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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 9th November, 2022 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor A Stott (Chair)
Councillor S Carter (Vice-Chair)

Councillors D Brown, J Clowes, S Gardiner, N Mannion, B Puddicombe and
M Warren

OFFICERS IN ATTENDANCE

Alex Thompson, Director of Finance and Customer Services
Paul Goodwin, Head of Finance
David Brown, Director of Governance and Compliance
Julie Gregory, Legal Team Manager
Lianne Halliday, Senior Procurement Manager
Helen Sefton, Business Rates Manager
Sara Duncalf, HR Operations Manager
Michael Moore, Head of Communications
Shelley Brough, Head of Integrated Commissioning
Josie Lloyd, Democratic Services
Jessica Wyatt, Corporate Services Apprentice (observing)

OTHERS PRESENT

Councillor Steven Hogben
Kevin Melling, Managing Director of Ansa Environmental Services Ltd

32 APOLOGIES FOR ABSENCE

There were no apologies for absence.

33 DECLARATIONS OF INTEREST

Councillor Gardiner declared an interest in item 8 as he was known to an individual named in the recommendations. Councillor Gardiner also had an interest to declare under item 13 which would be detailed in part 2 of the meeting given the confidential nature of the item.

In the interest of openness, Councillor Brown and Councillor Carter both declared that they were members of the Shareholder Working Group.

Councillor Hogben, as a visiting member, declared an interest in items 9, 14 and 15 as a non-executive director of ANSA.

34 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

35 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 7 September 2022 be agreed as a correct record.

36 FINANCIAL REVIEW 2022/23

The Sub-Committee received the report which provided an overview of the Cheshire East Council forecast outturn for the financial year 2022/23 as reported to Corporate Policy Committee on 6 October 2022.

A query was raised regarding paragraph 8.5.1 and whether any data was available relating to savings that may have been made through carrying staff vacancies. Officers undertook to provide this data following the meeting.

The Sub-Committee approved the recommendations based on the information contained in the report, and noted that a further update on the Council's forecasts will be prepared after the Government's Autumn Statement, and reported to Corporate Policy Committee on 1 December 2022.

RESOLVED (unanimously):

That the Sub-Committee:

1. Note the forecast adverse Net Revenue financial pressure of £11.6m against a revised budget of £328.4m (3.5%) as reported to Corporate Policy Committee on 6 October 2022.
2. Note the forecast Capital Spending of £179.6m against an approved MTFs budget £185.2m due to slippage carried forward from the previous year.
3. Endorse the approach of Senior Officers to mitigate the adverse forecasts through the activities outlined in each 'Action Plan' contained in Annex 1 (Appendices 1 to 7), which include:
 - Managed restriction of in-year spending, whilst retaining essential services, in consultation with the relevant Committee.
 - Reviewing the level of spending on key contracts and reviewing the need for contract renewals during 2022/23.
 - Pricing and grant reviews to ensure income is being fully recovered on

related activity.

- Enhanced vacancy forecasting and management.
- Re-alignment of, and appropriate use of balances, such as earmarked reserves, General Reserves and capital receipts.
- Review and reprofile the Capital Programme to prevent any impact of related inflation on the revenue budget.

4. Note the contents of Annex 1 and each of the appendices, and note that any financial mitigation decisions requiring Member approval will be presented to the appropriate Committee.

5. Approve supplementary capital estimates up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 6, Section 5 Capital Strategy, Table 5.

6. Set up a Task Group to review the financial assumptions that will underpin the preparation of the Medium-Term Financial Strategy 2023/24-2026/27.

7. Note that Council will be asked to approve:

7.1. Fully funded supplementary revenue estimates for specific grants coded directly to services over £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 6, Section 3 Corporate Grants Register, Table 1.

7.2. Supplementary capital estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 6, Section 5 Capital Strategy, Table 6.

8. Recommend Service Committees to:

8.1. Note the financial update and forecast outturn relevant to their terms of reference.

8.2. Note that officers will seek to improve the financial outturn across all Committees to mitigate the overall forecast overspend of the Council.

8.3. Approve supplementary revenue estimates for specific grants coded directly to services up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 2 Children and Families Committee, Section 3 Corporate Grants Register, Table 2.

37 THE GRANTS REGISTER

The Sub-Committee received the report which set out the full Grants Register (unringfenced and ringfenced revenue grants) for 2022/23, including an update on the Shared Prosperity Fund.

With regard to the Shared Prosperity Fund, Members were informed that the Council is still awaiting Government approval for its Investment Plan.

