

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Scrutiny Committee**
held on Tuesday, 12th July, 2011 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor J P Findlow (Chairman)
Councillor D Newton (Vice-Chairman)

Councillors G Baxendale, B Burkhill, W S Davies, F Keegan, B Moran,
G Morris, D Neilson and S Corcoran

Apologies

Councillors G Barton

116 DECLARATIONS OF INTEREST

There were no declarations of interest.

117 OFFICERS PRESENT

Lisa Quinn – Borough Treasurer
Mark Nedderman – Senior Scrutiny Officer

118 ALSO PRESENT

John Narraway – Former member of the Business Generation Centre Task and Finish Group.

119 PUBLIC SPEAKING TIME/OPEN SESSION

David Watson from East Cheshire Chamber of Commerce attended the meeting to make a statement about the Task and Finish Group report on Business Generation Centres (BGCs). David explained that on behalf of the Chamber he wished to inform the Council that the Chamber was very keen to work with the Council to develop BGCs in Cheshire East. However, he expressed reservations about the potential loss of the BGC at Thomas Street Congleton in favour of an affordable housing scheme.

He believed that the report would provide a great opportunity for the Council to make improvements to the BGC at Wesley Court Sandbach which would bring the building back up to the standard that it had previously enjoyed.

120 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 14 June 2011 be confirmed as a correct record and signed by the Chairman.

OUTLINE OF SERVICE AREAS

Lisa Quinn, Borough Treasurer attended the meeting and gave a presentation on the main areas within the Performance and Capacity Directorate that fell within the remit of the Committee.

The main areas related to:

- Finance service
- Annual budget
- Capital strategy
- Income and funding
- Business management
- Audit
- Finance
- Financial strategy
- Capital programme
- Reserves strategy
- Treasure management
- Insurance
- Procurement Forward plan
- Contracts register
- Procurement including participation in regional procurement hubs
- Corporate contracts
- PFI projects
- Procurement Strategy
- Shared services
- Pensions

In response to a question regarding the outturn position of the 2010/2011 accounts, Lisa explained that a report would be considered by Cabinet in August.

As this Committee did not have a meeting scheduled in August, it was suggested that the outturn figures should be submitted to the first meeting of the Budget Task Group.

RESOLVED –

- (a) That the presentation be noted
- (b) That the 2010/2011 outturn report be submitted to the Budget Task Group.

BUSINESS GENERATION CENTRES

The Committee considered a report of the Business Generation Centre Task and Finish group which had carried out a review of the four Business Generation Centres (BGCs) in the Borough

The review was carried out in the context of the Council's Asset Management Strategy. The strategy had proposed a fundamental review of the Council's asset holdings, facilitated through an 'Asset Challenge

Process' led at that time by the Procurement, Assets and Shared Services Portfolio Holder. As part of that process, the Portfolio Holder had asked this Committee to undertake a review of the Business Generation Centres with a view to the Committee making recommendations to develop the Council's future policy on business generation.

The Committee subsequently set up a Task and Finish group to undertake a detailed review of the Council's involvement in Business Generation Centres which had involved undertaking research into best practice in the industry conducted through a series of interviews, site visits, and desktop exercises.

The review took place between October 2010 and March 2011.

The Task and Finish group, which originally comprised 3 Members, recognised that there were inextricable links between the future of the BGC buildings and the Economic Development aims of the Council. As a result, the group invited the Environmental and Prosperity Scrutiny Committee to nominate a Member to join the group to ensure that the Economic Development interests of the Council were fully represented increasing the group to 4 Members. The first meeting of the group took place in December 2010.

John Narraway a former Member of the Council and a Member of the BGC Task and Finish Group had been invited to attend the meeting and addressed the Committee on the findings of the investigation.

RESOLVED –

- (a) That the report of the Task/Finish group be welcomed and supported;
- (b) That the recommendations of the Group be endorsed, and referred to the Cabinet for consideration and necessary action, and that Cabinet be invited initially to comment on the details of the recommendations:
 - 1. That in line with the Council's Economic Development Strategy, the principle of Business generation, for start up incubation businesses in Cheshire East be fully supported by the Council, in properly managed, dedicated premises, on 'easy in easy out' terms by way of licence agreements;
 - 2. That the existing buildings owned by the Council and located at Wesley Avenue Sandbach, Scope House Crewe, and Brierley Street Crewe be retained as BGCs, and the Council undertake a soft market testing exercise to seek a partner to manage, promote and market the 3 centres on behalf of the Council. The market testing to be undertaken in tandem with an approach to MMU and Keele University to seek partnership opportunities to provide business advice ,and mentoring schemes for incubation businesses.

3. That in future, subject to financial availability, all BGCs have as a minimum the following support services,
 - a fully staffed reception,
 - telephone facilities in all units,
 - broadband,
 - communal business equipment;
 4. That in view of the poor location, condition of the building, and significantly lower occupancy rates than the other 3 BGCs in the Borough, the BGC at Thomas Street Congleton, be closed down and the building be declared surplus to requirements and offered for sale on the open market or alternatively, the site be considered as a potential site for an affordable housing scheme;
 5. That in conjunction with the Chamber of Commerce, the Council explore options to secure the continuity of businesses displaced by the closure of the Thomas street facility, by assisting them to locate alternative accommodation within Congleton.
 6. That Capital receipts received from the sale of Thomas Street be earmarked towards a scheme to refurbish Scope House Crewe under the 'Asset backed vehicle' scheme.
 7. That in the event that economic conditions improve sufficiently in the future to lead to an increase in demand for BGCs, consideration be given to facilitating a suitable building in Macclesfield for use as a BGC to address the current shortage of available incubation facilities in the north of the Borough;
 8. That the current practice of providing facilities rent free to tenants in lieu of providing reception services, as occurs at Thomas Street Congleton and Scope House Crewe, be ceased with immediate effect.
- (c) That the head of Planning and Policy be invited to a future meeting of this committee to explain the Council's policy in respect of business in rural areas.
 - (d) That the Senior Scrutiny officer be requested to submit a progress report on this matter in 6 months time.

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WORK PROGRAMME PROGRESS

Mark Nedderman outlined the process agreed by the Scrutiny Chairmen's Group to approve work programmes for the 2011/2012 municipal year. The Chairman and Vice-chairman would be meeting the Leader of the Council and Procurement and Shared Services Portfolio holders within the next few weeks to discuss emerging issues. The committee would then meet informally during the summer to consider a draft work programme with a view to the work programmes of all 6 committees being submitted to Cabinet in the autumn.

RESOLVED – That the report be received.

124 **FORWARD PLAN - EXTRACTS**

The Committee considered items listed in the current forward plan.

RESOLVED – That the Forward Plan be received and noted.

125 **CONSULTATIONS FROM CABINET**

There were no consultations from Cabinet.

The meeting commenced at 2.00 pm and concluded at 4.00 pm

Councillor J P Findlow (Chairman)