

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 1st June, 2022 in the Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor A Stott (Chair)

Councillors J Clowes, S Gardiner, N Mannion, C Browne (for Cllr Goldsmith),
L Crane (for Cllr Carter), K Flavell (for Cllr Puddicombe) and S Holland (for Cllr
Brown)

OFFICERS

David Brown, Director of Governance and Compliance

Peter Skates, Director of Growth and Enterprise

Paul Goodwin, Head of Financial Services and Deputy Chief Finance Officer

Andy Kehoe, Head of Estates

Julie Gregory, Legal Team Manager

Paul Mountford, Democratic Services

APOLOGIES

Councillors D Brown, S Carter, M Goldsmith and B Puddicombe

The Chair announced that Councillor Mark Goldsmith had been appointed to the Sub-Committee in place of Councillor Quentin Abel. The Chair placed on record her thanks to Councillor Abel for his contribution to the work of the Sub-Committee.

1 DECLARATIONS OF INTEREST

Councillor S Gardiner declared a non-pecuniary and non-prejudicial interest in relation to a number of properties referred to in the confidential appendix to a report on Acquisition and Disposal of Assets. He also made a declaration as Vice-Chair of the Strategic Planning Board on the basis that some of the properties referred to in the report may be the subject of future planning applications which would come before the Board.

Councillor S Holland declared a non-pecuniary and non-prejudicial interest in relation to a property referred to in the appendix to the Acquisition and Disposal of Assets report.

2 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

3 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 2nd March 2022 be approved as a correct record.

4 REVIEW OF MEDIUM-TERM FINANCIAL STRATEGY CONSULTATION PROCESS

The Sub-Committee considered a report which reviewed the consultation process for the Medium-Term Financial Strategy, to identify what, with whom and when consultation should take place for the 2023/24 process. The report also sought approval for the outline stakeholder analysis and engagement proposals for the consultation, and a programme of activity that widened engagement with the process.

Officers advised that there would be an opportunity in the consultation period for committees to be engaged with the process. Members asked that this be made explicit in the quarterly progress reports to committees.

Members asked that the public consultation documents be concise and user-friendly, and have relevance at the local level.

RESOLVED (unanimously)

That the Sub-Committee

1. approves the following principles of the Medium-Term Financial Strategy consultation process for 2023/24:
 - (a) Target an increased number of meaningful responses to the consultation process compared to 2022/23.
 - (b) Use the current version of the 2023/24 Budget (as contained within the Medium-Term Financial Strategy 2022 to 2025) to support early engagement with stakeholders (Appendix A to the report).
 - (c) Increase the range of opportunities for stakeholders to engage with the process via surveys, face-to-face, plus virtual meetings and use of social media
 - (d) Ensure communications, associated with budget setting, inform stakeholders of the range of Council services and how the Council prioritises activity
 - (e) Use regular and accessible communications to share knowledge of potential opportunities and risks associated with the Council's financial plans to support informed responses to the consultation process.

2. approves the Medium-Term Financial Strategy process for the 2023/24 budget including:

- (a) The Business Planning Timetable (Annex B), and;
- (b) The Stakeholder Analysis (Annex C)

5 **APPOINTMENT OF DIRECTORS FOR ORBITAS BEREAVEMENT SERVICES LIMITED**

The Sub-Committee considered a report on the appointment of Directors for Orbitas Bereavement Services Limited following the receipt of notification of the resignation from office of two Directors of Orbitas Bereavement Services Limited to take effect from 1 June 2022. The Sub-Committee was invited to consider whether to appoint directors following these resignations.

RESOLVED

That

1. it is resolved unanimously that two elected councillors be appointed to the Board of Directors of Orbitas Bereavement Services Limited as non-executive Directors;
2. the following councillors be appointed to the Board:

Councillor Mark Goldsmith
Councillor Lata Anderson

6 **WORK PROGRAMME**

The Sub-Committee considered its work programme for 2022/23.

It was noted that Item FSC/3/22-23 – Procurement Working Group Feedback should be scheduled for the meeting on 7th September 2022 and not 6th July; the work programme would be amended accordingly.

Members asked if the Procurement Working Group, when established, could, as part of its remit, consider whether there were any implications arising from the Procurement Bill. Officers undertook to consider the matter further.

RESOLVED (unanimously)

That the work programme for 2022/23 be noted and approved.

7 ACQUISITION AND DISPOSAL OF ASSETS

The Sub-Committee considered a report on property acquisitions and disposals undertaken by the Council in the period 1st April 2020 to 31st March 2022. The report also provided information on pending transactions and a potential pipeline of further activity. Appendix C to the report contained commercially sensitive information on property transactions that were ongoing; the Appendix would be considered in part 2 of the meeting.

RESOLVED

That the Sub-Committee

1. notes the acquisition and disposal activity of the Council for the period 1st April 2020 to 31st March 2022 as identified within the Appendices:
 - Appendix A - Summary of Acquisitions
 - Appendix B - Disposals completed in 2020 to 2021 Financial Year.
 - Appendix C - Disposals completed in 2021 to 2022 Financial Year (subject to further detailed consideration in part 2)
2. notes the pipeline of property transaction activity and the potential impact on the MTFS.

8 WHOLLY-OWNED COMPANIES MATTERS

The Sub-Committee considered a report on two separate matters in respect of the Council's wholly-owned companies, one relating to payments for employees and the other in respect of company tax status. The report also described related matters for year-end accounting and financial reporting.

In connection with the report, an extract from the Shareholder Agreement relating to matters requiring the consent of the Shareholders was circulated at the meeting.

The balance of the report, its appendices and recommendations would be considered in Part 2 of the meeting as they contained exempt information relating to the business affairs of the wholly-owned companies.

9 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of

Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

10 ACQUISITION AND DISPOSAL OF ASSETS

The Sub-Committee considered Appendix C to the Acquisition and Disposal of Assets report.

Members suggested that consideration should be given to other options for the use of land when considering disposals. Officers advised that a Disposals Policy would be submitted to a future meeting of the Economy and Growth Committee.

RESOLVED

That the contents of Appendix C to the report be noted.

11 WHOLLY-OWNED COMPANIES MATTERS

The Sub-Committee gave further consideration to the report introduced in part 1 of the meeting.

RESOLVED

That

1. with regard to the matter relating to payments for employees of wholly-owned companies:
 - (a) the content of the letter referred to in Appendix 1 to the report be noted; and
 - (b) in accordance with recommendation 3.1.2 (b), an alternative amendment be proposed as agreed at the meeting and as set out in the confidential minute;
2. it be noted that, following an HMRC review, ALMO status will not apply to Cheshire East Council wholly-owned companies for transactions arising on or after 1 April 2021 (therefore relating to the accounts and tax computations for year ended 31 March 2022) (Appendix 2);
3. it be noted that closing transactions between the Council and its companies, for the year ending 31 March 2022, for services provided to or for the Council will be managed on an 'at cost' basis, and that any financial benefit from expenditure being lower than the management fee will be returned to the single entity of the Council; and
4. it be noted that the new 'model contract' currently being developed with Ansa Environmental Services Ltd will reflect the change in ALMO status and include appropriate arrangements as described in

resolutions 3 and 4, and will be a basis for future change to contracts with other wholly-owned companies of the Council.

The meeting commenced at 2.00 pm and concluded at 4.36 pm

Councillor A Stott (Chair)