A request was made for the Sub-Committee to receive more detail on the grants and financial arrangements of the Cheshire & Warrington Local Enterprise Partnership and it was agreed that this suggestion would be taken away to look at how best to deliver this.

RESOLVED:

That the Sub-Committee note the contents of the Grants Register contained at Annex A.

38 BUSINESS RATES DISCRETIONARY SCHEMES

The committee received the report which provided an overview of the Business Rates system and an update on the Government's review of Business Rates.

The Sub-Committee agreed to set up a working group to look at discretionary Business Rates. A report would come to the January meeting to consider terms of reference to establish the working group.

RESOLVED (unanimously):

That the Finance Sub-Committee note the report and approve the discretionary Business Rates policy as set out in Appendix 1.

39 GOVERNANCE OF THE CHESHIRE & WARRINGTON DF (GP) LTD

The Sub-Committee considered the report on governance of the Cheshire and Warrington DF (GP) Limited.

With regard to recommendation 3.4 of the report, the Sub-Committee considered the nature of the Limited Partnership structure and determined that authority should be delegated to the Chief Executive to name a representative to act on behalf of the Council as limited partner.

The recommendations were voted on individually and Cllr Gardiner abstained on recommendation 3.3 of the report, having declared an interest.

RESOLVED:

That the Finance Sub-Committee:

Unanimously:

1. Appoint Jayne Traverse, the Executive Director Place, as the Council's director on the Board of Cheshire and Warrington DF (GP) Limited.

By majority:

2. Approve the appointment of Steve Park, Director of Growth at Warrington Borough Council as a director of the Cheshire and Warrington DF (GP) Limited.

Unanimously:

3. Delegate to the Chief Executive the authority to name a representative of Cheshire East Council to act on its behalf with all matters relating to the Cheshire and Warrington Development Limited Partnership.

4. Authorise the Section 151 Officer to take all steps necessary to ensure that the Authority complies with the funding agreement entered into with DLUHC, formerly MHCLG.

40 **REVIEW OF WHOLLY-OWNED COMPANIES' BUSINESS PLANS**

The committee received the report which sought approval to re-establish the Shareholder Working Group to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports.

RESOLVED:

That the Finance Sub-Committee approve:

1. That a Shareholder Working Group be established to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports.

2. The Terms of Reference for the review as set out in Appendix A.

3. That the Shareholder Working Group be made up of the same Chair and Members as the working group established by the Sub-Committee on 7 September 2022 for the purposes of the governance review of whollyowned companies, along with supporting officers as set out in the Terms of Reference.

4. That the Shareholder Working Group co-opt officers or other individuals with appropriate expertise to provide information and advice, as required, as described in the Terms of Reference.

5. That the Chair of the Working Group provide a report back to the Sub-Committee in December 2022 based on the work of the Group, as required by its Terms of Reference for consideration by the Sub-Committee at its meeting on 11 January 2023.

41 **WORK PROGRAMME**

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

It was noted that the report on setting up a working group to look at Discretionary Business Rates would be added to the January agenda.

A request was made for the start time of the January meeting to be reviewed given the number of scheduled reports. It was agreed that this would be considered.

RESOLVED:

That the work programme be noted.

42 **PROCUREMENT PIPELINE**

The Sub-Committee considered an update report on the procurement pipeline for the Council, the contracts awarded since April 2022 and other procurement activity.

The detailed waivers referred to in the report would be considered in Part 2 of the meeting.

RESOLVED (unanimously):

That the Finance Sub-Committee

1. Note the procurement pipeline of activity in Appendix 1.
2. Approve the 1 new pipeline project in Appendix 1 as business as usual (column H approval required).
3. Note the contracts awarded by the Council since April 2022, Appendix 2.

43 **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 Paragraphs 1, 2, 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

44 **PROCUREMENT PIPELINE**

The Sub-Committee considered details of the waivers referred to in the Procurement Pipeline report.

RESOLVED:

That the details of individual waivers be noted.

45 **ANSA ENVIRONMENTAL SERVICES - RETENTION PAYMENTS**

The committee received the report on Ansa Environmental Services retention payments.

Concerns were raised regarding section 7.2.9 of the shareholder agreement and it was agreed that the Shareholder Working Group, at their upcoming meeting, would look into this and report back to the Finance Sub-Committee January meeting.

RESOLVED (by majority):

That the recommendations as set out in the report be approved.

46 **ANSA HOUSEHOLD WASTE CENTRE PROCUREMENT**

The committee received the report on the ANSA Household Waste Centre Procurement.

RESOLVED (unanimously):

That the recommendations as set out in the report be approved.

The meeting commenced at 14:00 and concluded at 18:15

Councillor A Stott (Chair)

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