5 showing the pertinent detail).*

2. Utility Bill from BT/Electricity/Gas/Water showing 3 months occupancy giving the person's name and address.
3. Legal tenancy agreement (at least 6 months).
4. Proof of ownership of the property (ie a copy of land registry title from a search inquiry).
5. In the case where the applicant is living with a relative, a birth certificate showing relationship to the Council Tax payer (plus number 9 of the Secondary Evidence).

Secondary Evidence

In the situation that there is no primary evidence that will support their statement of residence then at least 3 of the following items plus item number 9 will be required.

6. Bank statements for the last 3 months in the resident's name at the stated address.
7. Credit Card statements for the last 3 months in the resident's name at the stated address.
8. Driving licence in the resident's name at the stated address.
9. V5 registration document showing the vehicle for which the permit is required in the name of the applicant at that address.
10. Motor insurance renewal notice and schedule of insurance for that vehicle in the name of the applicant at that address.
11. In the event that a person who moves in with a resident who is paying a mortgage requires a permit, they can provide a signed statement from the mortgage payer confirming that they are also residing at the premises in support of their application.
12. An Inland Revenue demand for the person at that address.
13. A rent book, showing the conditions of residence, in the applicant's name for that address.
14. A Council Tax demand for that person at that address.
15. A Passport in the person's name at the stated address.
16. Persons on short term tenancy agreements, whose documentation has an address other than where they reside locally, must produce written confirmation from an appropriate referee that they are residing at an address that qualifies for a permit for a minimum period of 3 months and also produce their Tenancy Agreement.

6.2 Proof of Vehicle Ownership / Use

Proof of vehicle ownership or use must be provided to the satisfaction of the issuing authority. This proof has to be a current V5 registration document and a driving licence, both of which have the resident's name, with the address being that of the street/zone in which the scheme operates. Or, in the case of a lease hire vehicle, in lieu of the V5 document, written confirmation from the leasing company that the permit applicant is the keeper of the vehicle for which the permit is required. In any other circumstances formal written confirmation of vehicle use / responsibility must be demonstrated to the satisfaction of the authority. Consideration may be given of relevant car insurance address.

6.3 Residents' Permits

On production of the supporting documentation above a Permit(s) will be initially issued on the basis of one per household (with no off street parking) and any additional Permits allocated as above.

6.4 Blue Badge Use

Blue Badge holder use is defined within the policy.

6.5 Attendance Permits

Residents who live within the parking scheme may apply for a parking permit for family/professionals who visit the resident to provide carer or medical support – an Attendance Permit. These permits are restricted to residents who do not hold a residents' parking permit and an application should be accompanied with appropriate medical support to the satisfaction of the authority.

6.6 Visitor Permits

Visitor Permits may be made available within schemes but their provision will be dependent upon the parking capacity available within any individual scheme – an indication of the likely availability of Visitor Permits is set out above in this section. Dependent upon the capacity availability within individual schemes any additional supply of visitor permits beyond an initial allocation cannot be guaranteed.

6.7 Business Permits

The level of allocation of Business Permits within any individual Residents' Parking scheme will be at the discretion of the issuing authorities and this should be a factor considered through the consultation process. The issue of Business Permits should not be assumed to be normal and the design of schemes should consider the demands of local businesses. A business premise may be considered as that defined as a place that would qualify for the protection of part 2 Landlord and Tenant Act 1954 from where a business is conducted. It should not be assumed to include church hall, drop-in centres etc and consideration of these premises should be included in the design of schemes.

6.8 Special Permits / Tradespersons Waivers

The needs of delivery vehicles and other essential traffic use are included in exemptions detailed in the final section of this Appendix. Other common activities requiring vehicle attendance, such as building / servicing works will be covered through Waiver Permits that would be available, as appropriate, through the Parking Manager on application and at a specified fee (this provision is typically available under the usual practices of Civil Parking Enforcement operations). Any other circumstances requiring Special Permits or Waiver permits would be made through application to the Parking manager.

7. Design

7.1 In considering any schemes there should be a clear understanding of the parking problems in an area, and the implications of the introduction of any new Residents' Parking scheme – particularly in terms of the potential relocation of displaced parking. The schemes will be introduced on a zonal basis. The introduction of RPS across a zone provides greater flexibility by using spare capacity in one street to supplement another. Zone boundaries should remain logical and easily defined and not large enough to provide a benefit for vehicles 'commuting' whilst remaining in their zone. The formal assessment process of a

scheme (set out in table below) provides some indication of data to appraise a scheme and this information should inform the design process

- 7.2 Many existing Residents' Parking schemes have been introduced with daytime parking restrictions that reflect "standard" scheme timings (for example Monday to Saturday between 8am and 6pm). Due to previous arrangements enforcement has not normally occurred outside these times. This approach will continue to be the basis for starting the design process on future schemes. These parking restrictions can often prove inconvenient during the early evening period when demand by residents is at its greatest. Therefore flexibility needs to be used in determining the actual time period of the parking restrictions within each scheme to achieve the parking needs of local residents as far as possible in practical terms.
- 7.3 When considering the needs of the residents and determining the layout of a RPS the following must be considered;
- maintaining traffic flow & visibility at junctions;
 - vehicle accesses;
 - loading/unloading requirements;
 - bus stops;
 - the needs of blue badge holders;
 - limited waiting areas for local business;
 - visitors and other categories of drivers who need to park within the zone;
 - the use of the area (residential/commercial); and
 - safety of the public within the zone.
- 7.4 The objective would be to maximise the number of residents' spaces and to reduce the amount of commuter parking in residential areas and also to provide proper consideration of special issues such as churches / schools / and businesses to minimise disruption.
- 7.5 In determining the amount of available space for permitted parking and to ensure that all schemes are treated in a similar way it is considered appropriate to adopt a set of criteria for maintaining available widths of highway for traffic movements. This criterion has been based upon guidance set out by the Institution of Highways and Transportation in "Transport in the Urban Environment".
- a) One-way residential roads shall maintain a free carriageway width of 3.3 metres between marked bays;
 - b) One-way traffic with parking on both sides of the road requires a minimum width of 6.9m;
 - c) One-way traffic with parking on one side of the road requires a minimum width of 5.2m.; and
 - d) Carriageways carrying two way traffic must retain a width commensurate with its function e.g. a through route may need to allow sufficient width for two HGV's to pass, whilst a small cul-de-sac may be able to function safely with a much reduced carriageway width.
- 7.6 With regards to road width vehicles will generally not be permitted to park on both sides of the road opposite each other where such provision would prevent a minimum 'running lane' width of 3m being maintained. 'Passing Places' would need to be established to minimise conflict between opposing vehicles. All signage and markings are required to be in accordance with the current Traffic Signs Regulations

and General Directions and the relevant sections of the Department for Transport's Traffic Signs Manual.

- 7.7 Individual parking bays will normally be provided within each zone although none will be specifically allocated to individual permit holders. Continual marked bays may be provided in accordance with Regulations current at the time. Vehicles must be parked wholly within an individual or continual marked bay with no part of the vehicle spanning another marked bay. Failure to comply with this requirement will make the Permit holder liable to a Penalty Charge Notice (PCN). Parking bays will generally be 2.4m wide with an absolute minimum of 1.8m where road width is limited. Where appropriate and to maximise the available road space 'footway parking' may be permitted, subject to the successful delivery of the relevant Traffic Regulation Order and retention of at least 1.5m clear footway width – such circumstances will be in general exceptional and would require a full assessment of the footway structure.
- 7.8 Restricted Zones can be used with special authorisation of the Department for Transport and the approval process can be lengthy. In these, yellow lines can be removed and the marking of bays is not necessary. However, signs are still needed to inform motorists of the restrictions and that, in practice, they are only recommended for culs-de-sac and small areas. This is because motorists are, in general, only aware of the restrictions from signage at the entry of zones, hence the need to restrict the size of zones for clarity of enforcement.
- 7.9 Upon completion of a scheme arrangements will be made to review its operation and where appropriate initiate improvements in accordance with approved procedures. It is expected that an initial review will be undertaken within the first year of operation and at periods following the initial review.

8. Scheme Charges & Review

- 8.1 Charges for Permits should be determined by the issuing authority and should be set at a level that covers the set-up, enforcement and administration costs of the scheme. All such charges should be clearly set out and published in any consultation literature, along with all other Terms and Conditions of the Residents' Parking scheme. Recommended charges for Permits, based on the current pilot schemes and subject to review, are set out below.
- Residents' Permits – Recommended £50 per annum, including disabled "Blue Badge" holders.
 - Attendance Permits – Provided without cost.
 - Visitor Permits (if issued) – Initial tranche of 40 at £25 (50%) discount, dependent upon the individual scheme further permits may be available at 40 for £40.
 - Business Permits – Recommended at £80 per permit.
 - Special Permits – set at a fee to cover administration costs at £10 per day.
 - Second Round Permits – as per Residents' Permit charge - £50 (or that applied to the specified scheme).

All Permit charges should be subject to an annual review process.

9. List of Exemptions to Vehicles Waiting within a Residents' Parking Scheme

- 9.1 It is normal under powers taken to implement Civil Parking Enforcement to make provision for specified exemptions with the adopted Traffic Regulation Order (TRO). It is appropriate to formally include a similar provision with a policy adopted for Residents' Parking and such provision would be included in the

formal TRO process implementing Residents' Parking schemes.

9.2 Nothing in an approved Residents' Parking scheme Order shall render it unlawful to cause or permit any vehicle to wait in any of the roads, lengths of road or on the sides of road specified therein for so long as may be necessary to enable:

- (a) a person to board or alight from the vehicle;
- (b) the vehicle, if it cannot conveniently be used for such purpose in any other road, to be used in connection with any of the following operations, namely:-
 - (i) building, industrial or demolition operations;
 - (ii) the removal of any obstruction to traffic;
 - (iii) the maintenance, improvement or reconstruction of the said lengths or sides of road; and
 - (iv) the laying, erection, alteration or repair in or on land adjacent to the said lengths or sides of road of any sewer or of any main, pipe or apparatus for the supply of gas, water or electricity or of any line of telecommunications apparatus (as defined in the Telecommunications Act 1984) kept installed for the purpose of a telecommunications code system or of any other telecommunications apparatus lawfully kept installed in any position;
- (c) the vehicle to be used in the service of a local authority, water undertaker, sewerage undertaker or the National Rivers Authority in pursuance of statutory powers or duties;
- (d) a marked vehicle, whilst used by a universal service provider in the course of the provision of a universal postal service, to deliver and/or collect postal packets;
- (e) the vehicle to take in petrol, oil, water or air from any garage situated on or adjacent to the said lengths or sides of road;
- (f) the vehicle to wait at or near to any premises situated on or adjacent to the said lengths or sides of road for so long as may be necessary in connection with any funeral;
- (g) the vehicle to be used for fire brigade, ambulance or police purposes;
- (h) except where Article 10 applies, the vehicle to wait for as long as may be necessary for the purpose of enabling goods to be loaded on or unloaded from the vehicle in the said lengths or road or sides of road; or
- (i) the vehicle, being a hackney carriage, to wait upon a hackney carriage stand.

RESIDENTS' PARKING SCHEME EVALUATION AND PRIORITISATION SCORING SYSTEM		
Scheme Location	Road / Street	
Requested by	Post Code	
Date of Request	Date of Assessment	
<u>Criterion A</u>		
Do less than 50% of properties have off-street parking?		Yes/No (.....%)
<u>Kerbside Parking Availability Assessment</u>		metres
Identify the full length of kerb ignoring any existing TROs.	a	
Subtract length of kerbs within 10m. of junctions.	b	
Subtract length of kerbs where controls are needed for safety reasons such as controlled crossings, school keep clears or to prevent obstructions on bends or narrow sections of road.	c	
Subtract lengths of kerb that provide access to properties plus one metre either side, i.e. if the drive is 3m wide allow 5m (3+2).	d	
Only one side of the road should be considered as available if the carriageway width is less than 6.5m. Subtract any lengths of kerb where parking would cause an obstruction (in a 2-way street provision may be necessary to ensure "passing places" are provided at a maximum of 70metres distance) metres.	e	
Available number of spaces : (a-b-c-d-e)/5.5 (assuming parking spaces 5.5m long) spaces (rounded down)	
Number of households in "zone"		
<u>Criterion B</u>		
Can 75% of households park one vehicle on-street ?		Yes/No (.....%)
<i>Survey before 7.30am & after 10.00am (or time of day problem occurs) carried out on</i> (date)		
Number of vehicles parked before 07.30am		
Number of non-residents assumed to be : Number of vehicles parked after 10.00am – those parked before 7.30am and still parked at 10.00am		
Number of non-residents vehicles x100 / No. of available spaces		
<u>Criterion C</u>		
Kerb space occupied by non-residents is greater than 40% during the normal working day.		Yes/No (.....%)
Requests will be prioritised using the following scoring system. Even if some of the answers to the above questions are NO the scoring system below should		

be completed to rank the scheme - circle the relevant score.		
Category	Factor	Points
On Street Parking provision for residents	80% on and off street (2 vehicles/h'hold)	2
	100% on street (1 vehicle/h'hold)	3
	80% on street (1 vehicle/h'hold)	4
	Residents use all of and on street spaces at 1 vehicle each	5
Are residents vehicles being displaced during the normal working day by:	Local shopping precinct	2
	Public House/Hall/other meeting place etc	3
	Commercial/Business/Industrial Centre	3
	Commuters to town centre	3
	Railway Station	3
	Educational centre/College/University	5
Non-residents parking to avoid off street car park charges.	Minor problem	1
	Medium problem	2
	Major problem	3
Access problems for emergency and service vehicles that can be overcome by introduction of a residents' parking scheme.	No access problems	1
	Minor access problems	1
	Medium access problems	2
	Major access problems	3
Anticipated transfer of problem to adjacent streets	High probability of transfer of vehicles	1
	Medium probability of transfer of vehicles	2
	Minor probability of transfer of vehicles	3
	If probability is high or medium consider including neighbouring streets.	
How many properties in the scheme area	0 to 10	1
	11 to 20	2
	21 to 100	3
	101 to 200	4
	More than 200	5
Total score is points		

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	10 November 2009
Report of:	Interim Manager – School Organisation and Development
Subject/Title:	Sites Surplus to Children & Families Requirements
Portfolio Holder:	Councillor Paul Findlow

1.0 Report Summary

- 1.1 This paper seeks the approval of Cabinet to declaring surplus to educational requirements a number of school sites. These surplus sites arise from the Transforming Learning Communities (TLC) review. No alternative use has been identified within Children and Families Services for any of these sites.
- 1.2 An application will also need to be made to the Department for Children Schools and Families (DCSF) to seek the Secretary of State's consent to dispose of, or change the use of, the playing field land once a decision is made regarding future use of the site.

2.0 Recommendations

- 2.1 Cabinet is requested to
- (1) declare the site of the former Oaklands Infant School on the Dean Oaks Primary School site, Wilmslow surplus to educational requirements;
 - (2) declare the site of Church Lawton Primary School, Alsager surplus to educational requirements;
 - (3) declare the sites of the former Victoria High School (Ludford, Newdigate, Meredith and Oakley), now part of Sir William Stanier Community High School, surplus to educational requirements; and
 - (4) declare the site of the former Broad Street Infant School, Crewe surplus to educational requirements.

3.0 Reasons for Recommendations

- 3.1 The proposals are consistent with the Council's Policy on Asset Management. Once the sites have been declared surplus to educational requirements, the Asset Manager will consider alternative uses within Cheshire East Council. If there are no alternative uses then the Asset Manager will dispose of these properties on the open market.

4.0 Wards Affected

- 4.1 Wilmslow North
- 4.2 Sandbach East and Rode
- 4.3 Crewe East
- 4.4 Crewe North

5.0 Local Ward Members

- 5.1 Cllr J Crockatt, Cllr D Stockton, Cllr P Whiteley
- 5.2 Cllr E Alcock, Cllr R Bailey, Cllr A Barratt
- 5.3 Cllr S Conquest, Cllr P Martin, Cllr C Thorley
- 5.4 Cllr T Beard, Cllr D Bebbington, Cllr J Jones

**6.0 Policy Implications including - Climate change
- Health**

- 6.1 N/A

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 N/A

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 Any Capital Receipt generated by the disposal of the Church Lawton site and Broad Street site will be made available for an approved priority capital improvement in line with the Councils Capital Receipt Policy.
- 8.2 Any Capital Receipts generated from the disposal of the other two sites are linked to specific building schemes which arose from the Transforming Learning Communities Initiative.
- 8.3 Associated costs relating to the surplus sites such as security will need to be absorbed by non operational budgets held in Assets.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 N/A

10.0 Risk Management

10.1 N/A

11.0 Background and Options

11.1 Dean Oaks Primary School, Wilmslow - former Oaklands Infant site
Dean Row Junior and Oaklands Infant Schools, Wilmslow amalgamated with effect from September 2007. A capital project has been completed to bring the schools together on the former Dean Row Junior School site resulting in the former Oaklands Infant site being surplus to requirements.

11.2 Church Lawton Primary School, Alsager
Church Lawton Primary School closed in September 2009.

11.3 Sir William Stanier Community High School, Crewe
Coppenhall High School and Victoria High School amalgamated with effect from September 2007. The new school building is now complete on the former Coppenhall High School site and a number of detached sites (formerly the Victoria High School sites) have become surplus to requirements – Ludford, Newdigate, Meredith and Oakley. Discussions are underway to relocate some of the continuing community activities currently hosted on the Ludford site to the Meredith building.

