

Appendix 1 - Forecast Outturn 2022/23

- The Council aims to operate a financial cycle of planning, monitoring and reporting throughout the year. The First Financial Review 2022/23 was reported to Corporate Policy Committee on 6 October 2022 with a Financial Review 2022/23 report going to all other Committees during November.
- A Financial Review Update was presented at Corporate Policy Committee on 1 December. A forecast outturn of £8.7m net overspend was reported at this meeting (The full report can be found [Agenda for Corporate Policy Committee on Monday, 1 December, 2022, 10.00 am, Item 10 | Cheshire East Council](#)).
- The outturn position is now forecast to be an overspend of £7.7m. Table 1 shows a summary of the forecast outturn by Committee.

Table 1: Forecast Outturn 2022/23 summary by Committee

2022/23	Revised Budget	Forecast Outturn	Forecast Variance	Change since Second Review
(GROSS Revenue Budget £474.2m)	(NET) £m	£m	£m	£m
Service Committee				
Adults and Health	121.1	130.0	8.9	0.0
Children and Families	74.2	77.7	3.5	(0.5)
Corporate Policy	40.6	41.0	0.4	(0.0)
Economy and Growth	23.6	22.8	(0.8)	(1.0)
Environment and Communities	44.4	47.3	2.9	1.2
Highways and Transport	13.8	13.6	(0.2)	(0.7)
Sub-Committee				
Finance Sub	(317.7)	(324.7)	(7.0)	-
TOTAL	-	7.7	7.7	(1.0)

Table 2: Forecast Outturn 2022/23 for Highways and Transport Committee

2022/23	Revised Budget	Forecast Outturn	Forecast Variance
(GROSS Revenue Budget £474.2m)	(NET) £m	£m	£m
SERVICE DIRECTORATES			
Highways & Infrastructure	13.8	13.6	(0.2)
Highways and Transport Committee	13.8	13.6	(0.2)

- The forecast underspend of £0.2m for Highways and Transport Committee is due to the following changes since the second review:
 - Highways and Infrastructure forecast has improved by -£0.7m. Continuing high levels of income is contributing a further £0.5m in 2022/23, costs of the Ringway Jacobs contract are predicted to be £0.2m lower than budget.
- This forecast may be subject to variation in the final quarter, as budget managers will continue to take robust actions to control costs and reduce non-essential expenditure to improve this position further.
- Individual pressures identified above are reflected in the MTFs for 2023/24 to 2026/27. Any betterment to the forecast outturn position should be utilised to replenish reserves in line with the priority of the Corporate Plan.

Appendix 2 - Revenue Budget Changes for the Period 2023/24 to 2026/27

Executive Director Commentary:

The proposals seek to address the underlying financial pressures in the Place Directorate.

The transport directorate has responsibility for a number of key service areas with the overall aim of providing an integrated, sustainable transport network across Cheshire East and the wider region; supporting the economic growth of the borough and contributing to the council's net zero climate commitment.

In response to the impact of pay inflation, the focus will be to seek to offset existing employee costs through proactive vacancy management, prioritising statutory services and income generating roles. Through opportunities of restructuring seek to address better alignment of related services and management across Place, as well as continuing to explore and identify efficiencies and reductions in non-essential spend. Identifying positive benefits by investing in training to increase numbers of apprenticeships and career graded roles where appropriate to support capacity and resilience.

To support the council's underlying financial pressures a number of cost saving proposals are being consulted upon, which enable the retention of core local services. In Highways this includes reducing the current energy costs from street lighting, whilst retaining a minimum provision, and increasing the extent of planned highway maintenance to provide greater value for money by a longer term, managed approach to works.

Parking generates income for the council and proposals are being consulted upon to look to increase existing charges in-line with inflation, introducing charges at car parks which currently offer free parking and piloting a scheme that with variable parking charges that reflect levels of demand by location and time of day.

The Council will be reducing spending on support for local bus services, as a direct response to the loss of central government grant. These savings are considered to be achievable but there are expected to be negative impacts on residents and service-users due to a reduction in the Cheshire East bus network.

