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OUR REF:

YOUR REF:

Dear Councillor

**ENVIRONMENT AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE -
TUESDAY, 23RD JANUARY, 2018**

I am now able to enclose, for consideration at next Tuesday, 23rd January, 2018 meeting of the Environment and Regeneration Overview and Scrutiny Committee, the following presentation that was unavailable when the agenda was printed.

Environment and Regeneration Budget Proposals 2018-2021

Yours sincerely

Scrutiny Officer

Encs

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- Culture & Heritage and Tourism

§ Jobs and Skills

Business Growth &
Inward Investment

§ Infrastructure

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**Outcome 2
Cheshire East
has a strong
and resilient
economy**

Key Priorities

- Maintain our position to create sustainable growth that will support the wellbeing of our residents and the economy to grow.
- Prioritise investment from both its capital and revenue budget to support growth through major infrastructure projects such as HS2 and support for regeneration
- Implement the subsidised bus network proposals
- Prioritise spending on economic development and regeneration and seeking efficiency through major contracts such as the highways service contract. In doing this we will aim to maintain the quality of the highway network.

Changing the way we work

Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.	2018/19 £m*	2019/20 £m*	2020/21 £m*
Addressing Budget Shortfall in the Asset Management Service (Revenue Investment) (3) PL1819-04			
There is shortfall in income being achieved from the asset portfolio and as such income targets for the service will need to be permanently adjusted. This will partially be addressed by driving efficiencies however a growth bid is still necessary.			
Impact on Assets Service Budget =	+0.327	+0.249	+0.184
Visitor Economy (Revenue Investment) (4)8-05(R)			
Addressing operational issues of Cheshire East's Visitor Information Centres (VICs). Cheshire East Council (CEC) have signed an Service Level Agreement (SLA) with Macclesfield Town Council (TC) to provide financial contributions and discussions are ongoing with Congleton TC around financial contributions whilst maintaining provision of a sustainable visitor information service. This will allow tourism assets to be actively promoted. There is also a number of long standing underlying budget pressures totalling £35,000 associated with the management & operation of the VICs relating to an ongoing inherited shortfall. This supports Council outcomes 1, 2, 3, & 5.			
Impact on Visitor Economy Service Budget =	+0.032	0.000	-0.012
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 . Values are not cumulative			

Changing the way we work.....

Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.	2018/19 £m*	2019/20 £m*	2020/21 £m*
Removal of Fairerpower payment (Revenue Saving) (5)			
As the Fairerpower scheme nears its self-sustaining position the contract is being novated over to Skills and Growth Company (SAGC) so they can implement their growth strategy of approaching other Authorities to buy in to the scheme. The annual payment that CEC made to SAGC to manage the contract can now cease.			
Impact on Skills & Growth Service Budget =	-0.140	-0.140	-0.140
Contract Savings and Place Directorate restructuring (Revenue Savings) (32)			
The Place Directorate manages contracts of an estimated annual value of £90m and will aim to achieve reductions in contract expenditure through targeted actions such as:			
<ul style="list-style-type: none"> - More consistent standards of contract management - Improved alignment of commissioning activity - Challenging the benefits of existing provider markets - Smarter negotiation to achieve outcomes at best value 			
The staffing structure of the Directorate must also change to reflect new ways of working that deliver place based services, that achieve outcomes, in the most efficient way. This will require re-alignment of services and reviews of management responsibilities that reduce overall costs. The combination of changes to contract management and management structures can realise reductions of up to £470k per annum.			
Impact on Cross Service Budget =	-0.470	-0.470	-0.470
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 .			
Values are not cumulative			

Investment in Services

Investment in services Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.	2018/19 £m*	2019/20 £m*	2020/21 £m*
Cheshire East Reflects (Revenue Investment & Savings) (6)8-07(R)			
Continued delivery of Cheshire East Reflects four year programme of commemorative activities to mark centenary of World War 1. In particular, continuation of education programme and delivery of major, public events in 2018. The programme of events end in 2018 so no further funding will be required in 2019/20. Supports Council's Outcomes 1, 2, 3, and 5			
Impact on Cultural Economy Service Budget =	+0.020	-0.030	-0.030
Shortfall in salary budgets and establishment costs (Revenue Investment) (7)819-09			
A base budget review of the department has highlighted historic shortfalls in salary budgets, this regularises the situation but will be addressed as part of a wider review of the management structure.			
Impact on Directorate Service Budget =	+0.105	+0.105	+0.105
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Investment in Services

Investment in services	2018/19	2019/20	2020/21
Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.	£m*	£m*	£m*
Facilities Management budget shortfalls (Revenue Investment) (8)			
Recent additions to the Council's estate to improve facilities for residents have resulted in pressures on budgets. For example, legacy buildings and the re-evaluation of properties for business rates has resulted in higher business rates being payable, are contributing to the budget pressure.			
Impact on Facilities Management Service Budget =	+0.836	+0.926	+1.016
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Income Generation