11.4 Former Broad Street Infant School, Crewe
Broad Street Infant School and Church Coppenhall Junior Schools, Crewe amalgamated with effect from January 2007. A capital project was completed to bring the schools together on the former Church Coppenhall site resulting in the former Broad Street Infant School site being surplus to requirements.

12.0 Overview of Year One and Term One Issues

12.1 N/A

13.0 Access to Information

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

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 10 November 2009
Report of: Borough Treasurer and Head of Assets
Subject/Title: Financial Update – Quarter 2 (Mid-Year Review)
Portfolio Holder: Councillor Frank Keegan

1.0 Report Summary

- 1.1 This report advises Cabinet of the mid-year financial position in 2009-10.
- 1.2 The report particularly focuses upon areas of high financial risk to the Council and includes updates on Treasury Management, the Capital Programme, in-year collection rates for Council Tax and Business Rates and an update on the Reserves strategy.

2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following:
- the pressures on the Council's revenue budget in the second quarter of 2009-10, detailed in Section 11 and Appendix 1 and the proposed remedial action;
 - the positions on Adults Transformation Funding and Learning Disability Pooled Budget detailed in Section 11.2;
 - the Treasury Management update detailed in Section 12;
 - the Council's in-year collection rates for Council Tax and Business Rates, detailed in Section 13;
 - progress to date on delivering the 2009-10 capital programme, detailed in Section 14 and Appendix 3;
 - Delegated Decisions approved by Directors, as shown in Appendix 2b;
 - Delegated Decisions approved by Directors in consultation with the relevant Portfolio Holder and the Portfolio Holder for Resources for Supplementary Capital Estimates (SCE) and virement requests over £100,000 and up to and including £500,000 as shown in Appendix 2a;
 - the updated Reserves position detailed in Section 15 and Appendix 4.
- 2.2 Cabinet is requested to approve the following:
- a virement devolving £900,000 from the Dedicated Schools Grant uncommitted funds of £1.528m, allocating £85,000 to DSG centrally supported activity, retaining £543,000 within a central contingency, as set out in Section 11.2;

- a Supplementary Revenue Estimate of £84,500 for preparatory works on the Tatton Park Biennial funded by external contributions as set out in Section 11.3;
- a Supplementary Revenue Estimate of £170,000 for a Housing Stock Condition Survey funded from the LPSA Target 11 Reward Grant, as set out in Section 11.3;
- the revised in-year capital budget for 2009-10 as set out in Section 14, including;
- Supplementary Capital Estimates (SCE)/Virements over £500,000 and up to and including £1.0m, as shown in Appendix 2a
- Reductions in approved budgets, as shown in Appendix 2c.

2.3 Cabinet is asked to recommend that Council approve the following SCE and Virement requests over £1.0m, those which require funding from later years and those funded from reserves, as detailed in Appendix 2a:-

- | | |
|---|------------|
| • Christ the King Catholic & Cof E Primary School | £3,039,000 |
| • Stapely Broad Lane Primary School | £906,000 |
| • Offley Primary School | £845,000 |
| • Energy Efficiency – Invest to Save | £75,000 |

2.4 Cabinet is asked to recommend that Council approve the use of General Reserves to fund the following items as detailed in Section 15:-

- a. £75,000 in 2009-10 for energy efficiency measures to reduce Carbon Emissions.
- b. Round 2 Voluntary Redundancy costs of up to £5m, together with the additional future payment of actuarial costs.

2.5 Cabinet is asked to recommend that Council approve the use of General Reserves to create the following new earmarked reserves as detailed in Section 15:-

- a. Invest-to-Save Projects (£2m)
- b. Enabling Local Working (£625,000)

3.0 Reasons for Recommendations

3.1 This is the first budget of Cheshire East Council with a number of significant challenges, and in accordance with good practice members should receive a quarterly report on the financial position of the Council. This is the second report for the 2009-10 financial year.

4.0 Wards Affected

4.1 Not applicable.

5.0 Local Ward Members

5.1 Not applicable.

**6.0 Policy Implications including - Climate change
- Health**

6.1 None.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

7.1 None.

8.0 Financial Implications 2009-10 and beyond (Authorised by the Borough Treasurer)

8.1 As covered in the report.

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 There are no specific legal implications related to the issues raised in this report.

10.0 Risk Management

10.1 Financial risks are assessed on a regular basis and will be reported to members quarterly. Remedial action will be taken if and when required. Section 15 of this report updates the financial risk assessment reported to Council when the 2009-10 budget was set in February.

11.0 Revenue Budget 2009-10

11.1 The first quarter report to Cabinet on 11th August 2009 reported on emerging pressures to the revenue budget amounting to £12.7m. This report provides a further update on budget pressures and the remedial actions in place.

Table 1 provides a summary position and reports an updated net budget pressure totalling £11.3m. Further details of the key pressures affecting directorates are summarised below and provided in more detail in Appendix 1.

Table 1 – Total Service Position

Service	Net Budget £000 A	Budgeted Savings £000 B	Underlying Budget Pressures £000 C	Remedial Actions £000 D	Net Budget Pressures £000 E (C-D)
People	131,227	(5,374)	15,970	(8,378)	7,592
Places	48,456	(7,421)	3,337	0	3,337
P & C	37,724	(11,192)	5,382	(5,060)	322
Total	217,407	(23,987)	24,689	(13,438)	11,251

Note: Net Budget includes Schools balances carried forward from 2008-09.

11.2 **PEOPLE DIRECTORATE**

11.2.1 In the first quarter review for the People Directorate emerging pressures were reported, with a projected net impact in 2009/10 of £4.7m. Those pressures arose from a variety of factors:-

- Within Children and Families Services, a significant increase in the number of Looked After Children. Additionally, it has been necessary to engage a number of interim staff and managers, to increase capacity and to address practice issues.
- Within Services for Adults it has proved difficult to contain care costs for both Older People and Adults with Learning Disabilities. There has also been slippage on cost reduction measures.
- Within Health and Wellbeing Services there have been decreases in income, compounded by unrealistic income targets.

11.2.2 Following the first quarter review efforts have continued, not only to identify and implement immediate measures to limit the projected in-year over spending, but also to continue the large programmes of transformation in order, on a medium and longer term basis, to reshape services into a more sustainable form and size. A great deal of energy and effort has gone into both of those areas of work, but at the same time the continuing demand pressures have contributed to a projected gross impact of £16m being reported at the mid-year point. Remedial action and the contribution of temporary funding have resulted in a net budget pressure of £7.6m. The data upon which this forecast is based has been improved somewhat over the first quarter review, but it is clear that there is still some way to go before operational and financial information is of the necessary quality to support managers so that they are able to effectively analyse and work upon the key issues.

Table 2 - Summary Figures – People Directorate

Service	Net Budget £000	Budgeted Savings £000	Underlying Budget Pressures £000	Remedial Actions £000	Net Budget Pressures £000
Children and Families	43,603	(298)	7,375	(1,878)	5,497
Adults	72,237	(3,923)	7,295	(6,500)	795
Health and Wellbeing	15,387	(1,153)	1,300	0	1,300
Total	131,227	(5,374)	15,970	(8,378)	7,592

11.2.3 Key Issues

- Social Care Services, both for adults and for children, have a role to gate-keep access to interventions, but they are statutorily required to meet assessed need, irrespective of the resource situation. The increases in the number of Looked After Children appear to be part of a national phenomenon, influenced in some measure by a reaction to national events, such as the death of Baby P. Children's Services across the country are reporting very substantial increases in referrals, in Court action and in Looked After numbers.
- The costs of securing placements for both children and adults are increasing significantly and that is particularly a factor in out-of-borough placements, both social care and schooling. The increasing intensity and complexity of the needs presented by frail, older people are giving rise to increases in the costs of long term residential provision.
- Concern about the size of caseloads and about aspects of practice have made it necessary to secure additional, interim inputs to supplement staffing and to address practice issues within Children and Families Services. There appear to be overtime pressures within Catering Services, which need further investigation.
- There has continued to be a trend of declining income in Library Services from the borrowing of CDs and DVDs. It was pointed out at the outset that the introduction of the Government's ambitions for free swimming provision would be likely to impact negatively upon income, and that now seems to be the case. The practice of balancing budgets by increasing income targets has created unfillable holes within certain budgets.
- It has emerged that progress towards savings has slipped in some areas. In some cases that arises from external factors – for instance, the re-phasing of the opening of Extra Care Housing Schemes. In other cases there have clearly been capacity short-comings.
- New savings targets have come on top of some inherited budget problems from previous Authorities. Children and Families Services inherited a deficit at the start of the financial year. Similarly, overspending was inherited within the Pooled Budget for Services for Adults with Learning Disabilities.

11.2.4 Remedial Actions

- Services for Adults will review referral processes and mechanisms in order to ensure that services are targeted and delivered to the correct users in a timely and efficient manner.
- Proposals are before the Cabinet for giving significantly increased focus within Adult Services to prevention, in order to delay and divert to a greater extent the take-up of expensive care packages.
- Procurement arrangements for all services will be reviewed to ensure that the Council is securing value for money.
- Structures in all areas of service will be radically re-visited in order to reduce further the costs of service delivery.
- Vacancy management procedures will be reviewed to ensure that only authorised overtime takes place.
- Work will be done to define more sharply a baseline of the Looked After Children population within Cheshire East, and measures both to gate-keep access to that system and to promote discharge from it will be reviewed.
- A close and continuing focus will be brought to bear upon the budget position, to ensure that all possible remedial action is being taken and its outcomes are being monitored.

11.2.5 Dedicated Schools Grant

The Dedicated Schools Grant (DSG), which funds the schools provision across Cheshire East, has uncommitted funding of £1.528m, which is available to devolve additional funding to schools or be retained to fund certain allowable central spend on for example Special Education Needs (SEN) and the costs of children with special needs attending out of Borough establishments. A report was discussed at the Schools Forum on 20 October, proposing to devolve £900,000, allocating £85,000 on centrally supported activity within the DSG central spend, and retaining £543,000 as a central contingency. The Forum had previously made strong representations that the majority of uncommitted funding should be devolved and initially suggested that more than £900,000 should be devolved. After a lengthy debate the Forum agreed to support the proposal, requesting that an early decision be approved by the Council and schools notified to allow them to benefit from the additional funding during 2009-10.

11.2.6 Adults Transformation Funding

On 16 June 2009, the Cabinet approved in outline terms that the Adults Service could utilise £6.9m of temporary funding (£3.8m of which is funded from reserves), requiring that regular reports be brought on the expenditure and the achievement of the transformation programme across the Service. A separate report on this agenda covers the transformation programme, whilst a short update of the current anticipated expenditure is detailed below.

	£000
Provider Services - staff restructure timing	1,100
Individual Commissioning – Care Cost reduction timing	4,000
Community Support Centres – essential H&S work on Misters	280
Voluntary Redundancy	1,520
Allocation	6,900

11.2.7 Learning Disability Pooled Budget

Learning Disability Services have operated within a Partnership and Pooled Budget on the former Cheshire County Council boundaries with the two Primary Care Trusts (PCT) since April 2002. This arrangement, which is currently hosted by Cheshire East Council, ends on 31 March 2010.

From 1 April 2010 we wish to reframe this partnership and pooled funding arrangement to cover just the area of Cheshire East Council. This will enable the continuation of the positive joint commissioning of services to meet the local needs of people with a learning disability, whilst supporting a positive approach to cost management, independence, localism and high quality service provision within Cheshire East Council area. Members are asked to note this new arrangement.

11.2.8 Conclusion

The spending pressures across the People Directorate are considerable and they are increasing. Capacity in several areas is a major problem. Managers are working hard on these issues, often with relatively little financial data to assist their analysis and their planning. Further urgent exploration will take place to try to identify additional measures which will have an impact within the current financial year. It would be unrealistic to expect that action can be taken which would bring Children's Social Care Services into balance with safety by the end of the financial year. Work across the board will continue on the considerable programme of transformation which is designed both to improve services to the public and to ensure that those services are in a shape which is financially sustainable.

11.3 PLACES DIRECTORATE

- 11.3.1 Following organisational restructures and associated budget transfers between Directorates and Services, the Places Directorate has an approved net budget for 2009-10 of £48.5m. Savings of £7.4m were included in the Places Directorate budget as part of the budget determination for 2009-10. Whilst progress is being made in realising many of the cost savings and efficiency items, this report sets out the challenges of managing cost pressures and the effect that the decline in economic activity is having on Services' ability to generate income.

- 11.3.2 At mid-year, Services have identified budget pressures with a projected net impact of £3.3m at year end, compared to £2.9m emerging pressures at first quarter. It should be highlighted that this includes a favourable pay variance (projected underspend) of £1.2m.
- 11.3.3 Work continues to finalise the Directorate structure, review service delivery, identify and implement other remedial actions: the financial impact of these changes will be reported further to Members at three-quarter year review. The following table shows the forecast impact of underlying budget pressures, as offset by estimated pay budget variances, in 2009-10.

Table 3 - Summary Figures – Places Directorate

Service	Net budget £000	Budgeted savings £000	Underlying Budget pressures £000	Remedial actions £000	Net Budget pressures £000
Environmental	34,242	(4,915)	2,191	0	2,191
Safer & Stronger Communities	421	(877)	421	0	421
Planning & Policy	3,216	(518)	1,208	0	1,208
Regeneration	10,577	(1,111)	(483)	0	(483)
Total	48,456	(7,421)	3,337	0	3,337

11.3.4 **Key service cost drivers**

The Waste Management Service is currently forecasting a £2.1m overspend, including £1.7m in respect of landfill and household waste recycling centres and £315,000 relating to collection and recycling. Fluctuations in activity in the wider economy will impact significantly on the Directorate's outturn position. Key areas that are affected include income from car parking (now forecast to be £814,000 lower than budgeted), land charges and planning fees (estimated to be some £1.4m below budget).

Variations in the level of these activities are mainly beyond the Directorate's influence and the effect on the outturn position presents a challenging financial scenario within which the overall budget needs to be managed. Income generation was highlighted as a particular area of concern during the budget determination for 2009-10: the first-quarter review identified areas where significant shortfalls were anticipated and the latest forecasts continue to underline this expectation.

11.3.5 **Remedial actions**

The Directorate is managing the delivery of its policy proposals (budgeted savings) for 2009/10 and is also maintaining tight control of expenditure to manage its budget effectively and mitigate the impact of the pressures identified.

The Directorate is actively reviewing its budgets and the potential for taking remedial actions in the remainder of the year, particularly in respect of non-pay expenditure.

11.3.6 **Conclusion**

At this stage of reporting in the financial year the Places Directorate has identified net emerging pressures / other variances totalling £3.3m (7%) against an approved net budget of £48.5m.

The pressures in respect of costs of Waste Management and reductions in fees and charges (Planning, Land Charges and Car Parking) are significant and the achievement of further savings will be challenging.

11.3.7 **Supplementary Revenue Estimate Requirements**

- **Tatton Biennial**

A report was presented to Cabinet Members for Prosperity and Health and Wellbeing on the 14th August regarding the Tatton Park Biennial. The financial implications for the current financial year, 2009-10, in respect of preparatory works for the 2010 Biennial are estimated to be £111,500.

These works will be funded from existing Cheshire East budgets of £27,000, along with £84,500 from external contributions: £67,250 from the Arts Council England North West, £2,250 from the Tatton Trust and £15,000 from the National Trust. Therefore, Members are requested to approve a Supplementary Revenue Estimate for £84,500 to be fully funded by external contributions as detailed above.

- **Housing Stock Condition Survey**

Local Authorities have a statutory duty to review the condition of their housing stock and develop appropriate policies to deal with any deficiencies. Stock condition surveys are carried out by local authorities on a regular basis in order for officers to develop robust private sector renewal policies to meet the needs identified within the surveys. The procurement of a stock condition survey will require revenue funding in the region of £170,000. These funds are not available within the 2009-10 approved budget and therefore a Supplementary Revenue Estimate is requested to be fully funded from the LPSA Target 11 Reward Grant (to be held within an earmarked reserve).

11.4 **PERFORMANCE & CAPACITY DIRECTORATE**

- 11.4.1 The first quarter review for the Performance & Capacity directorate reported emerging pressures with a projected net impact in 2009/10 of £5m. This has now increased to £5.4m due primarily to members allowances expenditure being higher than anticipated at first quarter due to travel and

NI/Pension take up. The approved 2009-10 budget included transitional funding of £5.1m to recognise the fact that the P & C efficiency savings of over £10m could not all be delivered immediately. The total transitional bids received to date (including the 2009-10 element of Invest to Save bids) can be contained within the available funding.

Table 4 - Summary Figures – Performance & Capacity

Service	Net Budget £000	Budgeted Savings £000	Underlying Budget Pressures £000	Remedial Actions £000	Net Budget Pressures £000
Borough Treasurer & Head of Assets	20,343	(7,968)	3,097	(3,340)	(243)
HR & OD	2,804	(954)	941	(854)	87
Borough Solicitor	5,269	(1,083)	404	(254)	150
Policy & Performance	9,308	(1,187)	940	(612)	328
Total	37,724	(11,192)	5,382	(5,060)	322

11.4.2 Key issues

- **Borough Treasurer & Head of Assets**

The underlying budget pressure relates to the impact of the savings targets that were part of the 2009/10 base budget. The remedial actions figure relates to the use of transitional funds. The net underspend stems primarily from overspends in Assets and Procurement partly offset by an underspend in Insurance.

- **HR & OD**

As above the budget pressures have been offset by the use of transitional funds. However, the net overspend is as a result of the impact of current staffing levels that will be corrected by the implementation of the new structure in 2010/11.