Proposals to vary the Budget in the Highways and Transport Budget are focused on these areas:

Highways and Transport Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[102] Pay inflation [MTFS 22-26 [3&4]]</p> <p>This proposal includes incremental increases for eligible staff and nationally negotiated pay awards. Average increases are forecast at c.5% for 2023/24. This may not apply evenly across pay bands due to implications of the Living Wage. The proposals recognise the additional delayed impact of the 2022/23 pay negotiations that also affect the 2023/24 budget.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+0.440	+0.177	+0.152	+0.156
<p>[103] Local Bus [NEW]</p> <p>Forecast cost pressure on local bus services is approximately £3.5m, which was partially mitigated in 2022/23 from Council Reserves. This is unsustainable and the Council cannot afford to fund local bus services at this level. This initiative seeks savings in the level of supported local bus services that must mitigate the impact of inflation and is a direct response to the loss of central government grant. These efficiency savings are considered to be achievable but there are expected to be negative impacts on residents and service-users due to a reduction in the extent of revenue-supported services in the Cheshire East bus network..</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+0.080	+2.500		
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Highways and Transport Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[104] Highways [NEW]</p> <p>Proposals to support the council's financial pressures include additional highway's income from licensing and permits, the reallocation of revenue to capital funding for road maintenance and a reduction in the maximum response times of the highways incident response teams, out of hours. There will be a decrease in the highway revenue budget for carriageway repairs, which will be managed alongside ongoing reviews and profiling of capital expenditure.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.579	-0.031		
<p>[105] Energy saving measures from streetlights [NEW]</p> <p>The Council provide 40,000 street-lights across the borough. Whilst there have been energy saving measures adopted in respect of retrofitting LEDs we will reduce our energy consumption further by reducing the number and timing of street lighting in the borough from September 2023. Options will be reviewed to consider priorities and safety aspects associated with turning off alternate lights or turning lights off in the early hours of the morning in some areas.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.242	-0.243		
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23</i></p> <p style="text-align: center;"><i>Subsequent years are the incremental change from the previous year</i></p>				

Highways and Transport Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[106] Pension Costs Adjustment [NEW]</p> <p>This item relates to pension contributions funded by the Council. Contributions can be reduced now. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.220	-0.052	-0.055	
<p>[107] Restructuring Potential [NEW]</p> <p>Vacancy management – slow down or don't fill posts across Place in non-statutory services / non-income generating posts. Reductions in staffing could result in statutory services responding more slowly where we can. Prioritise Economic Development and Regeneration resources. Restructure and alignment of service areas. Lead Local Flood Authority – maintain at statutory minimum. To note this is a cross cutting proposal across Place and therefore actual figures may change from one committee to another.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.122	-0.132		
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Highways and Transport Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[108] Parking [NEW]</p> <p>The Council must meet unprecedented and complex challenges with increasing customer expectations to provide a modern, responsive and equitable parking service. The proposals for parking must align operational arrangements and tariffs with corporate priority outcomes for fairness and transparency, including supporting our Town Centres to recover after the pandemic. These proposals will include options for zonal parking charges. The implementation plan will include further consultation. Options are expected to align to an increase in income, or reduction in costs, over the next two years to maintain the ongoing sustainability of the service.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.119	-0.725		
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Revenue Budget Financial Table:

HIGHWAYS and TRANSPORT COMMITTEE - Summary

REVENUE BUDGET

Budget including Policy Proposals						
Service Area	2023/24			2024/25	2025/26	2026/27
	Expenditure £000	Income £000	Net £000	Net £000	Net £000	Net £000
Highways and Infrastructure	23,389	-12,255	11,134	12,628	12,725	12,881
Total Cost of Service	23,389	-12,255	11,134	12,628	12,725	12,881
Policy Proposals included above						
Policy Proposals						
Highways and Infrastructure	-357	-405	-762	1,494	97	156
Financial Impact of Policy Proposals	-357	-405	-762	1,494	97	156