Income generation	2018/19 £m*	2019/20 £m*	2020/21 £m*
Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.			
Create a new Investment Portfolio (Revenue Savings) (9)18-11(R)			
The objective of this proposal is to deliver a long term and sustainable income to the Council through investment in commercial property. The general approach will be to consider the level of investment, risk and potential rate of return prior to considering acquiring the specific investment.			
Impact on Assets Service Budget =	0.000	-0.250	-0.500
Increase Public Rights of Way Fees & Charges (Revenue Savings) (10)1718-06(R)			
Changes in fees and charges associated with the legal processes in dealing with making alterations to public rights of way. These changes are driven by increased demands for alterations to public rights of way associated with development throughout Cheshire East which requires a far greater input of officer time to adequately manage. The fees and charges need to accurately reflect this in order to ensure the Council is recovering its full costs and there are no additional financial burdens on the council tax payer. Supports Council's Outcomes 1, 2, 3, and 5.			
Impact on Public Rights of Way Service Budget =	0.000	-0.015	-0.015
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Reducing Subsidy

Reducing subsidy	2018/19	2019/20	2020/21
Ensure limited resources are redirected to the areas with the most critical need.	£m*	£m*	£m*
Changes to subsidised Bus Service (Revenue Savings) (11)			
<p>The Council gives revenue support to local bus services to enable services to be provided which would not otherwise be provided by commercial operators.</p> <p>The proposed review would also seek to rationalise the existing network by combining routes, changing the hours of operation and in some cases by stopping the provision of services altogether.</p> <p>This has been subject to a thorough and detailed consultation exercise so that the impact on these proposals can be assessed before a final decision is made. In particular the impact on rural communities and protected groups will be reviewed before a final decision is made.</p>			
Impact on Public Transport Commissioning Service Budget =	-1.000	-1.000	-1.000
Tatton Vision Phase 1 (Revenue Savings) (12)			
<p>A five year capital programme, Tatton Vision Phase 1 is investment in facilities, services and experience for visitors and residents to the park. It aims to improve indoor event spaces, catering and retail sites, encouraging increasing visitor numbers, greater spend and longer dwell time. This improves the overall financial return, reducing the cost of Tatton to the Council. Supports all the Council's Outcomes.</p>			
Impact on Tatton Park Service Budget =	-0.045	-0.045	-0.045
<p>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</p> <p>Values are not cumulative</p>			

Reducing Subsidy.....

Reducing subsidy	2018/19	2019/20	2020/21
Ensure limited resources are redirected to the areas with the most critical need.	£m*	£m*	£m*
Reduce funding to Macclesfield Silk Heritage Trust (Revenue Savings) (13)4(R)			
Managed transition of support funding to Macclesfield Silk Heritage Trust resulting from the revised business plan. Supports Council's Outcomes 1, 2, 3, and 5.			
Impact on Cultural Economy Service Budget =	-0.010	-0.010	-0.010
Marketing Cheshire (Revenue Savings) (14)			
Cheshire and Warrington Tourism Board operating as Marketing Cheshire provide a company vehicle for Cheshire East Council to deliver agreed sub-regional and local activities in relation to the growth agenda and delivery of its visitor economy strategy. By reducing the payments in 2018/19 and 2019/20, this will have negligible impact on current visitor economy projects and funding schemes already in place and currently being implemented in Cheshire East. It allows Marketing Cheshire time to source additional external revenue outside of the public purse, sustaining its contribution to delivery of the Visitor Economy Strategy. Supports Council's Outcomes 2 and 6.			
Impact on Visitor Economy Service Budget =	-0.020	-0.020	-0.020
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Sustainable
Development

Waste Management

Environment

Affordable Energy
Growing Energy Businesses
Independent Energy

**Outcome 4
Cheshire East
is a green and
sustainable
place**

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Key Priorities

- Cheshire East's rural and urban character is protected and enhanced through sensitive development, environmental management, transport and waste disposal policies.
- Provide an effective framework for well designed development projects. The adoption of the Local Plan is the basis for this and we will work on providing an effective planning framework and continue to invest in the planning service but will ensure that we set appropriate fee levels to enable the Council to continue its investment.
- Our highways are an important element to 'quality of place' and we have looked at how we deliver an effective and efficient service for example the introduction of LED street lights will deliver savings and the way we procure our highway services will also deliver savings and efficiencies.
- Development of a Parking Strategy linked to the Local Transport Plan to inform the future parking provision and charging mechanisms across the Borough.