- **Borough Solicitor**

The underlying budget pressure relates primarily to the impact of the savings targets that were part of the 2009/10 base budget. It also relates to Members allowances being £227,000 overspent due to travel expenditure and take up of pensions exceeding estimates. The remedial actions figure relates to the use of transitional funds. The net overspend is as a result of the members allowances issue. It should be noted that Legal services overspend of £431,000 is being offset by the one off use of Elections funds.

- **Policy & Performance**

As above the budget pressures have been offset by the use of transitional funds. However, the net overspend is as a result of the impact of prudential borrowing costs relating to Customer Relationship Management (CRM) and telephony in Customer Services and additional one-off expenditure in Communications which is for the whole council and was not covered in the initial transition cost bid. The Communications expenditure relates to internal branding at Emperor Court and Delamere House, internal notice boards and the cost of celebration events to mark the end of the first year of Cheshire East Council. These additional one off costs cannot be met from within the existing Communications budgets or absorbed within the Policy and Performance budgets in total.

11.5 **Ongoing Impacts 2010-2011 and future years**

The vast majority of the above budget pressures have been reflected within the Business Planning process, although the amounts built in do not reflect the increased levels of overspend reported within this mid year review. At this stage it suggested that the current levels detailed within the Business Planning process remain, whilst further work continues within each service area.

12.0 **Treasury Management**

12.1 Investment income based upon the current economic climate is estimated to be in line with the original budget of £0.9m.

- The rate of interest to be earned on the Council's cash balances is budgeted to be 0.65%
- The average lend position (the 'cash balance') up to the end of the second quarter was £88.1m.

The Council's average interest rate up to the end of quarter 2 in 2009-10 was 0.99%. This is favourable when compared to the London Inter-bank Bid Rate for 7 days 0.39% and the budgeted outturn of 0.65%. The base rate remained at 0.50% for the quarter.

Comparator	Average Rate Q2
CEBC	0.99%
LIBID 7 Day Rate	0.39%
LIBID 3 Month Rate	0.91%
Base Rate	0.50%

13.0 **Collection Rates**

13.1 The Council Tax collection rate for the second quarter is 59.2%, maintaining last year's rate.

- 13.2 The National Non-Domestic Rates collection rate for the second quarter is 58.5%, a reduction of 1.6% on last year's position.

14.0 Capital Programme

- 14.1 At the mid year review stage, Cheshire East are forecasting expenditure of £112.293m in 2009-10, £53.586m in 2010-11 and £12.446m in later years. Details by department are shown below in Table 5.

Table 5 – Mid Year Review Capital Expenditure Forecasts

Department	Forecast Expenditure			
	2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
People				
New Starts	10,578	16,492	2,171	50
Committed schemes	28,070	9,910	1,270	350
	38,649	26,402	3,441	400
Places				
New Starts	15,925	343	0	0
Committed schemes	38,223	21,591	3,277	0
	54,148	21,934	3,277	0
Performance & Capacity				
New Starts	14,867	5,114	4,440	0
Committed schemes	4,629	136	888	0
	19,496	5,250	5,328	0
Total New Starts	41,370	21,949	6,611	50
Total Committed schemes	70,923	31,637	5,435	350
Total Capital Expenditure	112,293	53,586	12,046	400

- 14.2 The 2009-10 programme consists of on-going legacy schemes (£70.923m) and new starts (£41.370m).
- 14.3 The programme is funded from both direct (grants, external, linked capital receipts), and indirect (borrowing approvals, revenue contributions, capital reserve, non-applied receipts) income. Details are shown below in Table 6.

Table 6 – Funding Sources

Funding Source	Forecast Expenditure			
	2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Grants	54,421	37,272	3,745	50
External Contributions	4,894	387	0	0
Linked/Earmarked Capital Receipts	5,122	10,370	4,235	350
Supported Borrowing	13,979	2,572	1,924	0
Non-supported Borrowing	15,035	2,949	1,862	0
Revenue Contributions	3,443	340	0	0
Capital Reserve	11,289	3,807	280	0
Total	108,183	57,697	12,046	400

NB Variance between expenditure and funding in 2009-10 and 2010-11 is due to a number of linked receipts not now due in until 2010-11

- 14.4 Departments have updated forecasts as requested at the mid year stage, resulting in a decrease of £7.674m for 2009-10, an increase of £13.661m in 2010-11, and a decrease of £1.760m in later years from the position reported at first quarter. The majority of the reduction in forecast expenditure in 2009-10 is due to a number of schemes progressing more slowly than originally forecast. Further details are provided in Section 14.7. This slippage, combined with the approval of a number of new schemes is the reason why the forecast for 2010-11 has increased.
- 14.5 Details on a scheme by scheme basis are contained in Appendix 3.
- 14.6 The current programme is fully funded (see Table 6 above), although more work is necessary to determine the opening balances for capital receipts and reserves. This information will be known in advance of the 2010-11 planning cycle, which will enable Members to make decisions around new starts in 2010-11 which meet the priorities of the new Authority.

Key Issues and Variances

- 14.7 Details of major variances (over £0.250m) between the in-year budget and mid year forecasts for 2009-10 along with any other issues for Departments, and details of new schemes requiring approval are shown below. Members should note that any new schemes over £0.250m have already been approved by the Capital Appraisal & Monitoring Group.

People

- 14.7.1 Transforming Learning Communities schemes (TLC)
Members were advised at the first quarter review of a cash flow problem of around £4.1m. This was due to a reduction in the value of the receipts due and a delay to the date the receipts were expected. Officers have

explored different solutions and it is proposed to fund the shortfall through the capital reserve, and repay the reserve once the receipts are received.

14.7.2 National Dementia Strategy – Hollins View

In June, Cabinet approved two schemes totalling £3m as part of the council's response to the national dementia strategy. The first one which is budgeted to cost £1m to provide extra beds at Lincoln House is currently proceeding with completion expected in the summer of 2010. Early indications are that the financial envelope of £1m is extremely tight and officers are continuing to develop the scheme within these financial parameters. A further update will be provided as part of the three quarter year review. The second scheme (costing £2m) to provide 30 additional beds at Hollins View in Macclesfield was subject to the new Extra Care Housing Round 5 PFI scheme using this particular site. Planning difficulties have now resulted in a decision to progress the scheme using a site at Newhall Avenue in Sandbach as opposed to Hollins View in Macclesfield and after consideration of the proximity of alternative provision for dementia in this area, it has been decided to remove this scheme from the programme at this point. A full review of all Adults Services Provider buildings is currently planned as reported to Cabinet on 3 November (Transformation of Services for Adults - Phase 2) and will be brought back to Members in due course.

14.7.3 Vernons PS Amalgamation

In year budget £3.079m, Forecast £2.206m, variance -£0.873m

At first quarter, the forecast provided for 2009-10 was incorrect. The department have now confirmed that the correct amount is as shown as the revised 2009-10 forecast.

14.7.4 Devolved Formula Capital (DFC) – All allocations

In year budget £6.450m, Forecast £4.403m, variance – £2.047m

DFC is 100% devolved to schools for them to spend on capital. It is notoriously difficult to forecast as schools can spend the allocation in full in the year it is allocated, or 'save' it towards a major capital scheme at the school site. Schools have 3 years and 5 months to spend each years' allocation. Forecasts have been reduced in the current year to reflect a reduction in the amount of DFC expenditure being incurred by schools.

14.7.5 14-19 Diploma

In year budget £0.7m, Mid Year Forecast £0.3m, variance -£0.4m

Cheshire East Council are currently considering their priorities for this funding source and are looking to ensure that whatever is planned is complementary to any plans being considered by Cheshire West & Chester regarding 14-19 special educational needs provision across both Authorities. As a result, the forecast has reduced by £0.4m.

14.7.6 Brine Leas 6th Form

In year budget £2.921m, Mid Year Forecast £3.458m, variance £0.537m

This scheme is progressing quicker than expected and the mid year forecast represents a more realistic projection. Income is received on a

quarterly basis from the Learning Skills Council, and therefore the variance will be fully funded from grant.

14.7.7 Sandbach United

In year budget £2.2m, Mid Year Forecast £0.5m, variance -£1.7m

This scheme was approved by Council in October. Initial projections indicated that the scheme would progress quickly in 2009-10. However, these projections are now considered unrealistic and forecasts have been revised accordingly.

14.7.8 Schools Modernisation Programme

In year budget £1.150m, Mid Year Forecast £0.574m, variance - £0.576m

The forecast on this programme has reduced to take into account the virement to the new scheme at Stapeley Broad Lane.

14.7.9 Stapeley Broad Lane Primary School

Members are asked to approve a Supplementary Capital Estimate of £0.906m for this new scheme within appendix 2a. The scheme, to replace 3 temporary classrooms with permanent accommodation, is fully funded from Modernisation grants and schools DFC.

14.7.10 Offley Primary School

Members are asked to approve a Supplementary Capital Estimate of £0.845m for this scheme within appendix 2a. The scheme, to refurbish the infant and junior schools and provide covered links between the buildings, will be fully funded from the Primary Capital Programme and DFC.

14.7.11 Kitchen & Dining Facilities

Members are asked to approve a Supplementary Capital Estimate of £0.6m for this scheme within appendix 2a. The scheme, to improve kitchen and dining facilities within schools, will be fully funded from standards fund grant. An element has to be matched funded from the school, and once the programme has been finalised, a further SCE will be brought to Members for the match funded element.

14.7.12 Wilmslow High School

Members are asked to approve a Supplementary Capital Estimate of £0.616m for this scheme within appendix 2a. The scheme, to create a new sports hall, which will provide a weather proof environment for a number of ball sports, and provide changing facilities and office accommodation, is fully funded from specialist schools grant and the schools DFC.

14.7.13 Christ the King Catholic & Church of England Primary School

Members are asked to approve a Supplementary Capital Estimate of £3.039m for this scheme within appendix 2a. The scheme, to develop the new school on the former St Edwards site, will be fully funded from the Primary Capital Programme, schools DFC and a contribution from the Diocese (LCVAP).

- 14.7.14 Christ the King Catholic & Church of England Primary School – Phase 1
Members are asked to note a Supplementary Capital Estimate of £0.211m for this scheme within appendix 2a. The scheme, to progress the above project up to design stage, will be fully funded from grant income.

Places

- 14.7.15 Highway Maintenance
In year budget £0.968m, Mid Year Forecast £0.0m, Variance -£0.968m
This project is currently on hold. The funding relied upon savings within the revenue budgets to fund Prudential Borrowing costs, but due to pressures within revenue, it is unlikely savings can be found.

- 14.7.16 Vehicle Replacement Programme
In year budget £0.500m, Mid Year Forecast £0.0m, Variance -£0.500m
This project is currently on hold. The funding relied upon savings within the revenue budgets to fund Prudential Borrowing costs, but due to pressures within revenue, it is unlikely savings can be found.

Performance & Capacity

- 14.7.17 Currently, there is no information on actual expenditure from Cheshire West & Chester on areas that are linked to the Shared Services arrangements. This impacts on a number of ICT schemes.

- 14.7.18 Customer Relationship Management (CRM)
In-year budget £1.705m, MYR Forecast £1.250m, variance -£0.455m
The slippage in the CRM programme is due to an extended requirements gathering exercise and assessment of existing council solutions. As a result of this, the procurement decision is not likely until December. In addition, the transition phase for the website has lasted longer than anticipated, leading to delays in web development in the transformation phase, pushing costs into 2010-11.

- 14.7.19 The Farms Estate
In-year budget £1.410m, MYR Forecast £0.460m, variance -£0.950m
The forecast underspend on the 2009-10 Farms Estate scheme is due to delays in settling the budget position and the corresponding impact on construction planning, and delays in securing approval to sell properties previously declared surplus by the former County Council.

- 14.7.20 Revenue & Benefits System

In-year budget £0.444m, MYR Forecast £0.150m, variance -£0.294m
The variance relates to a delay in the implementation date following the need to re-tender. This arose when during the process the Procurement Team and the Legal Team had an almost total change in personnel, and on review, prior to contract, the new teams confirmed that the evaluation criteria in the original tender documents were not fit for purpose. The contract was re-tendered with more robust criteria in May 2009 and

forecasts have been amended to reflect instalments payable at various stages of completion.

14.7.21 Data Centre, Macclesfield

Members are asked to note a Supplementary Capital Estimate of £0.495m for this scheme within appendix 2a. The scheme, to refurbish and re-organise the existing data centre at Macclesfield, install modern energy efficient cooling technology and upgrade the power supply, is fully funded from underspends elsewhere within the ICT programme.

14.7.22 Energy Efficiency Invest to Save Scheme

Members are asked to note a Supplementary Capital Estimate of £75,000 for this scheme within appendix 2a. The scheme will fund energy efficiency measures such as boiler controls, lighting controls, voltage optimisation and insulation.that are calculated to reduce energy bills by nearly £34k per annum. The investment will be recouped in 2.2 years and will be funded from capital reserves.

14.8 Conclusion – Capital Programme

Members are presented with an updated position for the capital programme as at the mid year point. Forecasts for 2009-10 have decreased by £7.674m and represent a more realistic spending profile by Departments. The programme is fully funded from both indirect and direct income sources.

15.0 Reserves Position

15.1 Cheshire East Council's opening balance for revenue reserves has been updated following audit of the predecessor authority accounts. There is still some scope for amendments, following final agreement on disaggregation of the County Council balance sheet, so figures are still provisional at this stage.

15.2 The 2009/2010 Budget included the Reserves Strategy. Appendix 4 provides an update of that strategy. It includes revised balances, potential changes to balances and current status of the ongoing review of earmarked reserves.

General Reserves Balances

15.3 The council has budgeted for changes to the reserves position, allowing for items such as transitional costs, and for their repayment.

15.4 Approval is now sought for the following additional changes:

a. Carbon Reduction Commitment (2009/2010)

The council is embarking on a program of energy efficiency measures to reduce Carbon Emissions. £75,000 is anticipated to be spent within 2009/2010.

b. VR Round 2 (and ongoing actuarial costs)

The establishment of structures and service priorities within Cheshire East has created a need for further Voluntary Redundancy measures. £5m is currently recommended to support this requirement, with the additional future payment of actuarial costs also being met from General Reserves.

- 15.5 Table 7 (below) shows the latest projected position in terms of the movement on general reserves during 2009/10.

Table 7: Reserves are expected to reduce slightly in 2009/2010

Detail of Movements	£000	£000
Opening General Reserves at 1st April 2009		24,449
Projected Use of Reserves		
In year supplementary estimates	(6,502)	
Voluntary Redundancy (Round 2)	(5,000)	
Projected Addition to Reserves		
Repayment of Transition Costs (Net impact in 2009/10)	1,026	
Returned Earmarked Reserves	4,589	
Other contributing items	5,163	
Net Changes in 2009/2010		(724)
Estimated Closing Balance at 31st March 2010		23,725

Source: Cheshire East Reserves Strategy - October 2009

Further detail to support this table is provided in the Strategy (see Appendix 4).

- 15.6 Work has been undertaken to assess the adequacy of these reserves within the context of the council's predicted outturn. The outcome is detailed below.

General Fund Reserves - Risk Assessment

- 15.7 The desired level of reserves is substantiated by a detailed risk assessment. This approach allows the council to take account of the circumstances around current structural changes, emerging pressures and economic circumstances.
- 15.8 Risks are categorised and potential values applied to them, the actual exposure to the risk is then considered. Appendix 4 shows the risk areas and the level of reserves the council might reasonably retain to mitigate that risk. This is to some extent a matter of judgement but best practice requires a prudent approach to this assessment.

- 15.9 The outcome of this analysis has been to place an estimated total value on the range of risks that may arise and which are not covered by insurance. This is equivalent in total to £23.521m.
- 15.10 The high level of risk relates to a number of key areas including the following:
- a. In year emerging budget pressures
 - b. Medium Term Financial Position
 - c. Impact of disaggregation of County Council reserves
- 15.11 Some risks have however been downgraded or removed from the assessment. This reflects changing conditions or more robust mitigating action, for example:
- a. Stabilisation in investments markets and banking
 - b. Impact of Epidemic

Adequacy of General Reserves

- 15.12 The Chief Finance Officer has a duty to comment on the adequacy of financial reserves and uses various data sources to inform that comment.
- 15.13 The improved opening balances, and budgeted intention to repay costs incurred from Local Government Reorganisation, appear sufficient to protect the council against the identified risks at this stage. The high level of risks is not unexpected following such a major change programme, but is therefore prudent to retain high levels of reserves until outstanding issues have been resolved.

Earmarked Reserves

- 15.14 Earmarked reserves have the effect of transferring the tax burden across financial years as current taxpayers' funds are being used to support future years' spending. It is therefore necessary to review balances frequently to ensure that they are still appropriate, relevant and adequate for the intended purpose.
- 15.15 Cheshire East Councils opening balance for earmarked reserves are valued at £13.148m. These are subject to review to assess the extent to which they are justified, or can be used to further mitigate cost pressures identified by services. The review is ongoing and some additional balances are now being returned to General Reserves that reflect current progress.
- 15.16 Two additional earmarked reserves are recommended at this stage (one other new reserve, for the People in to Jobs project, has already been approved by Council):

a. Invest-to-Save Projects

The council is committed to promote efficient ways of working that can be demonstrated by a genuine business case. Following the identification of un-allocated balances in September, the proposal is to earmark £2m of general reserves to support invest-to-save projects.

b. Enabling Local Working

Local working forms part of the business case for re-organisation and this reserve will enable activity in this area to be developed. £625,000 of the general reserve is proposed to be earmarked to support this.

- 15.17 As part of the ongoing review, each earmarked reserve will be supported by comprehensive details that will improve management of these balances. The protocol for this is contained within the Reserves Strategy.