Appendix 3 - Capital Programme

Highways and Transport												CAPITAL
CAPITAL PROGRAMME 2023/24- 2026/27												
Scheme Description	Forecast Expenditure					Total Forecast Budget 2023/27 £000	Forecast Funding					Total Funding £000
	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes												
Strategic Infrastructure												
A500 Dualling Scheme	10,866	1,627	26,990	49,973	0	78,590	51,683	4,300	0	0	22,607	78,590
A50 / A54 Holmes Chapel	106	347	150	0	0	497	0	497	0	0	0	497
A54 / A533 Leadsmithy Street, Middlewich	174	389	0	0	0	389	0	389	0	0	0	389
A556 Knutsford to Bowdon	366	40	98	0	0	138	0	138	0	0	0	138
A6 MARR CMM Disley	1,661	61	0	0	0	61	0	7	0	0	54	61
A6 MARR CMM Handforth	617	184	400	0	0	584	101	48	0	0	434	584
A6 MARR Technical Design	323	150	0	0	0	150	17	133	0	0	0	150
Congleton Link Road	73,017	2,457	6,040	2,915	4,014	15,426	0	12,437	0	0	2,989	15,426
Crewe Green Roundabout	7,063	50	190	197	0	437	0	437	0	0	0	437
Flowerpot Phs 1 & Pinchpoint	1,631	2,631	3,510	2,265	0	8,406	1,944	726	0	0	5,736	8,406
Future High Streets Fund - Highways	1,415	2,198	2,251	304	0	4,753	4,640	113	0	0	0	4,753
Highway S106 Schemes	245	549	168	0	0	717	10	707	0	0	0	717
Infrastructure Scheme Development	0	250	0	0	0	250	250	0	0	0	0	250
Middlewich Eastern Bypass	22,982	11,091	13,817	43,268	0	68,176	39,973	14,645	0	0	13,558	68,176
North-West Crewe Package	20,490	14,758	3,445	3,658	0	21,861	7,374	2,631	0	1,730	10,126	21,861
Old Mill Road / The Hill Junction	185	1,139	0	0	0	1,139	0	1,139	0	0	0	1,139
Peacock Roundabout Junction	0	250	500	0	0	750	0	750	0	0	0	750
Poynton Relief Road	45,872	46	1,355	5,385	0	6,785	0	5,740	0	0	1,046	6,785
Sydney Road Bridge	10,113	50	140	198	0	388	0	388	0	0	0	388
Total Strategic Infrastructure Schemes	197,125	38,265	59,054	108,163	4,014	209,496	105,991	45,225	0	1,730	56,550	209,496
Highways												0
A532 Safer Road Fund Scheme	648	575	0	0	0	575	476	0	0	0	99	575
A536 Safer Road Fund Scheme	2,060	344	0	0	0	344	250	0	0	0	94	344
Alderley Edge Bypass Scheme Implementation	60,464	147	0	0	0	147	0	0	0	0	147	147
Managing and Maintaining Highways	440	4,529	4,619	4,712	0	13,860	0	0	0	0	13,860	13,860
Traffic Signs and Bollards - LED Replacement	1,025	225	0	0	0	225	0	0	0	0	225	225
Winter Service Facility	609	130.00	130.00	130.00	0	390	0	0	0	0	390	390
Total Highways Schemes	65,246	5,950	4,749	4,842	0	15,541	726	0	0	0	14,815	15,541

Highways and Transport

CAPITAL

CAPITAL PROGRAMME 2023/24- 2026/27

Scheme Description	Forecast Expenditure					Total Forecast Budget 2023/27 £000	Forecast Funding					Total Funding £000
	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes												
Strategic Transport & Parking Services						0	0	0	0	0		0
Car Parking Improvements (including residents parking)	292	30	0	0	0	30	0	0	0	0	30	30
Digital Car Parking Solutions	93	47	0	0	0	47	0	0	0	0	47	47
On-street Residential Charging	50	205	0	0	0	205	105	0	0	0	100	205
Pay and Display Parking Meters	539	41	40	0	0	81	0	0	0	0	81	81
Sustainable Travel Access Prog	2,111	1,312	0	0	0	1,312	765	309	0	0	238	1,312
Total Strategic Transport & Parking Services Schemes	3,085	1,636	40	0	0	1,676	870	309	0	0	496	1,676
HS2 Programme												
Crewe HS2 Hub Project Development	8,661	1,500	2,540	0	0	4,040	0	0	0	0	4,040	4,040
Total HS2 Schemes	8,661	1,500	2,540	0	0	4,040	0	0	0	0	4,040	4,040
Total Committed Schemes	274,117	47,351	66,382	113,005	4,014	230,752	107,588	45,534	0	1,730	75,901	230,752
New Schemes												
Highways												
Pothole Funding	0	5,799	5,799	5,799	5,799	23,196	23,196	0	0	0	0	23,196
Integrated Block - LTP	0	2,003	2,003	2,003	2,003	8,012	8,012	0	0	0	0	8,012
Maintenance Block - LTP	0	7,345	7,609	7,878	5,799	28,632	23,196	0	0	0	5,436	28,632
Incentive Fund - LTP	0	1,450	1,450	1,450	1,450	5,800	5,800	0	0	0	0	5,800
Total Highways New Schemes	0	16,597	16,861	17,130	15,051	65,640	60,204	0	0	0	5,436	65,640
Total Highways & Transport Schemes	274,117	63,948	83,244	130,135	19,065	296,392	167,792	45,534	0	1,730	81,337	296,392