Changing the way we work

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Markets Income (Revenue Foregone) (29)				
Temporary suspension of the Crewe indoor market target for 2018/19 to reflect planned imminent changes, as part of the Crewe Town Centre Regeneration Programme, agreed by Cabinet in September 2017. Income targets for Crewe outdoor market and Macclesfield markets are adjusted to 2017/18 estimated outturns.				
Impact on Client Commissioning - Environmental Service Budget =	+0.250		+0.091	+0.091
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Changing the way we work

Changing the way we work Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.	2018/19 £m*	2019/20 £m*	2020/21 £m*
Street Lighting Improvements (Revenue Savings) (30)			
Following approval to fund a three year programme (2016/17, 2017/18 and 2018/19) of LED street light conversions, this project will allow for a reduction in the reactive revenue maintenance budget due to reduced maintenance requirements and extended life guarantees on the lanterns.			
Impact on Highways Service Budget =	-0.050	-0.100	-0.100
Highways Contract (Revenue Savings) (31)			
The Council operates its Highways operations through an integrated contract. This enables our contractor to determine the most efficient way to deliver a range of activities to manage and maintain our road network within an overall budget set by the Council. The Council are in the process of procuring a new contract from October 2018 and so this provides a point in time to review the amount of revenue funding to be put through this contract to carry out winter gritting, gully emptying, verge maintenance, weed spraying, tree maintenance, frontline staff, community teams and fees and charges.			
Impact on Highways Service Budget =	-0.500	-0.500	-0.500
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Changing the way we work

Changing the way we work Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.	2018/19 £m*		2019/20 £m*	2020/21 £m*
Highways Procurement (Revenue Savings) (33)				
This is a target saving that is dependent on the outcome of a successful procurement of the next highways services contract.				
Impact on Highways Service Budget =	-0.100		-0.200	-0.200
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Investment in Services

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Planning Reserve (Revenue Investment) (35)			
This will support the additional work necessary to ensure that we have an effective planning framework in the Borough including – Community Infrastructure Levy, Allocations Development Plan Document, Minerals and Waste Plan. Each one will require an evidence base to be developed, public engagement and a series of hearings.			
Impact on Planning Service Budget =	+0.425	-0.375	-0.575
Lead Local Authority Flood Grant Funding (Revenue Funding) (36)			
The Council as the Lead Local Flood Authority contributes an annual sum to the Regional Flood and Coastal Committee. This money is then available as a source of funding in addition to allowing access to wider Flood Defence Grant in Aid funds.			
Impact on Highways Service Budget =	+0.001	+0.002	+0.002
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Managing Waste

Managing waste	2018/19	2019/20	2020/21
Reviewing our current Waste offer to ensure value for money is achieved.	£m*	£m*	£m*
Household Waste Recycling Centre income generation & efficiencies (Revenue Savings) (37)CP1718-04(R)			
Continuing improvements and efficiencies to the Household Waste Recycling Centre service, including investment to improve our sites and allow the acceptance of trade waste, the closure of Arclid Household Waste Recycling Centre, the introduction of a charge for rubble waste and the reduction in opening hours. Proposals were publically consulted on in 2016/17.			
Impact on Client Commissioning - Environmental Service Budget =	-0.576	-0.576	-0.576
Ansa income generation & efficiencies (Revenue Savings) (38)			
Income generation through Ansa commercial approach to service delivery, benefit to the commissioner from Ansa's subsidiary joint venture (with two neighbouring authorities) and further efficiency savings including route optimisation, negotiation of contracts from third party suppliers.			
Impact on Client Commissioning - Environmental Service Budget =	-0.090	-1.230	-1.665
Housing Growth , Waste Contract Inflation and Tonnage Growth (Revenue Investment) (39)CP1819-18			
Housing growth to date and projected will see a corresponding increase in collection costs and recycling and waste per household. In addition annual contract inflation and a rise in the quantity of waste per household is increasing waste handling and disposal costs.			
Impact on Client Commissioning - Environmental Service Budget =	+0.588	+0.938	+1.288
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 .			
Values are not cumulative			

Managing Waste

Managing waste	2018/19	2019/20	2020/21
Reviewing our current Waste offer to ensure value for money is achieved.	£m*	£m*	£m*
Congleton Household Waste Recycling Centre (Capital Investment) (42)			
Consideration of options to secure the long-term provision of a household waste recycling centre in the Congleton area, including possible site relocation.			
New Capital Investment 2018/19 =	+0.050	+2.000	+2.000
Environmental Services base budget (Revenue Investment) (43)			
Additions to the base budget to cover tree survey costs and base budget adjustment.			
Impact on Client Commissioning - Environmental Service Budget =	+0.152	+0.152	+0.152
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Income Generation

Income generation	2018/19	2019/20	2020/21
Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.	£m*	£m*	£m*
Parking Strategy (Revenue Savings) (44)			
The target income the Council receives from parking charges is used to manage the delivery of its parking and related transport and traffic services. The development of a Parking Strategy linked to the Council's Local Transport Plan refresh will inform the level of future provision and charging. Early implementation of practical initiatives will be prioritised.			
Impact on Parking Service Budget =	-0.355	-1.142	-1.142
Increase planning fees – White Paper proposals (Revenue Saving) (45)			
Application fees are due to increase by 20% however the timing of this remains uncertain with an announcement now expected at the end of November.			
Impact on Planning Service Budget =	-0.100	-0.100	-0.100
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