16.0 Access to Information

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

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PEOPLE DIRECTORATE**Children and Families (£5.5m overspend)****Non Dedicated Schools Grant (£5.5m overspend)**

The C&F service continues to experience increased demand for Children Social Care services. The projected overspend has now increased to £2.6m (this includes a target saving of £0.3m and remedial action of £0.67m). It is envisaged that this overspend will continue in future years due to the increase in the number of referrals being made to the department and an increase in the number of Looked after Children (LAC).

In association with the above there has been an increase in the demand for specialised placements for looked after children with disabilities with particular overspends related to out of County and residential placements. The projected overspend for this area is £1.1m (including remedial action of £0.2m). The cost of care in these cases is extremely high as specialised care is required.

Home to school transport contracts are anticipating an overspend of £1m, which is an increase from the previously predicted amount of £0.5m. Part of this overspend is due to inflationary price increases not budgeted for.

The School Catering Service reported a projected overspend of £0.1m at the first quarter review. A revised projected overspend of £1.2m is now being reported. Staffing costs, increases in the cost of food, and reduced income are leading to this reported overspend. Remedial action will include recharging as much of this to schools as possible.

Pressures are starting to emerge in relation to staffing budgets for Head of Service and business support. Indicative figures predict a £0.5m overspend if new structures are not implemented by January 2010.

A new service structure will be implemented in 2010/11 and whilst this will transform the way that the service is delivered this will not create savings in the short term that can fund the gap linked to demand driven services.

Dedicated Schools Grant (DSG) (balanced)

There is a projected underspend of £0.2m relating to Sure Start three year old funding and four year old funding.

An overspend of £0.1m is being projected for the Special Education Needs (SEN) area but this is mainly being offset by under spends elsewhere within the other school related budgets.

There is a high risk that the budget associated with inter authority placements for disability will be overspent but insufficient information from other local authorities is available at this time.

At mid year review the projected spend is balanced but with a caution that the budget related to inter authority may be overspent at three quarter year review.

Adults (£0.8m overspend)

The Adults service is undergoing major transformation as part of the first phase of its Social Care Redesign (SCR) which initiated from the Transforming Cheshire programme within the former Cheshire County Council. It was always recognised that a change of this magnitude would take both time to work through and one-off investment in order to deliver the permanent ongoing savings required. There are already positive examples of how the new ways of working will deliver financially in future, a good example being the experience in the first local patch team (created in Wilmslow) that fewer users coming through the system are now requiring care packages.

The Adults service are reporting a gross overspend of £7.3m at the mid year review which reduces to an overspend of £0.8m after the application of temporary funding and remedial measures. The gross overspend is reduced to £5.9m after taking remedial action of £1.4m and further reduced to £0.8m after utilising £5.1m temporary funding. The service is working towards recovering the residual £0.8m by year end so that the budget is either balanced or temporary funding continues to be available during 2010-11.

Care costs account for the majority of the overspend position before temporary money is applied and result from 3 main factors. Firstly, the challenge of managing the impacts of growth and complexity of demand for these placements means that the cost of long term residential places for Older People is increasing. The anticipated impact of this is a net £1.7m overspend.

Secondly, the Learning Disability Pooled Budget, a partnership with CWAC and Western and Eastern Cheshire PCT's, has a target of £4m savings to remain within existing resources. The future direction of this arrangement is further outlined below. The inherited budgetary position includes young people in transition, complex and out of county placements and connected transport costs. These are anticipated to generate an overspend of £1.7m in Individual Commissioning. From 1 April 2010 this partnership and pooled funding arrangement will be reframed to cover just the area of Cheshire East Council. This will enable the continuation of the positive joint commissioning of services to meet the local needs of people with a learning disability, whilst supporting a positive approach to cost management, independence, localism and high quality service provision within Cheshire East Council area.

The third component of this projected position relates to the budgeted pace of savings generated by reablement. Care costs are not likely to reduce by the anticipated £0.9m. The roll out of the current patch teams will minimise the financial impact of this beyond the current financial year.

Internal Provision was tasked with achieving £1.5m savings in 2009-10 through a restructure and the closure of Santune House. In addition, the impact of the reduction in the Pooled Budget allocation for LD created an additional pressure of £700k in the LD services. Careful management of staff vacancies and expenditure has resulted in some of this pressure already being absorbed. The financial impact

of the restructure is not likely to start being felt until January 2010, and will bring with it associated costs of redundancies and salary protections. Building work at Lincoln House has meant that the closure of Santune House will be delayed until 2010-11. The residual position for Provider services is anticipated to be £1.4m overspend.

Much smaller projected overspends within the rest of the Adults service account for the other £0.2m overspend projection. The residual action identified to date includes reducing care costs as the new Review and Reassessment team becomes fully operational and reductions in the Community Equipment Service to come back within the original budgeted affordability envelope. It should also be noted that the temporary money being applied was always envisaged given the timeframe for reducing care costs and the necessity to incur double running costs as part of the transformation of the service.

Health and Wellbeing (£1.3m overspend)

The projected overspends reported in the first quarter review report are still being predicted.

A harmonisation of pay review will need to take place in leisure services to ensure that staff are on the same terms and conditions and this will lead to an additional full year effect spending pressure of a projected £0.5m. The part year effect during the current year is estimated at £0.1m.

The difficulties in delivering the £0.1m budget reductions in supplies and services at the Lyceum continue and a shortfall is expected. Reducing these budgets will not deliver savings to the bottom line budget as a result of their direct correlation with the income generated by this particular operation.

Energy and other premises costs (including security and water charges) are still higher than budgeted levels and an overspend of £0.2m is being projected.

Culture and Leisure staff budgets are projected to overspend by £0.6m (£0.3m from each). Further work and analysis is underway. Income relating to Culture and Leisure services continues to be lower than budgeted targets with a project £0.3m under achieved income position being reported. This is due to the economic climate and ambitious income targets inherited from the successor authorities.

Following the MTFS challenge session on 5th October 2009, further detailed line by line scrutiny of all budget lines is being undertaken in order to identify remedial action to both reduce the in year overspend and to minimise the impact on future years. This will be accompanied by a wider review, requiring additional expenditure, which will need to be undertaken on an invest to save basis focussing on what budget savings can be practically accelerated from later years, to be delivered by the service during 2010/11.

Transitional Costs

It is anticipated that there will be redundancy costs within Children and Families which are not budgeted for of at least £1m relating to the service restructure. It is anticipated that such will be funded from reserves identified for voluntary severance and are not included within the above forecasts.

Efficiency Savings

Information is currently being compiled based on the savings built into this year's budget.

PLACES DIRECTORATE

Key issues

The overall forecast for Places Directorate shows a net variance of £3.337m, primarily due to an overspend on waste disposal of £1.7m and shortfalls in income from planning fees of £1.435m and car parking of £0.814m, offset by savings from pay underspends.

Table 1: Places directorate forecast outturn 2009-10

Service	Budget £000	Forecast outturn £000	Variance £000
Environmental Services	34,242	36,433	2,191
Safer & Stronger	421	842	421
Planning & Policy	3,216	4,424	1,208
Regeneration (excl. Tatton Park)	10,577	10,094	(483)
Total	48,456	51,793	3,337

Key variances are examined in more detail below.

Pay

Table 2: Places directorate pay forecast outturn 2009-10

Service	Budget £000	Forecast outturn £000	Variance £000
Environmental Services	16,086	16,312	226
Safer & Stronger	5,255	4,832	(423)
Planning & Policy	6,196	5,889	(307)
Regeneration (excl. Tatton Park)	3,687	3,021	(666)
Total	31,224	30,054	(1,170)

Whilst some Services are forecasting significant pay underspends, it should be noted however, that structures are not fully populated and the forecast for the remainder of the financial year is based on a number of variables including vacant posts, staff that will potentially be displaced, job evaluations and salary protections, all of which will have an impact on the final outturn position. Services will be able to quantify this once appointments have been finalised.

Waste Management

Overall the Waste Management Service is forecasting a £2.1m overspend: of this £1.7m is from the Landfill and Household Waste Recycling Centres contracts based on the tonnage figures to August (first quarter forecast £1.6m overspend).

Savings of £2.8m were incorporated into the base budget for 2009-10 based on residual waste tonnages in the East in 2008-09. The Service has been expected to absorb the impact of the increase in landfill tax of £8 per tonne and other contractual cost pressures through the reduction in the volume of tonnes processed. However, the reduction in tonnes may trigger a compensation payment to the contractor as the threshold for the guaranteed minimum tonnage figure may not be met: the latest estimate for this is £1.3m. Tonnage figures for August 2009 are analysed below.

Table 3: Places directorate waste tonnages as at August 2009

	A	B	C	C:B	C:A
Contract	2008-09 Actual Tonnes	2009-10 Budget Tonnes	2009-10 MYR Forecast Tonnes	Change % Forecast : Budget	Changes % Forecast : 08/09 Actuals
Landfill	87,656	79,649	76,525	-3.9%	-12.7%
HWRC- Residual	15,007	13,695	13,488	-1.5%	-10.1%
HWRC- Recyclate	25,396	26,197	25,995	-0.8%	2.4%
Composting	8,724	9,059	9,029	-0.3%	3.5%
Total	136,783	128,600	125,037	-2.8%	-8.6%

The Waste Collection and Recycling function is forecasting an overspend of £315k (FQR £296k overspend) against a £10.1m net budget. As reported at first quarter, savings from the optimisation of collection routes will not now be realised in 2009-10 leading to a gross overspend of £200k. The review will commence later in the financial year with savings being fully delivered in 2010-11. This overspend will be partially offset in 2009-10 by anticipated savings of £80k arising from the review of vehicles in the waste collection fleet.

Safer & Stronger Communities

Car parking income

The income budget for car parking is £6.5m for pay & display fees and penalty fines, and includes £375k for the introduction of parking charges in Congleton with effect from 1 July 2009. At mid-year the Service is forecasting an under-achievement of income of £814k (FQR £625k): of this, £534k is due to the downturn in income likely to relate to the economic recession and £271k from the delayed implementation of charging in the Congleton area.

Planning & Policy

Planning Fees & Land Charges

The Service is seeing a significant reduction in both planning fees and land charges income, which have been affected by the downturn in economic activity. The Service has undertaken a rigorous analysis of current planning applications and is now forecasting a variance from the £3.6m budget of £1.435m (FQR £1.088m). The position may improve if any major applications are received throughout the remainder of the year.

Regeneration

Integrated Transport Service shared service

The budget for Integrated Transport Service (ITS) for Cheshire East is £2.2m which includes MTFS savings of £150k from reductions in local bus services. Members have decided not to proceed with these reductions which will result in a net overspend in 2009-10 of £120k. The full savings will be realised in 2010-11 through efficiency gains.

Strategic Highways

Strategic Highways is forecasting an overall underspend of £242k arising principally from savings on pay. However, there is uncertainty regarding achievement of income via recharging of staff time to the capital programme and projects funded from developer contributions. A review of delivery of the capital programme is currently underway and the impact of any slippage will be closely monitored to assess the potential effect on the revenue outturn.

Economic Development

Economic Development are forecasting an underspend of £182k against a net budget of £1.9m. This too is principally against pay although there are a number of minor variances which the Service will review for three-quarter year review.

Performance & Service Improvement

The Performance & Service Improvement and Business Services budgets are currently being managed within the Regeneration Service. A comprehensive, detailed review of business support is being undertaken to clarify roles and responsibilities across the Council. The Service within Places is forecasting a pay underspend of £169k, but the budgetary position for non-pay requires clarification and until recharges are received from Cheshire West no assumptions are being made regarding variances from budget.

PERFORMANCE & CAPACITY**Borough Treasurer & Head of Assets**

Service	Net Budget £000	Budgeted Savings £000	Underlying Budget Pressures £000	Remedial Actions £000	Net Budget Pressures £000
Head of Borough Treasurer & Assets	344	(212)	(121)	0	(121)
Building Maintenance	3,180	(225)	0	0	0
The Farms Estate	(75)	0	0	0	0
Property Services	4,706	(591)	360	(150)	210
Facilities Management	518	(233)	(150)	0	(150)
ICT	5,976	(3,670)	2,340	(2,340)	0
Revenue & Benefits	944	(616)	0	0	0
Finance	2,992	(1,975)	118	0	118
Insurance	1,430	0	(300)	0	(300)
Shared Services	604	158	500	(500)	0
Procurement – CBS supplies	(73)	0	0	0	0
Procurement – International unit	80	(38)	0	0	0
Procurement Other	(283)	(566)	350	(350)	0
Total	20,343	(7,968)	3,097	(3,340)	(243)

Head of Borough Treasurer & Assets - £121k underspend

The £250k telephony saving is currently allocated to the Head of Borough Treasurer & Assets and it is assumed that this target saving is vired to ICT. Governance costs relating to the set up of the Shared Services of £76k have been absorbed within this figure.

Building maintenance- £0 underspend

The process of centralising budgets will mean that this area receives a further £1.1m budget representing the full year budgets held in the services. However, it appears that there has already been expenditure above this level incurred by the front line services. The service will be producing an SLA shortly to ensure that all further expenditure is planned and agreed for the remainder of the financial year and it is on this basis that the service believes that the budget position will be balanced.

The Farms Estate (Shared Service) - £0k underspend

It is anticipated that this area will be on budget this financial year although projections on capital receipts may lead to the reassessment of investment levels across the farms estate.

Property Services - £360k overspend

There are a number of issues that are being investigated currently that may impact the outturn position. The West property recharge figures have just been received for the half year and were a lot higher than expected. Meetings will be held shortly with CWAC to agree the most appropriate and reasonable charges.

A £2.6m income target held in the service is being assessed in terms of its viability but it is expected that this will either be achieved or matched against expenditure budgets if the charges were relating to Cheshire East authorities.

Staffing levels are reduced currently pending the finalisation of the new structure so a small underspend is anticipated. However, the complications of staffing budgets still being agreed for printing, the Crewe administration unit, refreshment staff and the school planning team mean that it is difficult to assess the final position for staffing budgets.

The underlying budget pressure of £360k shown in the above table is due to two factors:-

The energy saving of £500k will shortly be allocated across the departments based on 2008/09 expenditure. Property services should only receive approximately £150k of this target and this will be supported by transitional funds.

Emperor Court costs of £210k relating to rates, rent and stamp duty are unexpected costs that were not anticipated at first quarter. It was assumed that savings from the West properties would be able to fund this. This is the reason for Property services overspending.

Facilities management - £150k underspend

Cleaning & Caretaking is expected to generate a £100k surplus due to the over recovery of labour costs. Whilst staffing levels were affected by the disaggregation process the ability to deliver the level of service at the agreed prices has still been achieved. A further £50k underspend will be generated through the recharges of postage costs to the services.

ICT - £2,340k overspend

Although some of the policy option savings will be achieved from the rationalisation of telephony systems, these will be significantly less than the £250k identified. It is also clear that the savings of £500k on user driven systems will not be achieved. Harmonisation savings of £1m are also not achievable this year and will depend critically on the ability of the ICT Shared Service to decommission all significant

legacy systems during the current year. Overall through the use of transitional funds a balanced budget should be achieved.

Revenues & Benefits - £0k overspend overall

Revenues - £0k underspend

Expected levels of subsidy and court costs income will lead to a balanced budget at year end.

Benefits - £0k overspend

Within Benefits, budgets pressures are being experienced due to the use of agency staff to help deal with the impact of additional workload flowing from the recession. In addition there are difficulties with the recovery of overpayments. Remedial measures include utilising additional grant from the Department for Work and Pensions, along with additional Council funding to help with benefit take up. A major project to implement a new Revenues and Benefits System before December 2010, will require input from within the service to provide staff to the project team & carry out a lot of data cleansing in advance, followed by mass staff training.

Finance - £118k overspend

The overspend is due to the External Audit fee not reducing to the extent anticipated in the LGR business case.

Insurances - £300k underspend

Work is still ongoing in terms of centralising the necessary budget to fund this area but it is expected that a favourable position will be achieved due to the successful tender exercise.

Finance - Shared Services - £500k overspend

The overspend has been caused by Finance Shared Services not being able to deliver the full extent of savings in the short term anticipated in the business case.

Procurement - £350k overspend

The procurement service has a savings target of £661k for the current financial year. This is held on behalf of the organisation and will be allocated across all services once savings have been identified and scoped. At the mid year stage it is assumed that £350k will not be delivered. In year as work is still ongoing to refine key procurement initiatives to deliver the savings. It is assumed that the remaining £311k will be delivered in 2009-10 though there is a risk with the deliverability of these savings due to the timing of the arrival of procurement staff and the complexities of analysing procurement spend for the new authority.

Both the International Unit and CBS supplies are expected to achieve a balanced budget.

Human Resources & Organisational Development

Service Performance & Capacity	Net Budget £000	Budgeted Savings £000	Underlying Budget Pressures £000	Remedial Actions £000	Net Budget Pressures £000
Head of HR & OD	99	(21)	34	(32)	2
HR Strategy & Policy – OHU Shared Service	96	(70)	30	(30)	0
HR Strategy & Policy - Other	667	(179)	94	(53)	41
HR Organisational Development	549	(194)	269	(225)	44
HR Delivery – Shared Services	703	(316)	170	(170)	0
HR Delivery – Other	690	(174)	344	(344)	0
Total	2,804	(954)	941	(854)	87

Head of HR & OD - £34k overspend

Long term service award payments and a non achievable income target will generate an overspend at outturn offset by transitional funding of £32k.

HR Strategy & Policy - £94k overspend

A Unison staff member is unbudgeted currently and investigations are taking place to agree potential funding source. £53k, funded from transitional funds, relates to the pay modeller software plus training and consultancy.