Appendix 4 – Revenue Grant Funding

Corporate Grants Register 2023-27	National Allocation 2022/23 £m	Revised Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Treatment by CEC
SPECIFIC USE (Held within Services)							
Highways and Transport Committee							
Bus Service Operators Grant	not available	348	0	0	0	0	Allocated direct to service
Bus Capacity Grant - brought forward	not available	326	0	0	0	0	Allocated direct to service
Bus Capacity Grant	not available	574	0	0	0	0	Allocated direct to service
Better Deal for Buses - Supported Bus Services - brought forward	not available	320	0	0	0	0	Allocated direct to service
Better Deal for Buses - Rural Mobility Grant - brought forward	not available	5	0	0	0	0	Allocated direct to service
Bus Service Improvement Fund - brought forward	not available	7	0	0	0	0	Allocated direct to service
Local Authority Capability Fund - brought forward	15.385	132	0	0	0	0	Allocated direct to service
Active Travel Social Prescribing Grant - brought forward	2.231	42	0	0	0	0	Allocated direct to service
Active Travel Capability Fund	not available	143	0	0	0	0	Allocated direct to service
Mini Holland Feasibility - brought forward	83.395	79	0	0	0	0	Allocated direct to service
On Street Residential Chargepoint Scheme (ORCS)	not available	0	0	0	0	0	Allocated direct to service
LTA Enhanced Bus Partnership Grant	10.824	171	0	0	0	0	Allocated direct to service
Rural Mobility Fund - brought forward	not available	1,020	0	0	0	0	Allocated direct to service
Total		3,167	0	0	0	0	
GENERAL PURPOSE (Held Corporately)							
Highways and Transport							
Pavement Licensing - New Burdens	not available	13	0	0	0	0	Unring-fenced Grant - Held Centrally
Total		13	0	0	0	0	
Total Highways and Transport Committee		3,180	0	0	0	0	

Appendix 5 – Earmarked Reserves

Highways and Transport Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Opening Balance 1st April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31st March 2024 £000	Notes
Highways and Infrastructure						
HS2	985	(200)	785	(275)	510	To support the Council's ongoing programme in relation to Government's HS2 investment across the borough and Transport for the North's Northern Powerhouse Rail Business Case. £200k to be released in 2022/23.
Flood Recovery Works	400	(400)	0	0	0	To be released in 2022/23.
Well Managed Highway Infrastructure Delay	230	(230)	0	0	0	To be released in 2022/23.
Parking Pay and Display Machines / Parking Studies	178	(28)	150	(150)	0	To cover contract inflation for P&D machines and for new regulation from DfT on role of parking in decarbonising transport.
Highways Procurement Proj	104	(27)	77	(26)	51	To finance the development of the Highway Service Contract, this reserve specifically covers the revenue element of Depot mobilisation costs, split over 7 years from start of contract in 2018.
LEP-Local Transport Body	39	(20)	19	(19)	0	To fund the business case work for re-opening the Middlewich rail line. £20k is anticipated to be utilised in 2022/23, with the remaining £19k required in 2023/24.
HIGHWAYS AND TRANSPORT TOTAL	1,936	(905)	1,031	(470)	561	