

CHESHIRE EAST COUNCIL

Corporate Scrutiny Committee

Date of Meeting: 14 December 2010

Report of: Head of Environmental Services and Borough Treasurer & Head of Assets

Subject/Title: Depot Rationalisation Review

Portfolio Holder: Councillor Peter Mason

1.0 Report Summary

1.1 The purpose of this report is to:

- Provide details of the review process to rationalise Cheshire East Depots
- To advise of review progress

2.0 Decision requested

2.1 To endorse the review to evaluate future options for all depots used for Cheshire East business

2.2 That regular updates be provided to the Committee

3.0 Reasons for Recommendations

3.1 There are 20 main depots in Cheshire East mainly used for the Council's business, and one depot in Winsford that is a shared asset with Cheshire West & Chester Council. Many depots are in the wrong location, too small and/or require significant investment to provide facilities that are suitable for the efficient operation of the Council's business needs

4 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 All

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

6.1 The rationalisation of Depots is linked to the Fleet Review. An expected outcome from these reviews is an increase in operational efficiencies leading to a reduction in carbon emissions.

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

7.1 None

8.0 Financial Implications 2010/2011 and beyond (Authorised by the Borough Treasurer)

8.1 Revenue savings from a reduction in the number of operational depots

8.2 Capital receipts from the sale of surplus depots

8.3 Capital receipts from the sale of surplus equipment

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 None at this stage. Possible implications once sites earmarked for disposal

10.0 Risk Management

10.1 If the rationalisation of depots does not take place Cheshire East will continue to operate its business from some unsuitable premises. Revenue savings and capital receipts will not be achieved and it will be more difficult to make savings through business efficiencies.

11.0 Background

11.1 The Council has inherited depots from the three former Borough Councils and the County Council. Many of the depots are in the wrong locations, are too small and have buildings in poor condition and do not meet current and future operational requirements. Efficiencies would be achieved by amalgamating operations into a reduced number of large depots

11.2 A review has commenced to evaluate future options for all depots used for Cheshire East business. This includes Council owned sites used by external contractors. The review also includes sites outside Cheshire East boundaries which are used in relation to Cheshire East vehicles.

11.3 All property implications arising from this review will be taken forward and resolved as part of the wider Corporate Asset Challenge programme.

11.4 The purpose and vision of the review is to:

- Evaluate future options for all depots used for Cheshire East business. This includes Council owned sites used by external contractors.
- Decommission depots that do not meet current and future business needs within a phased plan
- Explore opportunities for capital receipts and revenue reductions
- Move the Council towards its vision of 2 super depots in Crewe and Macclesfield
- Ensure that there is the capacity to meet all operational needs during the transition process
- Rationalise stock held at sites

11.5 Expected outcomes of the review are:

- A reduction in the number of operational depots
- Opportunities for alternative uses for surplus depots
- Revenue budget reductions
- Capital receipts from land sales
- Capital receipts from the sale of surplus equipment
- Increase in operational efficiencies

11.6 The review has a number of links to other Council initiatives which will be taken into account:

- Asset Challenge Programme
- Vehicle replacement, utilisation and disposal
- Fuel review
- Highways re-procurement contract
- Provision of waste transfer stations

11.7 Progress of the review to date is:

- Depots review officer working group set up and has met on 2 occasions
- All depots inspected
- Data obtained on existing operations, running costs, land contamination, ground conditions, guideline valuations and planning
- Title information and consultations with other Services that use depots taking place

Analysis of the findings and evaluation of options will take place during Dec 2010 – January 2011.

12.0 Overview of Year One and Term One Issues

14.1 There are no specific issues within this report.

Access to Information

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

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