HR Organisational Development - £269k overspend

Employee development salary levels currently exceed the available budget. The final structure should improve this variance. £225k transformational costs relating to MORI employee survey and SUMO will be funded from transitional costs.

HR Delivery £344k overspend

Transitional funding expenditure will match the anticipated excess staff costs and job evaluation work.

Shared Services – OHU and Back Office - £200k overspend

£200k overspend is anticipated in these shared services due to delays in managing resource levels down to the level anticipated in the business case. Work is ongoing to ensure that the respective Shared Services managers prioritise the review of current workloads and required resource inputs.

Borough Solicitor

Service Performance & Capacity	Net Budget £000	Budgeted Savings £000	Underlying Budget Pressures £000	Remedial Actions £000	Net Budget Pressures £000
Head of Borough Solicitor	146	(6)	(31)	0	(31)
Democratic Services – Members allowances	1,336	(329)	227	0	227
Democratic Services – Elections	775	0	(269)	0	(269)
Democratic Services – Other	1,581	(468)	46	(54)	(8)
Legal Services	1,431	(280)	431	(200)	231
Total	5,269	(1,083)	404	(254)	150

Head of Borough Solicitor - £31k underspend

Underspend due to budget monitoring and curtailing non essential expenditure.

Democratic Services - £8k underspend overall

1. Members allowances is overspent by £227k due to travel expenditure and take up of pensions exceeding estimates by £120k and a budget virement to ICT of £70k. The remaining budget pressure of £37k was due to inherited budgets being less than expected.
2. Election budgets are underspent by approximately £269k. This underspend is as a result of a carry forward request of £250k not being deemed necessary to fund Cheshire East elections in 2010/11 as a request next financial year would generate the required budget to meet financial expectations.
3. The remaining parts of Democratic services are balanced after transitional funds are used for Tom Stephenson (Elections support) and Mike Flynn (Democratic Services support), and the Community Governance post.

Legal Services - £431k overspend

The service is overstretched at the moment due to heavy workloads and have had to employ locums to cope with the requirements from both corporate departments and front line services. It is expected that the growth bid that has been submitted for 2010/11, if approved, will be sufficient to employ the necessary staff to meet the demands on this service.

Policy & Performance

Service	Net Budget £000	Budgeted Savings £000	Underlying Budget Pressures £000	Remedial Actions £000	Net Budget Pressure £000
Head of P&P	49	(14)	61	(61)	0
Customer Services	3,575	124	174	(21)	153
Planning & Performance	952	(220)	0	0	0
Audit	997	(206)	0	0	0
CEO & Partnerships	2,286	(221)	219	(219)	0
Communications	1,448	(650)	486	(311)	175
Total P&P	9,308	(1,187)	940	(612)	328

Head of Policy & Performance - £61k overspend

There is an underlying budget pressure of £61k on the Head of Policy and Performance budget as budgets from the four legacy councils were not enough to cover the salary relating to this post. This has been resolved by agreed transition cost funding in 2009-10 of £61k and an agreed growth bid of £61k for 2010-11 onwards.

Customer Services - £174k overspend

Customer Services are forecasting underlying budget pressures of £174k by the end of the year.

£21k of these are due to one off transactions in the year and are funded by approved transition cost bids of £12k for Customer Services uniforms and £9.45k for the extension of the telephony self delivery pilot.

There is a further £153k pressure due to the costs of prudential borrowing on the CRM and Telephony capital programme. These prudential borrowing costs cannot be funded from within the Customer Services non staffing budgets and cannot be absorbed by the wider Policy and Performance budgets.

Many of the items within the capital programme are for the benefit of Cheshire East council as a whole e.g. Cheshire East website, refurbishment of Delamere House ground floor and CRM system. The related savings will not appear in the Customer Services and it is therefore difficult for Customer Services to fund the borrowing costs relating to this expenditure.

Chief Executive and Partnerships - £219k overspend

There is an underlying budget pressure forecast of £219k by the end of 2009-10.

Part of this is due to the Councils commitment to honour the previous years grant commitments to outside organisations. A £67k payment has been made to Cheshire Community Action to match the funding they received last year even though there is no budget to pay for this. It has been agreed to use £67k of the LPSA1 continuation funding ex Macclesfield BC to fund this grant payment.

The remaining shortfall is due to the creation of the Local Area Partnership (LAP) structure. Transition funding has been secured for 2009-10 of £375k and a growth bid of £375k has been approved for future years. It is likely that the full £375k of transition funding will not be needed this year as the LAP structure has not been in place for the full year. Early estimates are the transition funding needed will be between £150k and £200k.

Communications - £486k overspend

Communications are forecasting an underlying budget pressure of £486k in 2009-10.

The majority of this relates to one off transition spend for vehicles, external signage, bus shelters, uniforms etc. and is covered by an approved transition cost funding of £311k.

The remaining budget pressure is due to additional one off expenditure which is for the whole council and was not covered in the initial transition cost bid. This is for internal branding at Emperor Court and Delamere House, internal notice boards and the cost of celebration events to mark the end of the first year of Cheshire East Council. These additional one off costs cannot be met from within the existing Communications budgets or absorbed within the Policy and Performance budgets in total.

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Matters for Decision - Requests for Supplementary Capital Estimates (SCEs) & Virements

					Virement FROM ...	
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Starts Year	Amount Requested £
Chief Officers in consultation with relevant Cabinet Member and Resources Member are asked to approve SCE and Virements over £100,000 and up to and including £500,000						
People						
Children & Young People						
Springfield Spec School	2009/10	120,000	Virement	Specialist Schools	2009/10	120,000
Christ the King Catholic & C of E PS - Phase 1	2009/10	211,000	SCE	Grant	2009/10	211,000
Places						
Affordable Housing - 07-08	2007/08	272,733	SCE	S106 contributions		242,733
			SCE	Linked Capital Receipts		30,000
Performance & Capacity						
ICT						
Data Centre Macclesfield	2009/10	495,000	Virement	Network Optimisation	2008/09	90,000
			Virement	ICT Transitional Development Programme	2009/10	205,000
			Virement	Government Connect	2009/10	200,000
Development Management System	2009/10	157,000	SCE	Planning delivery Grant		157,000
Finance						
Cabinet are asked to approve SCE and Virements over £500,000 and up to and including £1.0m						
People						
Children & Young People						
Capital for Kitchen & Dining Facilities	2009/10	599,571	SCE	Central Gov grant		599,571
Wilmslow Specialist Sports College	2009/10	616,000	SCE	Central Gov grant		350,000
			SCE	DFC Contribution		266,000

Matters for Decision - Requests for Supplementary Capital Estimates (SCEs) & Virements

					Virement FROM ...	
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Starts Year	Amount Requested £
Council are asked to approve SCE and Virements over £1.0m and funding from future years and funding from reserves						
People						
Children & Young People						
Christ the King Catholic & C of E PS	2009/10	3,039,000	SCE	Central Government Grant 2010-11		2,330,000
			SCE	DFC Contribution	2009/10	160,000
			Virement	Primary Capital Programme 09/10		29,000
			SCE	LCVAP		520,000
Stapely Broad Lane PS - Replacement of temp accomodation.	2009/10	906,000	Virement	Schools Modernisation Programme	2009/10	576,000
			SCE	DFC Contribution		39,000
			SCE	Modernisation Grant 2010-11		291,000
Offley Primary School	2009/10	845,000	SCE	DFC Contribution		95,000
			SCE	Primary Capital Programme 2010-11		650,000
			Virement	TLC 2006-07	2006/07	100,000
Performance & Capacity						
Assets						
Energy Efficiency - Invest to Save	2009/10	75,000	SCE	To be funded from Capital Reserve	2009/10	75,000
Total value of Supplementary Capital Estimates/Virements		7,336,304				7,336,304

Delegated Decisions - Requests for Supplementary Capital Estimates (SCEs) & Virements

					Virement FROM ...	
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Starts Year	Amount Requested £
Chief Officers are asked to approve SCE and Virements up to and including £100,000						
People						
Children & Young People						
Devolved Formula Capital in Advance	2009/10	50,000	SCE	Central Government Grant		50,000
TLC Sir William Stanier Comm S	2006/07	15,000	SCE	Revenue Contribution - Property		15,000
Mablins Lane Childrens Centres Ph3	2008/09	10,641	Virement	Wilmslow Library Childrens Centres Ph3	2008/09	10,641
Childrens Centres Ph3 East	2008/09	25,132	Virement	Shavington Childrens Centres Ph3	2008/09	16,750
			Virement	Wilmslow Library Childrens Centres Ph3	2008/09	8,382
Places						
Regeneration						
S278 Macclesfield Surgery	2003/04	7,792	SCE	Fully Funded by S278 Developer Contribution		7,792
S278 A536 Macclesfield Road	2003/04	16,829	SCE	Fully Funded by S278 Developer Contribution		16,829
Principal Roads - Asset Management	2009/10	76,000	Virement	Principal Roads Maintenance - Minor Works	2009/10	76,000
Non Principal Rds - Asset Management	2009/10	60,000	Virement	Non Principal Roads Maintenance - Minor Works	2009/10	60,000
Total Delegated Decisions		261,394				261,394

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Matters for Decision - Requests for reductions in Approved Budgets

Appendix 2c

Scheme	Approved Budget	Revised Approval	Reduction	Reason
	£	£	£	
PEOPLE				
Specialist Schools *	30,000	0	30,000	No other bids in 2009-10
Contact Point / Further Dev of Children's Hub/ e-CAF	612,000	382,000	230,000	Grant is being accounted for in Revenue
Social Care IT Infrastructure	97,000	95,630	1,370	Reduction of grant allocated to Cheshire East
National Dementia Strategy - Hollins View	2,000,000	0	2,000,000	Scheme not now proceeding
Wilmslow Library Childrens Centre *	75,933	60,748	15,185	Reduction in funding available
	2,814,933	538,378	2,276,555	
PLACES				
Nantwich Market Doors Replacement	20,000	0	-20,000	Incorrectly reported at 1st Quarter - scheme dropped years ago
PDG Capital Expenditure	22,000	0	-22,000	Incorrectly reported at 1st Quarter - already included in P&C ICT scheme
	42,000	0	-42,000	
Totals	2,856,933	538,378	2,234,555	

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Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To end of Sep- 09	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
People											
Ongoing Schemes											
Devolved Formula Capital 07-08 East	Children & Families	5,170	3,738	950	525	1,261	171			5,170	0
Replacement to Mobile Classrooms East	Children & Families	0	0	0		0				0	0
Oakenclough PS	Children & Families	980	970	0	10	10				980	0
TLC Dean Oak's PS	Children & Families	3,187	2,324	863	967	863				3,187	0
TLC Sir William Stanier Comm S	Children & Families	21,584	13,043	8,462	4,095	8,341	215			21,599	15
TLC Vernons PS Amalgamation	Children & Families	3,753	174	3,079	309	2,206	1,373			3,753	0
Devolved Formula Capital 06-07 East	Children & Families	4,765	4,492	273	136	273				4,765	0
Macc Reorg Rebuild Park Lane	Children & Families	15,057	15,058	0		0				15,058	1
Integrated Children's Systems (ICS) 08-09 East	Children & Families	922	112	567	4	567	243			922	0
Children's Workforce Dev Sys East	Children & Families	70	0	70		70				70	0
Adults workforce Census East	Children & Families	38	0	38		38				38	0
Devolved Formula Cap 08-09 East	Children & Families	5,131	1,764	2,000	434	1,042	1,958	367		5,131	0
County Minor Works 08-09 East	Children & Families	0	0	0	0	0				0	0
Gorsey Bank Floor Repair	Children & Families	1,768	210	1,558	271	1,487	71			1,768	0
Repairs to Mobile Classroom Ext Schs East	Children & Families	100	0	100	3	100				100	0
Feasibility Studies 08-09 East	Children & Families	0	0	0	0	0				0	0
Land Drainage 08-09 East	Children & Families	57	37	20	20	20				57	0
Partnership/ H & S East	Children & Families	12	0	13	0	13				13	1
Harnessing Technology East	Children & Families	1,091	357	734	0	734				1,091	0
Access Initiative 08-09 East	Children & Families	146	9	137	0	137				146	0
Childrens Homes Rationisation	Children & Families	1,000	939	61	14	61				1,000	0
Childrens Centres Ph3 East	Children & Families	188	0	188	0	213				213	25
ICT Childrens Centres Ph3 East	Children & Families	125	0	104	0	104	21			125	0
Shavington Childrens Centres Ph3	Children & Families	559	11	549	42	532				543	-16
Wilmslow Library Childrens Centres Ph3	Children & Families	95	0	95	0	61				61	-34
Holmes Chapel Library Childrens Centres Ph3	Children & Families	5	0	5	0	5				5	0
Mablins Lane Childrens Centres Ph3	Children & Families	745	13	733	107	743				756	11
Daven Childrens Centres Ph3	Children & Families	347	32	315	149	315				347	0
East Cheshire Minor Works Ph3	Children & Families	331	0	198	31	198	132			330	-1
Sandbach Childrens Centres Ph3	Children & Families	717	0	100	5	0	717			717	0
East Rural Programme Ph3	Children & Families	150	0	0		0	150			150	0
Brine Leas Sixth Form	Children & Families	7,312	314	2,922	104	3,458	3,540			7,311	-1
Brine Leas HS - Sports Hall	Children & Families	410	410	0		0				410	0
2008-09 Building Review Block	Adults	192	90	102	15	102				192	0
CA ICT Schemes 08	Adults	0	0	0		0				0	0
Extra Care Housing	Adults	3,067	80	1,850		1,850	569	568		3,067	0
Libraries Facilities	Health & Wellbeing	500	60	440		440				500	0
Modernising ICT Delivery	Adults	811	269	542		542	0			811	0
Enabling Model of Social Care	Adults	58	0	58		58				58	0
Cranage Bowling Green & Pavilion refurbishment	Health & Wellbeing	20	1	19		19				20	0
Nantwich Pool Enhancements (part-funding)	Health & Wellbeing	1,385	0	0		0	700	335	350	1,385	0
Shavington Community Health & Fitness Centre	Health & Wellbeing	360	6	354	150	354				360	0
Bridges and other structures on Middlewood Way	Health & Wellbeing	828	590	135	86	135	6			731	-97
Home Access for Targeted groups East	Children & Families	132	0	132	132	132				132	0
Alsager Highfields Toilet adaptions	Children & Families	215	7	208	191	193	15			215	0
Alsager Health Centre Ph3	Children & Families	11	0	11		11				11	0
SCP Childrens Services	Children & Families	47	11	36		36				47	0
Kings Grove High School, Crewe	Children & Families	150	20	130		100	30			150	0
Redesignation of Specialist Schools	Children & Families	100	0	100		100				100	0
IS for Parents & Providers East	Children & Families	18	9	9	18	9				18	0
Manor Park PS	Children & Families	734	719	15		30				749	15
Monks Coppenhall	Children & Families	1,472	1,428	0	20	5				1,433	-39
TLC 2006-07 East	Children & Families	346	246	100		0				246	-100
TLC Oakefield Prim&Nursery Sch	Children & Families	2,037	2,028	8		8				2,036	-1
Playground Mark Phase1 NOF East	Children & Families	116	98	18		18				116	0
Refurb Day Cent Mountview	Adults	40	3	37	26	37				40	0
Maint Old Peoples Centres	Adults	24	19	5	5	5				24	0
Mayfield Centre	Adults	10	4	6		6				10	0

Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To end of Sep- 09	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Mental Health Provider	Adults	226	146	79		80				226	0
Cypress House CSC Misterys 08-09	Adults	75	0	75	6	75				75	0
Countryside Footpaths	Health & Wellbeing	20	3	17		17				20	0
Middlewood Way Fencing	Health & Wellbeing	69	45	24	10	24				69	0
Middlewood Way Footpath Repairs	Health & Wellbeing	20	4	16	18	16				20	0
Middlewood Way Viaduct Repairs	Health & Wellbeing	546	460	86		86				546	0
Macclesfield Canal Footbridge	Health & Wellbeing	30	0	30	87	30				30	0
Bollington Rec Ground - Green Flag Status	Health & Wellbeing	140	135	5	3	5				140	0
The Moor, Knutsford - Green Flag Status	Health & Wellbeing	112	99	13	8	13				112	0
Alderley Park Tennis Courts	Health & Wellbeing	28	26	2		2				28	0
Springfield Road Allotments	Health & Wellbeing	36	0	36		36				36	0
Bromley Farm "Kick About" Area	Health & Wellbeing	47	25	22		22				47	0
Lawton Green Landscaping	Health & Wellbeing	8	0	8		8				8	0
Alsager Skate Park	Health & Wellbeing	9	2	7		7				9	0
Allotment Improvements	Health & Wellbeing	15	12	3		3				15	0
Play Area Improvements	Health & Wellbeing	100	80	20		20				100	0
Congleton Park Community Store	Health & Wellbeing	65	6	59		59				65	0
Sandbach Park Building Refurbish	Health & Wellbeing	29	9	20		20				29	0
Legionella Works (Joint Use)	Health & Wellbeing	26	14	12		12				26	0
Improving Leisure Facilities	Health & Wellbeing	55	46	9		9				55	0
Alsager LC - Electrical Dist Board	Health & Wellbeing	13	9	3		3				12	-1
Cumberland Infield Floodlighting	Health & Wellbeing	72	4	68	19	68				72	0
Barony Park Astro-turf	Health & Wellbeing	60	5	55	92	55				60	0
BMX Track (Drainage & Improvements)	Health & Wellbeing	54	44	10		10				54	0
Playgrounds	Health & Wellbeing	64	43	21		21				64	0
Wilmslow LC Plant and Equip	Health & Wellbeing	22	0	0	17	22				22	0
Crewe Pool Health & Safety Works	Health & Wellbeing	270	0	270	15	270				270	0
Improvements to Congleton Park	Health & Wellbeing	35	0	35		35				35	0
Total On-going schemes		90,734	50,912	29,455	8,145	28,070	9,910	1,270	350	90,513	-221
New Starts 2009-10											
Schools - Minor Works (Basic Need)	Children & Families	563	0	162	14	90	473			563	0
Feasibility 09-10	Children & Families	50	0	50	10	50				50	0
VA Contributions 09-10	Children & Families	50	0	50		50				50	0
Land Block 09-10	Children & Families	50	0	50		50				50	0
Land Drainage MWK 09-10	Children & Families	60		60	3	20	40			60	0
Asset Management	Children & Families	0	0	0	0	0				0	0
Staff/Equipment	Children & Families	0	0	0	0	0				0	0
Schools - Access Initiative	Children & Families	668	0	501		445	223			668	0
Children's Social Care	Children & Families	36	0	36		36				36	0
Devolved Formula Capital	Children & Families	5,693	0	2,500	142	1,500	2,500	1,693		5,693	0
Extended Schools	Children & Families	363	0	100		100	263			363	0
Specialist Schools	Children & Families	150	0	150		0				0	-150
Springfield Spec School	Children & Families				0	90	30			120	120
Harnessing Technology	Children & Families	801	0	630		467	334			801	0
14-19 diploma	Children & Families	1,000	0	700		300	700			1,000	0
SureStart Aiming High for Disabled Children	Children & Families	168	0	168		168				168	0
Primary Capital Programme	Children & Families	564	0	0		0	535			535	-29
Cledford TLC Scheme	Children & Families	3,289	0	1,219	8	1,139	2,150			3,289	0
Contact Point / Further Dev of Children's Hub/ e-CAF	Children & Families	612	0	459		229	102	51		382	-230
Wilmslow Specialist Sports College	Children & Families	0	0	0	0	5	611			616	616
Capital for Kitchen & Dining Facilities	Children & Families	0	0	0	0	200	400	0		600	600
Building Review	Adults	180	0	180	0	180				180	0
Mental Health Capital	Adults	99	0	99		99				99	0
Social Care IT Infrastructure	Adults	97	0	97		96				96	-1
Common Assessment Framework	Adults	50	0	50		50				50	0
Community Services Flexible and Mobile working	Adults	650	0	650	1	650				650	0
Play Capital	Health & Wellbeing	1,100	0	473		473	627			1,100	0
Leisure Centre General Equipment	Health & Wellbeing	45	0	45		45				45	0

Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To end of Sep- 09	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	2009-10 £000's	£000's	2009-10 £000's	2010-11 £000's	2011-12 £000's	2012-13 £000's	£000's	£000's
Libraries RFID - Self service	Health & Wellbeing	0	0	0		0				0	0
LTP - Public Right of Way Improvements	Health & Wellbeing	24	0	24	10	24				24	0
National Dementia Strategy - Lincoln House	Adults	1,000	0	1,000	0	1,000	0			1,000	0
National Dementia Strategy - Hollins View	Adults	2,000	0	0	0	0	0			0	-2,000
Devolved Formula Capital in Advance	Children & Families	2,227	0	1,000		600	1,200	427	50	2,277	50
Primary School & YOT Extension repairs	Children & Families	230	0	230		100	130			230	0
Schools - Modernisation Programme	Children & Families	1,150	0	1,150		574				574	-576
The Dingle Refurbishment	Children & Families	172	0	172		172				172	0
Stapely Broad Lane PS - Replacement of temp accomodation.	Children & Families	0	0	0	0	70	836			906	906
Offley Primary School	Children & Families	0	0	0	0	57	788			845	845
Christ the king Catholic & C of E PS	Children & Families	0	0	0	0	189	2,850			3,039	3,039
Christ the king Phase 1	Children & Families	0	0	0		211				211	211
Community Support Centre (CSC) Misters	Adults	280	0	280		280				280	0
Sandbach United Football complex	Health & Wellbeing	2,200	0	2,200		500	1,700			2,200	0
Swim for Free Capital	Health & Wellbeing	128	0	128		128				128	0
Sandbach Park	Health & Wellbeing	128	0	128		128				128	0
Demolition of Carrs Pavilion - Ticket Office	Health & Wellbeing	13	0	13		13				13	0
		25,890	0	14,754	188	10,578	16,492	2,171	50	29,291	3,401
Total People Programme		116,624	50,912	44,209	8,333	38,649	26,402	3,441	400	119,804	3,180
New 09-10 Schemes to be approved											
Total 2009-10 New Starts to be approved		0	0	0	0	0	0	0	0	0	0
Total People programme including SCE's		116,624	50,912	44,209	8,333	38,649	26,402	3,441	400	119,804	3,180
Places											
Ongoing Schemes											
Section 278 Agreements (2007-08)	Regeneration	151	21	61	2	16	21			58	-93
A538 Altrincham Rd, Wilmslow-Cycle path & Assoc Wks	Environmental Services	200	0	100	0	100	100			200	0
Section 278 Agreements (2006-07)	Regeneration	470	113	357	12	354				467	-3
Alderley Edge By-Pass Scheme Implementation	Environmental Services	51,600	6,178	24,930	7,241	24,930	17,310	3,182		51,600	0
Section 278 Agreements (2005-06)	Regeneration	72	56	16	0	3				59	-13
Section 278 Agreements (2004-05)	Regeneration	71	45	26	2	15	12			72	1
Section 278 Agreements (2003-04)	Regeneration	191	179	12	18	30	7			216	25
Section 278 Agreements (2002-03)	Regeneration	34	33	1	0	1				34	0
Section 278 Agreements (pre 2002-03)	Regeneration	1,534	1,411	123	0	1				1,412	-122
Septic Tanks-Rural Properties	Planning & Policy	315	68	41	0	41	40	40		189	-126
Improvements to Chapel Street Car Park	Safer & Stronger Communities	165	3	162	0	162				165	0
Choice Based Lettings	Planning & Policy	232	59	173	0	173				232	0
Queens Park Restoration	Environmental Services	6,477	2,237	4,239	66	4,239				6,476	-1
Crewe Town Squares/ Shopping Facilities Refurbishment & Toilets	Regeneration	3,174	1,846	0	0	11	1,317			3,174	0
Crewe Town Squares - Lyceum Square	Regeneration	1,866	166	1,360	80	1,360	340			1,866	0
Crewe and Macc HWRCs	Environmental Services	870	117	736	4	736	17			870	0
Road Safety Schemes - Minor Works	Regeneration	126	1	125	7	125				126	0
Connect2 - Crewe & Nantwich Greenway	Regeneration	530	0	530	13	530				530	0
Parkgate	Regeneration	2,382	72	0	20	20	2,289			2,381	-1
Section 278 Agreements - (2008-09)	Regeneration	347	34	216	4	138	83			255	-92
Flowerpot Junction Improvements	Environmental Services	1,032	925	73	0	73				998	-34
Claims	Regeneration	30	3	27	0	27				30	0
Bus Quality Partnership/Public Transport Improvements	Regeneration	120	100	20	0	20				120	0
Piggenshaw Brook	Regeneration	56	6	50	0	50				56	-1
Tatton Park - Farm Entrance	Regeneration	30	20	10	0	10				30	0
Tatton Park - Boundary Fence	Regeneration	203	201	2	0	2				203	0
Pyms Lane Closed Landfill Site	Environmental Services	47	5	42	0	42				47	0
Alsager Closed Landfill Site	Environmental Services	100	0	100	0	100				100	0
Closed Landfill Sites - Maint & Improvements	Environmental Services	2	0	2	0	2				2	0

Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To end of Sep-09	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Newgate Gas Works	Environmental Services	258	173	85	0	85				258	0
Merelake Way Bridge Repairs	Environmental Services	54	25	28	0	28				53	-1
St Peters Retaining Wall	Environmental Services	113	91	22	0	22				113	0
Dane Embankment Repairs	Environmental Services	470	419	51	0	51				470	0
Air Quality Monitoring Equipment	Safer & Stronger Communities	40	28	12	0	12				40	0
Holmes Chapel Toilets	Environmental Services	74	4	69	0	69				73	-1
Art in a Roundabout way	Safer & Stronger Communities	32	12	20	0	20				32	0
Street Furniture	Environmental Services	31	26	5	0	5				31	0
Highway Adoption - Talke Road	Environmental Services	7	0	7	0	7				7	0
Antrobus Street Car Park	Safer & Stronger Communities	80	25	55	84	55				80	0
The Crescent - Car Park Provision	Safer & Stronger Communities	7	5	2	0	2				7	0
HRA Grants	Planning & Policy	415	415	0	0	0				415	0
Empty Homes	Planning & Policy	319	319	0	0	0				319	0
Highway Adoption - Springvale	Environmental Services	18	14	5	0	5				19	1
Vehicle & Plant Replacement	Environmental Services	415	237	26	0	26				263	-152
Crematorium Plant Repairs	Environmental Services	275	110	55	0	55	55	55		275	0
Jordangate MSCP	Safer & Stronger Communities	564	524	40	0	40				564	0
Alderley Edge CCTV	Safer & Stronger Communities	66	9	57	0	57				66	0
South Drive Car Park	Safer & Stronger Communities	100	0	100	0	100				100	0
Spring Street Car Park	Safer & Stronger Communities	2,669	2,669	0	0	0				2,669	0
Disabled Facilities Grants	Planning & Policy	1,832	1,484	348	173	348				1,832	0
Victoria Street Car Park Lighting Renovation	Safer & Stronger Communities	30	11	19	0	19				30	0
Outdoor Market Covered Stand	Environmental Services	200	0	200	0	200				200	0
Car Park Works and Pay & Display Thomas St Car Park (East)	Safer & Stronger Communities	128	2	126	86	126				128	0
Nantwich Market Doors Replacement	Environmental Services	20	0	20	0	0				0	-20
Market Square, Crewe - Interim Improvements	Regeneration	150	99	51	10	51				150	0
West Street Environmental Improvements	Regeneration	520	3	517	197	517				520	0
Social Housing Grants/ Enabling Affordable Housing	Planning & Policy	1,062	0	1,062	0	1,062				1,062	0
Affordable Housing Initiatives	Planning & Policy	597	401	196	0	468				869	272
Alley Gating	Safer & Stronger Communities	497	468	29	26	29				497	0
CCTV Control Room Relocation	Safer & Stronger Communities	290	0	290	0	290				290	0
CCTV Cameras	Safer & Stronger Communities	65	7	58	0	58				65	0
New Cemetery Land/ Infrastructure - Pym's Lane	Environmental Services	107	87	20	0	20				107	0
New Cemetery Land/ Infrastructure - Weston	Environmental Services	144	0	144	0	144				144	0
Housing Energy Efficiency Grants	Planning & Policy	101	98	3	0	3				101	0
Leighton Brook Park	Regeneration	385	137	248	112	248				385	0
Capital Projects Management	Regeneration	20	1	19	1	19				20	0
PDG Capital Expenditure	Planning & Policy	22	22	162	0	0				22	0
Quakers Coppice	Regeneration	47	0	47	12	47				47	0
Nantwich Market Town Initiative	Regeneration	26	11	15	0	15				26	0
Nantwich Old Mill Wall	Regeneration	38	15	23	0	23				38	0
Project Development - Alderley Edge By Pass	Regeneration	3,459	3,415	0	27	40				3,455	-4
Business Development Land Acquisition	Regeneration	500	0	500	0	500				500	0
Waste Transfer Station (Crewe & Nantwich)	Environmental Services	46	0	46	0	46				46	0
Total On-going schemes		88,720	25,264	38,316	8,197	38,223	21,591	3,277	0	88,355	-365
New Starts 2009-10											
Building Safer Communities Fund	Safer & Stronger Communities	80	0	80	0	80				80	0
Alley Gating	Safer & Stronger Communities	25	0	25	0	25				25	0
LTP - Principal Roads Maintenance	Environmental Services	1,401	0	1,401	269	1,325				1,325	-76
LTP - Principal Roads Maintenance - Asset Management	Regeneration	0	0	0	0	76				76	76
LTP - Non Principal Roads Maintenance	Environmental Services	2,700	0	2,700	395	2,640				2,640	-60
LTP - Non Principal Roads Maintenance - Asset Management	Regeneration	0	0	0	0	60				60	60
LTP - Crewe Rail Gateway	Regeneration	594	344	250	6	50				394	-200
LTP - Crewe Green Link Road	Regeneration	300	0	300	20	200	100			300	0
LTP - A533 Middlewich Eastern By Pass	Regeneration	825	363	400	0	400				763	-62
LTP - East Cheshire Transport Study	Regeneration	150	0	150	3	150				150	0
LTP - Road Safety Schemes	Regeneration	256	0	256	0	256				256	0
LTP - Road Safety Schemes - Rail incursion measures	Regeneration	100	0	100	0	100				100	0
LTP - Safer Routes to Schools	Regeneration	333	0	333	0	333				333	0

Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget 2009-10	Actuals To end of Sep- 09	Forecast Expenditure 2009-10	Forecast Expenditure 2010-11	Forecast Expenditure 2011-12	Forecast Expenditure 2012-13	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LTP - Bus Quality Partnerships/Public Transport Inf	Regeneration	285	0	285	1	285				285	0
LTP - Demand Management	Regeneration	24	0	24	0	24				24	0
LTP - Project Development Schemes - Minor Schemes	Regeneration	89	0	89	0	49				49	-40
LTP - Local Area Programmes - North	Environmental Services	275	0	275	0	275				275	0
LTP - Local Area Programmes - South	Environmental Services	475	0	475	11	475				475	0
LTP - Local Area Programmes - South - Nantwich Directional Signing	Environmental Services	160	0	160	135	160				160	0
LTP - SEMMMS - Regeneration allocation - Major Projects	Regeneration	234	0	234	0	234				234	0
LTP - SEMMMS - Environment Services allocation	Environmental Services	1,307	0	1,307	0	1,307				1,307	0
LTP - SEMMMS - Transport element - BQP/PTI	Regeneration	200	0	200	29	200				200	0
LTP - Detrunked Roads Maintenance - Major Scheme	Environmental Services	790	0	790	0	790				790	0
LTP - Bridge Maintenance	Environmental Services	1,570	0	1,567	230	1,567				1,567	-3
LTP - Road Safety Grant	Environmental Services	449	0	220	0	220	229			449	0
LTP - Highway Maintenance	Environmental Services	968	0	968		0				0	-968
Waste Infrastructure Capital Grant	Environmental Services	658	0	658	54	658				658	0
Disabled Facilities Grants	Planning & Policy	1,070	0	1,070	127	1,070				1,070	0
Private Sector Assistance Initiative	Planning & Policy	1,481	0	1,481	208	1,481				1,481	0
Affordable Housing - Assisted Purchase Scheme	Planning & Policy	600	0	600	30	600				600	0
Vehicle Replacement	Regeneration	500	0	500		0				0	-500
Development of land at Alderley Edge Cemetery	Environmental Services	100	0	100	0	100				100	0
Car Park Charges Congleton and Crewe & Macc	Safer & Stronger Communities	160	0	160	0	160				160	0
Thomas Street Car Park	Safer & Stronger Communities	105	0	105	0	105				105	0
CCTV System review	Safer & Stronger Communities	50	0	50	0	50				50	0
East UTC System	Environmental Services	50	0	50	0	50				50	0
Section 278's - 09-10 New Starts	Regeneration	35	0	21	1	7	14			21	-14
Transport Asset Management Grant	Regeneration	162	0	162	0	162				162	0
Cheshire Safer Roads Partnership	Environmental Services	606	405	201	165	201				606	0
Total 2009-10 New bids approved		19,167	1,113	17,747	1,686	15,925	343	0	0	17,380	-1,787
Total Places Programme		107,888	26,377	56,062	9,883	54,148	21,934	3,277	0	105,736	-2,152
New 09-10 Schemes to be approved											
Total 2009-10 New Starts to be approved		0	0	0	0	0	0	0	0	0	0
Total Places programme including SCE's		107,888	26,377	56,062	9,883	54,148	21,934	3,277	0	105,736	-2,152
Borough Solicitor (Monitoring Officer)											
2009-10 New Starts											
Integrated Legal ICT System	Legal Services	60	0	45		45	15			60	0
Total 2009-10 New Starts		60	0	45	0	45	15	0	0	60	0
Total Borough Solicitor Programme		60	0	45	0	45	15	0	0	60	0
Borough Treasurer & Assets											
Ongoing schemes											
Disability Compliance Work	Assets	498	469	29	13	29				498	0
Building Alteration & Improvements	Assets	155	77	78	26	78				155	0
ICT Investment	ICT	248	148	100	0	100				248	0
Transforming Cheshire - Information Management	ICT	1,484	521	224	0	224	36	703		1,484	0
County Farms 2008-09	Assets	362	124	238	132	238				362	0
County Farms 2007-08	Assets	696	696	0	0	0				696	0
Transforming Cheshire - Improving Oracle (Shared Services)	ICT	1,770	732	1,038	0	1,038				1,770	0
Data Centre	ICT	1,294	752	542	0	542				1,294	0
Delamere house - Reg accomadation	Assets	200	0	200	0	200				200	0
Network Optimisation	ICT	90	0	90	0	0				0	-90
New Developments - Schemes under £100k	ICT	5	0	5	0	5				5	0
Transforming Cheshire - Information Management	ICT	0	0	0	0	0				0	0
Transforming Cheshire - County Farms Disp	Assets	184	184	0	0	0				184	0
County Farms 2005-06	Assets	1,476	1,476	0	0	0				1,476	0

Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To end of Sep-09	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Internet	ICT	70	0	70	0	70				70	0
CRAIG Phase 4	ICT	10	0	10	0	10				10	0
Shared Services	ICT	5	0	5	0	5				5	0
e-Payments	ICT	6	0	6	0	6				6	0
UPS for Core CCC	ICT	12	0	12	0	12				12	0
CLI for 999 calls	ICT	2	0	2	0	2				2	0
Network Readiness	ICT	69	50	19	0	19				69	0
MS Projects Server	ICT	2	0	2	0	2				2	0
Time Recording using Business Objects	ICT	2	0	2	0	2				2	0
Internet Extension to districts	ICT	3	0	3	0	3				3	0
Archiving and Managing Legacy	ICT	35	17	18	0	18				35	0
Windows 2003 Corp Serv Upgrade	ICT	245	215	30	0	30				245	0
Upgrade to Corporate Telephone	ICT	1,643	1,607	36	0	36				1,643	0
CSBS	ICT	899	862	37	0	37				899	0
NHS LINK / Connected Cheshire	ICT	80	69	11	0	11				80	0
Real Time Monitoring	ICT	68	23	45	0	45				68	0
Electronic Social Care	ICT	47	11	36	0	36				47	0
Integrated Children's Centre	ICT	367	334	33	0	33				367	0
Wheelock St	Assets	112	12	100	0	100				112	0
Urgent Safety Works	Assets	37	18	19	0	19				37	0
Fixed Electrical Installation	Assets	200	68	132	0	132				200	0
Asbestos Remedial Works	Assets	64	60	4	0	4				64	0
Premise Improvement Works	Assets	310	303	7	0	7				310	0
Westfields Entrance Improvement Works	Assets	9	0	9	0	9				9	0
Fire Risks Assessment	Assets	306	230	76	19	76				306	0
Church Walls	Assets	60	12	48	0	48				60	0
CRM Integration	ICT	7	0	7	0	7				7	0
Customer First - Remote Sites	ICT	17	0	17	0	17				17	0
Telephone IP Extension to Remote Sites	ICT	5	0	5	0	5				5	0
Backup Switchboard	ICT	6	0	6	0	6				6	0
Server Replacement	ICT	163	144	19	0	19				163	0
Fluency Changes & Reporting	ICT	10	0	10	0	10				10	0
Disability Discrimination Act Improvements/ Adaptations	Assets	264	121	143	3	143				264	0
Public Building Repairs	Assets	1,164	451	0	64	713				1,164	0
Minor Works 2007-08	Assets	103	85	18	0	18				103	0
Minor Works 2006-07	Assets	138	70	68	0	68				138	0
Total On-going schemes		15,002	9,942	3,609	257	4,232	36	703	0	14,913	-89
2009-10 New Bids											
Office Accommodation Strategy	Assets	9,450	0	2,350	189	2,550	3,000	3,900		9,450	0
Farms Estates Reorganisation & Reinvestment	Assets	1,410	0	1,410	0	460	950			1,410	0
Single Revenue & Benefits Systems	Finance	444	0	444	0	150	294			444	0
Building Maintenance Programme	Assets	5,645	0	5,645	459	5,545	100			5,645	0
Development Management System	ICT	280	0	280	0	437				437	157
ICT Transitional Development Programme	ICT	1,500	0	1,500	0	1,295				1,295	-205
Click into Cheshire	ICT	39	0	39	0	39				39	0
Government Connect	ICT	490	0	490	0	290				290	-200
Essential Replacement of Core ICT Infrastructure	ICT	891	0	891	2	891				891	0
ICT Security & Research	ICT	209	0	209	0	209				209	0
Enterprise Content Management proposal	ICT	500	0	500	0	500				500	0
Flexible & Mobile Working	ICT	1,425	0	585	5	585	300	540		1,425	0
Oracle Migration/Cutover Activities	ICT	51	0	51	0	51				51	0
Data Centre Macclesfield	ICT	0	0	0	0	495				495	495
Energy Efficiency Savings	Assets	0	0	0	0	75				75	75
Total 2009-10 New bids		22,334	0	14,394	655	13,572	4,644	4,440	0	22,656	322
Total Borough Treasurer & Assets Programme		37,335	9,942	18,003	912	17,804	4,680	5,143	0	37,569	234

Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To end of Sep- 09	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Policy & Performance											
On-going schemes											
Transforming Cheshire - Customer Access	Customer Services	428	207	36	0	36		185		428	0
Customer Access	Customer Services	262	188	74	0	74				262	0
Excelcis	Planning & Performance	10	0	10	0	10				10	0
Capital Investment Scheme Grants	Partnerships & CE's	400	23	377	0	277	100			400	0
Total On-going schemes		1,100	418	497	0	397	100	185	0	1,100	0
2009-10 New Bids											
Customer Relationship Management & Telephone System	Customer Services	1,705	0	1,705	0	1,250	455			1,705	0
Total 2009-10 New bids		1,705	0	1,705	0	1,250	455	0	0	1,705	0
Total Policy & Performance Programme		2,805	418	2,202	0	1,647	555	185	0	2,805	0
Total Committed schemes approved by Council											
Total New bids 09-10 - Approved by Council											
Total 2009-10 Programme for On-going & approved new starts		264,712	87,649	120,521	19,129	112,293	53,586	12,046	400	265,974	1,262
Total 2009-10 New bids to be approved		0	0	0	0	0	0	0	0	0	0
Total Cheshire East 2009-10 Capital Programme		264,712	87,649	120,521	19,129	112,293	53,586	12,046	400	265,974	1,262

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Reserves Strategy

2009-2013

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Executive Summary

Cheshire East Council will maintain reserves for two main purposes:

- 1. to protect against risk, and;**
- 2. to support investment**

The Reserves Strategy presents information about the requirements to maintain adequate financial reserves and provides statements on the types of reserves and current and predicted balances.

This strategy sets out a clear purpose for the holding of reserves, using risk assessments and setting out principles for the management of balances for the period 2009 – 2013.

The report follows guidance issued by the Chartered Institute of Public Finance & Accountancy ~ *LAAP Bulletin 55 – February 2003: Guidance Note on Local Authority Reserves and Balances*. Compliance with the guidance is recommended in the Institute's 2003 Statement on the Role of the Finance Director in Local Government and the regulatory framework and role of the Chief Finance Officer are set out in Appendix A.

The opening balances for Cheshire East Council reserves come from the information supplied on the balance sheets of the 4 predecessor local authorities in Cheshire east area. It is important to recognise that, although the overall total of the former Cheshire County Council reserves will not change, the allocation between Cheshire East and Cheshire West & Chester is still subject to ongoing review.

This strategy represents the latest position, following further review of the balances previously held, to ensure they meet the needs of Cheshire East Council.

Lisa Quinn

Borough Treasurer & Head of Assets
Cheshire East Council

1. Introduction

Types of Reserves

1. When reviewing medium term financial plans and preparing annual budgets the council must consider the establishment and maintenance of reserves. Two types of Revenue Reserves will be held:

General Reserves

This represents the non-ringfenced balance of council funds. There are two main purposes to general reserves: firstly to operate as a **working balance** to help manage the impact of uneven cash flows and avoid unnecessary temporary borrowing, and; secondly to provide a **contingency** to cushion the impact of emerging events or genuine emergencies. The level of reserves retained will be risk based. General Reserves must be adequate and will increase and decrease as follows:

: Increasing General Reserves

- *Planned repayment* as set-out in the budgeting process, usually to recover to an adequate level in relation to a detailed risk assessment, or to prepare in advance for future risks
- Allocation of an *operating surplus* at the close of the financial year

Decreasing General Reserves

- *Planned draw-down* of reserves to create investment, and to counteract the possibility of over-taxing in any financial year
- Allocation of an *operating deficit* at the close of the financial year

Earmarked Reserves

This provides a means of building up funds, for use in a later financial year, to meet known or predicted policy initiatives. Discipline is required around setting up and maintaining earmarked reserves, and this strategy sets out the Council's approach to this. Earmarked reserves will increase through decisions of the council and will decrease as they are spent on specific intended purposes.

Assessing the Adequacy of Reserves

2. In order to assess the adequacy of unallocated general reserves when setting the budget, the Borough Treasurer will take account of the strategic, operational and financial risks facing the authority. The council will therefore adopt formal risk management processes. The Audit Commission Codes of Audit Practice make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks will be assessed in the context of the Authority's overall approach to risk management.

3. There is now a requirement for local authorities to include an Annual Statement of Governance with the Statement of Accounts. The Chief Finance Officer will ensure that the authority has put in place effective arrangements for internal audit of the control environment and systems of internal control, as required by professional standards.
4. Setting the level of general reserves is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a particular year. Account will also be taken of the key financial assumptions underpinning the budget alongside a consideration of the Authority's financial management arrangements.
5. **Table 1** (below) sets out the significant budget assumptions that are relevant when considering the adequacy of reserves that are in addition to the issue of cashflow:

Table 1: Holding adequate reserves will depend on a number of key factors

Budget Assumptions	Financial Standing & Management
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates etc)
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management including the robustness of the medium term plans
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures
The treatment of planned efficiency savings/productivity gains	The strength of the financial information and reporting arrangements
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The authority's virement and end of year procedures in relation to budget under/overspends at authority and departmental level
The availability of other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the authority's insurance arrangements to cover major unforeseen risks

Source: CIPFA ~ LAAP Bulletin 55, 2003

6. These factors can only be assessed properly at local level. A considerable degree of professional judgment is required. The Borough Treasurer may choose to express advice on the level of balances in cash and/or as percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the Authority for that particular year.

7. Advice will be set in the context of the Authority's Medium Term Financial Strategy and not focus on short term considerations, although balancing the annual budget by drawing on general reserves may be a legitimate short term option. However, where reserves are to be deployed to finance recurrent expenditure this should be made explicit, and will occur only to pump prime investment and not to regularly support such costs. Advice should be given on the adequacy of reserves over the lifetime of the Medium Term Financial Strategy.
8. The current guidance requires the purpose, usage and the basis of transactions of earmarked reserves to be identified clearly. A review of the levels of earmarked reserves will be undertaken as part of annual budget preparation.
9. Capital reserves will be maintained as part of the Capital Strategy monitoring and review. Such balances will inform decisions on borrowing and general management of the capital programme.

2. General Fund Reserves (Revenue)

Purpose

10. The purpose of general reserves is to minimise the possible financial impacts to the authority from:
 - Emergencies;
 - In-year emerging issues;
11. Finance Procedure Rules allows the use of general reserves, with the following limitations:
 - a. Estimates for unfunded use of reserves must be approved by Council
 - b. Fully funded estimates may be approved as follows:
 - Up to £0.1m Chief Officers
 - £0.1m to £0.5m Chief Officers in consultation with Cabinet Member and Cabinet Member for Resources
 - Over £1m Council
12. In all cases the use of reserves should be approved by the Borough Treasurer.

Opening Balances

13. The opening balance for Cheshire East Council general reserves is anticipated to be £24.449. This balance picks up balance sheet totals for predecessor authorities, with a reduction for earmarked reserves created by Cheshire East members as part of the 2009/2010 Budget setting process.
14. The opening balance reflects current estimates and it is important to note that there is still some scope for amendments, following final agreement on disaggregation of the County Council balance sheet, so figures are still provisional at this stage.
15. Transitional costs, from local government reorganisation, have been met from general reserves, and by making a contribution from revenue income each year those reserves will be replaced. In addition the level of reserves needed will be assessed each year according to the risks facing the Authority (see Risk Assessment below).
16. **Table 2** (below) summarises the current estimated movements in general reserves from 2009 to 2012. This position makes a clear assumption that any recently identified in-year, or future, emerging financial pressures will be met from within the council's funding envelope.

Table 2: Reserves should remain higher than the 'Risk Assessed Minimum Level'

Detail	2009/10 £000	2010/11 £000	2011/12 £000
Estimated Balance @ 1st April	24,449	23,725	28,301
Increases in Reserves			
- Transfer from Capital to General Reserves	1,030		
- Contingent Asset (VAT reclaim) net of fees	3,450	600	
- Contribution from Earmarked Reserves*	4,589	42	42
- Business Finance Loan Repayments	392	278	146
- Unbudgeted 2009/2010 LABGI Income	291		
Decreases in Reserves			
- Recession Group	(331)		
- Crewe Masterplan	(125)		
- Carbon Reduction Commitment (2009/2010 energy programme spend)	(75)		
- Policy & Performance Structure (2009/2010 affect)	(200)		
- VR Round 2 (and ongoing actuarial costs)	(5,000)	(833)	(833)
- Social Care Redesign (and ongoing actuarial costs)	(3,008)	(250)	(250)
Recommended Balances to Earmarked Reserves*			
- People into Jobs	(138)		
- Invest to Save	(2,000)		
- Enablement of Local Working	(625)		
Impact of Transition Costs			
- Net impact of Transition (ie Repayments less actuarial & relocation costs)	1,026	4,739	4,739
Sub total – Forecast General Reserves @ 31st March	23,725	28,301	32,145
Risk Assessed Minimum Level	23,521		
Un-Allocated Balance	204		

Source: Cheshire East Finance ~ August 2009

*for a detailed breakdown of earmarked reserves please refer to Section 3

17. The reserves position for 2009/10, as detailed in **Table 2** (above), reflects the aim of Cheshire East Council to repay Transitional Costs and Voluntary Redundancy costs over the three-year planning period, and repay resultant actuarial costs over the five year negotiated settlement period.

18. The in-year use of general reserves requires council approval and must not be used for any level of recurring spending, unless that spending will be included in revenues budgets in the following financial year or a suitable payback period is agreed in advance.

Invest-to-Save

19. In line with the purpose of holding reserves, the council can earmark funds to promote investment in more efficient ways of delivering services.

20. In response to the level of un-allocated General Reserves, identified in the September 2009 report, a balance of £2m has been recommended to create an Invest-to-Save earmarked reserve (see Section 3 for more details).

General Fund Reserves - Risk Assessment

21. Local Authorities have often adopted a broad principle that General Fund Reserves would be prudent if equivalent to 5% of the net revenue budget requirement. However, the risks facing each local area will vary, and in the case of Cheshire East, the recent impact of reorganisation combined with global recession still presents the potential for significant emerging risk.
22. The desired level of reserves is therefore substantiated by a detailed risk assessment. This approach allows the Council to take account of the circumstances around current structural changes and economic circumstances.
23. Where specific financial liability has not been established, or where outcomes from emerging pressures cannot be detailed, the council will assume a level of risk. This reduces the possibility that the council will be exposed to financial pressure and smoothes the impact on citizens.
24. Risks are categorised, and potential values are applied to them, this presents the potential exposure to financial risk. **Table 3** (below) shows the risk areas and the level of reserves the Council should retain to mitigate that risk. In each case the value of the risk retained has been calculated as a % of the potential impact. The % is based on the likelihood of the risk actually achieving that total impact.
25. It is possible that a number of events could happen in a single year. It is also possible that the Council could be exposed to new unidentified risks. For this reason the analysis also contains a Strategic Reserve calculated as a % of the net revenue budget.
26. Risks will be included and managed using the following basic principles:
- a. The risk may impact within the medium term
 - b. Risks are potential one-off events
 - c. The risk will have genuine financial consequences
 - d. Mitigating actions will be in place to minimise the potential requirement for financial support
 - e. If a risk becomes 100% likely it should be allocated to earmarked reserves
 - f. Emerging risks will be addressed from in-year surplus or virement before any request to allocate general reserves

Table 3: A robust level of reserves is guided by an assessment of potential risks

Class of Risk	Knock on Effects	Affect on budget / mitigating Action	Value of risk retained
Health & Safety	Major loss of service	Increased cost to reduce further risk of breach / Robust risk assessments	£100,000
	Loss of income	Substantial disruption to income streams / Robust disaster recovery	£50,000
	Lost reputation	Cost of new advertising to regain confidence / Effective Communication Plans	£10,000
	Effect on recruitment	Additional advertising costs to attract staff / Employment options on standby	£20,000
Fire / Structural damage by flood etc	Major loss of service	Premises not operational / Robust disaster recovery plan	£100,000
	Flu Epidemic	High staff sickness & absence costs / raise awareness of safety measures and introduce robust emergent response plans	£307,000
	Insurance claims create rising premiums or cost to insurance reserves	Budget growth to cover premiums or self insurance costs / Good claims management	£25,000
Budget Pressures	Income from fees and charges affected by economic downturn	Up to 5% loss of income from fees & charges from local economic pressures / prudent income targets, close in year monitoring	£400,000
	Efficiency savings challenged by changing priorities	In-Year emerging issues / Robust plans and monitoring of progress	£4,000,000
	Disaggregated Balances vary from current predictions	Impact on opening balances / apply prudent assumptions to opening balances	£1,250,000
	Services not able to absorb savings and/or Corporate Priorities require additional growth bids	Potential shortfall in medium term financial strategy / early planning and consultation	£6,900,000
ICT & Security	Court Fine and need to improve security	Up to 10% fine on turnover / robust security processes	£250,000
	Data corruption	ICT service days to repair, loss of service / robust security policies and firewalls	£50,000
Legal actions / Industrial relations / Failure of External organisations	Disruption to service and/or costs of arbitration/tribunal/damages	Loss of income, costs of providing essential services or direct costs of resolution, reduced pay budget / emergency planning	£50,000
Strategic Reserve		Strategic/Emergency risk cover, potential further invest to save options and future pay structure changes	£10,009,000
OVERALL RISKS			£23,521,000
% of Net Revenue Budget			10.1%

Source: Cheshire East Finance Aug 2009

27. The outcome of this analysis has been to place an estimated total value on the range of risks that may arise and which are not covered by insurance. This is equivalent in total to £23.521m.

Adequacy of General Reserves ~ Comment from the Chief Financial Officer

28. A duty of the Chief Finance Officer is to comment on the adequacy of financial reserves (see Appendix A). From the evidence supporting this report and with regard to the current economic climate my assessment is that reserves levels at 1st April 2009 are within tolerance levels and can be considered adequate. I also consider them to be adequate in terms of working balances.
29. The estimates contained within the Medium Term Financial Strategy are sufficiently robust to achieve the required repayment of reserves in the medium term following transition. I take this view based on the assessment of risk particularly in regard to efficiency saving assumptions within the draft 2009/2010 Budget.

3. Earmarked Reserves (Revenue)

Purpose

30. The purpose of earmarked reserves is:

- a. To prevent an uneven impact from policy options, by allowing balances to be set aside for future year expenditure
- b. To set aside amounts for projects that extend beyond 1 year

31. Once Earmarked reserves have been established by Council it is the responsibility of Chief Officers, in consultation with the Borough Treasurer to ensure balances are spent in line with their purpose.

32. **Table 4** (below) identifies the most commonly established earmarked reserves and the rationale behind why such reserves are created and maintained.

Table 4: All earmarked reserves should have a clear rationale

Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations	Where expenditure is planned in future accounting periods, it is prudent to build up resources in advance
Insurance reserves	Self-insurance is a mechanism used by a number of local authorities
Reserves of trading and business units	Surpluses arising from in-house trading may be retained, or may have to be retained by statute to cover potential losses in future years, or to finance capital expenditure
Reserves retained for service departmental use	Increasingly authorities have internal protocols that permit year-end surpluses at departmental level to be carried forward
School Balances	These are unspent balances of budgets delegated to individual schools

Source: CIPFA ~ LAAP Bulletin 55, 2003

33. For each earmarked reserve held by Cheshire East Council there will be a clear protocol setting out:

- the purpose of the reserve
- how and when the reserve can be used
- procedures for the reserve's management and control
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy
- clear indication of payback periods and approach (if applicable)

34. When establishing reserves, Cheshire East Council will ensure that it complies with the Code of Practice on Local Authority Accounting in the United Kingdom and in particular the need to distinguish between reserves and provisions.

35. The protocol for Cheshire East Council earmarked reserves is set out below. The Borough Treasurer will monitor adherence to these protocols.

Earmarked Reserves will be:

- Set up by Full Council, on recommendation by the Borough Treasurer
- Supported by a business case
- Held for a maximum of 3 years, except where the business case justifies a longer retention.
- Subject to a minimum value, set initially at £60,000
- Be reviewed at least annually

36. Services may also carry forward balances strictly in accordance with Financial Procedure Rules.

37. At 1st April 2009 Cheshire East Council held earmarked reserves to the value of £13.148m. **Table 5** (below) shows the anticipated opening balances of earmarked reserves, having allowed for balances from each contributing local authority and for further allocations by Cheshire East Council.

38. **Table 5** (below) identifies the original balance anticipated within the 2009/2010 Budget, then the actual balance clarified as part of the accounts closure process for previous authorities.

39. **Table 5** (below) also highlights some balances that are recommended to be returned to general balances, to increase flexibility for those funds, and some new earmarked balances.

40. A comprehensive review is still ongoing as part of the budget setting and in-year monitoring process of Cheshire East finances. The intention is to establish balances that follow the protocols outlined above. Further balances may need to be aggregated or returned to general balances and a reserve for school transport will also need to be created.

Table 5: Earmarked Reserves can pump prime initiatives that may deliver future savings

Directorate / Description	Cheshire East Budget 2009/2010 £000	Actual Carried Forward Position (audited Sept 2009) £000	Recommend amount to be returned to General Fund £000	Balance retained for 2009/2010 £000	Reason / Use
Borough Solicitor					
Democratic Services (Ward budgets)	0	7		7	Crewe East, West, South & North Wards allocation for community spend in 2009/2010

Directorate / Description	Cheshire East Budget 2009/2010 £000	Actual Carried Forward Position (audited Sept 2009) £000	Recommend amount to be returned to General Fund £000	Balance retained for 2009/2010 £000	Reason / Use
Electoral Administration Act	0	11	-11	0	Return to Balances
Electoral Inspections	0	4	-4	0	Return to Balances
Borough Treasurer					
NEW RESERVE	0	0		2,000	Central reserve to support invest-to-save projects
Invest-to-Save Projects					
Insurance Reserve	1,368	698		698	Claims experience
Interest Free Loans		624	-382	242	Full amount will be returned to General Reserves as debtor balances are paid
Benefits appeals reserve	400	400	-400	0	Return to Balances (year-end provision may be created if required)
Deferred VR Payments	0	222		222	To be paid in 2009-10
Public Buildings repair & maintenance	0	265		265	£145,000 Condition Survey-led repairs, £65,000 General; £55,000 for Queens Park Café restoration
Environmental Warranties	188	168		168	self-insurance for possible claims from Cheshire Peaks and Plains, related to LSVT
Collection Fund Discretionary Relief	142	139		139	Balance available to give discretionary relief on business rates
Commuted Community Sums	0	82		82	Deferred Grants related to S.106 funding
Crewe Business Park - Marketing Office rent	46	46		46	approved for repairs/ costs in the event of transfer of management of Park
Insurance Fund (ACP)	0	39		39	Transfer to Insurance Fund
Repairs/Renewals Fund	0	17		17	Outstanding payment due in 2009-10
Industrial Estates - repairs	0	16		16	
Leased Htg Terminations	0	5		5	
LPSA Reserve	245	1,766	-1,766	0	Continuation Funding Split out to services, includes accrued funding for 2009/2010, remainder to return to General Balances
United Utilities	60	60	-60	0	Return to Balances
Treasury - Temporary staff	20	37	-37	0	Return to Balances
Local Authority Business Growth	0	625	-625	0	Return to Balances

Directorate / Description	Cheshire East Budget 2009/2010 £000	Actual Carried Forward Position (audited Sept 2009) £000	Recommend amount to be returned to General Fund £000	Balance retained for 2009/2010 £000	Reason / Use
Incentive					
ICT Investment Reserve	0	250	-250	0	Return to Balances
Pension Adjustment	0	109	-109	0	Return to Balances
Contingency					
WLC Rates Refund	0	71	-71	0	Return to Balances
PLC Rates Refund	0	49	-49	0	Return to Balances
HR & OD					
Job Evaluation	300	300		300	intended to be used to offset final protected pay in 2009/10
Single status/ job evaluation	150	186		186	intended to be used to offset final protected pay in 2009/10
Childcare Vouchers	1	0		0	Balance used 2008-09
Home Computing Initiative	0	4	-4	0	Return to Balances
People					
Children's – Extended Schools Services	0	573		573	Underspent Area Based grant
Education All Risks	307	308		308	Carried forward surplus of premiums paid by schools ~ operated as a trading account
S117 Reserve	130	130		130	Based on Population
LPSA Reserve (continuation funding)	0	128		128	Continuation Funding Improving Quality of life for older people, includes accrued funding for 2009/2014
Leisure Services Review	0	54		54	£54,000 from Residual balance from ongoing leisure review project + £70,000 other leisure commitments and ongoing repairs
Long Term Sickness	135	96		96	LTS Insurance Scheme, surplus premiums paid by schools ~ operated as a trading account
LPSA Reserve (continuation funding)	0	62		62	Continuation Funding Employment opportunities for people with disabilities, includes accrued funding for 2009/2012
Part-time Rangers (H & W)	62	62		62	earmarked for spending on additional hours for ranger service
LPSA Reserve (continuation funding)	0	43		43	Continuation Funding Increasing safety from domestic abuse, includes accrued funding for 2009/2015

Directorate / Description	Cheshire East Budget 2009/2010 £000	Actual Carried Forward Position (audited Sept 2009) £000	Recommend amount to be returned to General Fund £000	Balance retained for 2009/2010 £000	Reason / Use
Cumberland pitch renewal (CNBC share)	31	30		30	following major investment, using annual additional surplus to build a fund to renew in future
Leisure	0	70		70	Various CNBC commitments, including premises repairs
LPSA Reserve (continuation funding)	0	50	-50	0	Return to Balances
LPSA Reserve (continuation funding)	0	67	-67	0	Return to Balances
Silk Museum	10			0	used in 2008/2009
Places					
Economic & physical development projects (LABGI-funded)	474	842		842	Various economic and business development projects
Economic Development	650	650		650	To provide capacity for statutory and development requirements in 2009/2010
Building Control Surplus	329	581		581	ring-fenced surplus (could be used to offset service deficit, if applicable)
Crewe town centre development transitional shortfall (LABGI-funded)	219	219		219	Projects & Initiatives to support and develop town centres
Mercury Emissions abatement scheme		138		138	investment in improved cremation facilities (funds built up via ringfenced income for mercury emissions abatement)
Local Development Framework	141	150		150	to manage peaks in LDF spending
Housing Survey (LPSA)		578	-408	170	housing stock condition survey utilising part of the LPSA2 Performance Reward Grant
Markets - Disturbance costs/ new stalls (LABGI-funded)	150	154		154	Displacement of market during Lyceum Square development, and maintenance/improvement initiatives
NEW RESERVE	0	0		138	Per Cabinet Report February 2009
People into Jobs					
Disturbance Payments	111	122		122	Set aside sum covering costs from relocation of staff due to office centralisation (also funding shuttle bus service)

Directorate / Description	Cheshire East Budget 2009/2010 £000	Actual Carried Forward Position (audited Sept 2009) £000	Recommend amount to be returned to General Fund £000	Balance retained for 2009/2010 £000	Reason / Use
Tatton Park - accumulated surplus	114	120		120	Ring-fenced surplus on Tatton Park trading account
Community Safety	109	109		109	To provide additional capacity in 2009/2010, which will enable invest to save options to be adapted for future years
Waste	0	65		65	Contract delay
Performance & Efficiency Grant					
On-Street Parking	0	90		90	Fund for repayment of set-up costs for DPE
LPSA Reserve (continuation funding)	0	63		63	Continuation Funding creating sustainable communities, includes accrued funding for 2009/2017
Queens Park	52	29		29	For relocation of an occupant of a lodge and contingency re project management/delivery
LPSA Reserve (continuation funding)	0	78		78	Continuation Funding tackling poor footways and street lighting, includes accrued funding for 2009/2016
Safer Communities – PCSOs and Alley gates maintenance	66	74		74	earmarked for PCSOs/ ASB Co-ordinator commitments (£45,874) and maintenance of alley gates (£28,501)
Trading Standards	60	60		60	To protect against possible shortfall in essential service during 2009/2010
Infrastructure Surveys - public open spaces	0	52		52	survey of minor bridges, lighting etc to ascertain ownership/maintenance liability
Community Led Public Realm	0	28		28	Local Community Led small environmental improvement projects
Community Wardens - Fixed penalties income	24	34		34	ring-fenced for improving cleanliness of public spaces
Land Charges		22		22	
M/S Car Park Repair	54	54		54	
Environmental Protection Act	14	14		14	
Environmental Fund	8	8		8	
M/c Airport Partnership Fund	6	6		6	

Directorate / Description	Cheshire East Budget 2009/2010 £000	Actual Carried Forward Position (audited Sept 2009) £000	Recommend amount to be returned to General Fund £000	Balance retained for 2009/2010 £000	Reason / Use
Macclesfield Crematorium mercury credits	0	131		131	
Electric unmetered supplies	0	55		55	
Direct Action	0	74	-74	0	Return to Balances
Planning - Local Plan	0	42		42	
Transport - Shredder	0	40		40	
Town Centres Entertainment	0	23		23	
Gateways & Corridors	0	20		20	
08/09 ABG Climate Change Grant	0	22		22	
Housing Strategy	0	14		14	
Planning - Office furniture/ DIP	0	11		11	
Economic Development - Rent review	0	10		10	
Rigg St open space improvements	0	10		10	
Cemetery & Crematorium	0	10		10	
Economic Development Marketing	0	9		9	
Public conveniences	0	6		6	
Economic Development - H&S furniture/ equipment	0	5		5	
Economic Development - Small projects	0	3		3	
Home Safety Initiative	0	3		3	
Economic Development - Village stores	0	1		1	
Traffic management/ modelling	0	1		1	
Policy & Performance					

Directorate / Description	Cheshire East Budget 2009/2010 £000	Actual Carried Forward Position (audited Sept 2009) £000	Recommend amount to be returned to General Fund £000	Balance retained for 2009/2010 £000	Reason / Use
NEW RESERVE	0	0		625	available to promote local working
Enabling Local Working Grants Panel	71	73		73	Funding issued to groups who meet the council's criteria.
Cheshire Community Action Grant Funding		67		67	Funding Allocated to Cheshire Community Action to support work in rural communities and the development of parish plans. Spent in 2009/2010
Community Development		37		37	£15,853 Youth Fund, £12,950 LSP Project Officer, £5,213 Health Improvement, £2,600 Local Safeguarding Board
Lottery Partnership		69	-35	34	Match Funding issued to groups who meet the council's criteria
Local Strategic Partnership		12		12	Speed Funding for LAP projects
Customer Access	177	177	-177	0	Return to Balances (included in 2009/2010 base budget)
Lottery	10	10	-10	0	Return to Balances
European Links	8	0		0	Balance available to match fund community projects
Totals	6,442	13,148	-4,589	11,322	

Source: Statutory Accounts for Cheshire County & Cheshire East Districts June 2009; Cheshire East Finance review October 2009

41. **Table 5** (above) shows a value of £4.589m being returned to General Reserves in October 2009. However, further reserves for Invest-to-Save projects, Local area working and the People in to Jobs project are proposed. Details of each reserve will be held to demonstrate compliance with the protocols above.
42. Earmarked reserves have the effect of transferring the tax burden across financial years as current taxpayers' funds are being used to support future years' spending. It is therefore recommended that the Council's earmarked reserves are subject to annual review, at least as part of the budget-setting process to ensure that they are still appropriate, relevant and adequate for the intended purpose.

4. Capital Reserves

43. The purpose of capital reserves is to:
- a. Minimise risk from potential emergency spending requirements on assets
 - b. Support investment in tangible and intangible assets
 - c. Hold committed balances, where spending is restricted to capital schemes, to support cashflow and investment income
44. The capital reserves held by each former authority of Cheshire East are currently being reviewed and in the main the reserves contain the funding for committed capital schemes.
45. Departments have been asked to review the current capital programme with a view to rationalising schemes where possible, and removing any which do not meet the aims and objectives of Cheshire East. Funding held in capital reserves may then be released to fund new capital schemes.
46. In considering the available funding for the capital programme, schemes will be cross referenced to Section 106 agreements and commuted sums and where possible funded from this source.

5. Conclusion

47. Overall the Council is holding relatively high reserve balances due to the significant risks from creating a new authority in the current economic climate. This recognises local issues and allows the Borough Treasurer to comment favourably on the adequacy of reserves.
48. The establishment of protocols around the use of balances improves control and increase openness in financial reporting and management. This should reflect well in external assessment of the council's financial standing.
49. The next steps, in reviewing capital and earmarked reserves, will complete the process of simplifying the presentation and understanding of the council's reserves position.

Background Papers

CIPFA, Local Authority Accounting Panel: Bulletin 55, Local Authority Reserves & Balances (2003)

General Fund Reserves ~ Risk Assessment Working Papers 2009

Final Accounts 2008/2009:

- Cheshire County Council
- Congleton Borough Council
- Crewe & Nantwich Borough Council
- Macclesfield Borough Council

Cheshire East Council Budget 2009/2010

Appendix A

Protocol & Controls

The Existing Legislative/Regulatory Framework

Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

There are three significant safeguards in place that militate against local authorities over-committing themselves financially:

1. The balanced budget requirement
2. Chief Finance Officers' S114 powers
3. The External Auditor's responsibility to review and report on financial standing.

The balanced budget requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. The authority's full council must meet within 21 days to consider the S114 notice and during that period the authority is prohibited from entering into new agreements involving the incurring of expenditure.

While it is primarily the responsibility of the local authority and its Chief Finance Officer to maintain a sound financial position, External Auditors have a responsibility to review the arrangements in place to ensure that financial standing is soundly based. In the course of their duties External Auditors review and report on the level of reserves taking into account their local knowledge of the authority's financial performance over a period of time. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

The Role of the Chief Finance Officer

It is the responsibility of the Chief Finance Officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. There is no statutory minimum.

Local authorities, on the advice of their Chief Finance Officers, are required to make their own judgements on the level of reserves taking into account all the relevant local circumstances. Such circumstances vary. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.

Good Governance

It is important that Members take responsibility for ensuring the adequacy of reserves and provisions when they set the budget. CIPFA recommend that the respective roles of officers and Councillors in relation to reserves should be codified locally and given due recognition in the Constitutions. This codification should:

- state which council bodies are empowered to establish reserves
- set out the responsibilities of the Chief Finance Officer and Councillor – or group of Councillors – responsible for finance
- specify the reporting arrangements

A New Reporting Framework

The Chief Finance Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Chief Finance Officer. To enable the Council to reach its decision, the Chief Finance Officer should report the factors that influenced his or her judgement and ensure that the advice given is recorded formally. Where the advice is not accepted this should be recorded formally in the minutes of the council meeting.

CIPFA recommended that:

The budget report to the Council should include a statement showing the estimated opening general reserve fund balance for the year ahead, the addition to/withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure this should be accompanied by a statement from the Chief Finance Officer on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the authority's medium term financial strategy.

A statement reporting on the annual review of earmarked reserves should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balances.

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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