

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Thursday, 19th January, 2023 in the Committee Suite 1 ,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor A Stott (Chair)

Councillors D Brown, J Clowes, S Corcoran, N Mannion, A Martin,
B Puddicombe and M Warren

OFFICERS

Alex Thompson, Director of Finance and Customer Services

David Brown, Director of Governance and Compliance

Andy Kehoe, Head of Estates

Philip Jennings, Principal Lawyer

Paul Mountford, Democratic Services

The Chair referred to the sad passing of the Sub-Committee's Vice-Chair, Councillor Steve Carter, on 29th December 2022. All stood for a minute's silence as a mark of respect.

The Chair welcomed two new members of the Sub-Committee, Councillors Sam Corcoran and Andrew Martin. Councillor Martin had replaced Councillor Stewart Gardiner who had recently stepped down from the Sub-Committee. The Chair placed on record her thanks to Councillor Gardiner for his service to the Sub-Committee.

The Chair informed the Sub-Committee that Councillor Brian Puddicombe would be nominated as Vice-Chair of the Sub-Committee at the next full Council meeting.

1 DECLARATIONS OF INTEREST

Councillor N Mannion declared an interest as a trustee of the Macclesfield Community Sports Trust, which was a sub-tenant of the current lessee of a property referred to in Appendix C to the Asset Management report.

2 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 9th November 2022 be approved as a correct record.

3 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

4 MEDIUM-TERM FINANCIAL STRATEGY 2023-27 CONSULTATION

The Sub-Committee considered a report on the Medium-Term Financial Strategy 2023-27.

The Sub-Committee was being asked to provide feedback, as consultees, on the development of the MTFS in relation to the Sub-Committee's responsibilities. The feedback would be presented to the Corporate Policy Committee for consideration on 9th February 2023 before a balanced budget was presented to full Council on 22nd February 2023 for final review and approval.

In response to members' questions, officers commented as follows:

- The un-ringfenced specific grant levels for 2023/24 and 2024/25 were in the order of £26.4M and £29.1M respectively, showing an increase over time. Further details were available in the full MTFS available on the Council's website.
- The figures for bad debt provision adjustment related largely to adult social care. The figures did not include deferred debt.
- With regard to the Council paying the rate increases on its own properties from the Collection Fund earmarked reserve, the increases related to revaluations rather than inflation, the Government having frozen business rates nationally for the current financial year. The Council usually funded its business rates from general funding and the use of the Collection Fund was a temporary arrangement.

The officers were thanked for having produced the budget on time in conditions of uncertainty.

RESOLVED

That

1. the Sub-Committee notes:
 - (a) the year-end forecast outturn position for 2022/23 (Appendix 1 to the report);
 - (b) the financial context and proposals contained within the Executive Summary of the Medium-Term Financial Strategy (MTFS report Annex C, Section 1); and
 - (c) Revenue Grant Funding (Appendix 2); and
2. the Sub-Committee's feedback be provided on the proposals and current strategies within the MTFS, as related to the Sub-Committee's responsibilities, in order to support and advise full Council in fulfilling its

responsibilities to approve a balanced budget for 2023/24, in the following areas as detailed in the Appendices to the report:

Revenue Proposals (Appendix 3)
Capital Strategy (Appendix 4)
Treasury Management Strategy (Appendix 5)
Investment Strategy (Appendix 6)
Reserves Strategy (Appendix 7)

5 NOTICE OF MOTION - FAIR TAX DECLARATION

The Sub-Committee considered a report which set out the response to a Notice of Motion on Fair Tax Declaration.

The motion on Fair Tax Declaration, proposed by Councillor P Williams and Seconded by Councillor N Mannion, was as follows:

Recognising that Cheshire East Council already meets some of the requirements of the Fair Tax Declaration, Council resolves to sign-up to the Declaration in its entirety.

The full text of the Notice of Motion was appended to the report. The Fair Tax Declaration asked councils to make a number of specific pledges as detailed in the report.

There was concern among some members that the due diligence required under the terms of the Declaration would place a significant burden on the Council.

Councillor Mannion spoke as the seconder of the Notice of Motion at Council and highlighted that the Declaration asked councils to use their 'reasonable best endeavours' in meeting the Declaration's pledges and to encourage their commercial partners to act responsibly.

RESOLVED (by majority)

That the Sub-Committee approves the Council signing the Fair Tax Declaration.

6 APPOINTMENTS TO WORKING GROUPS

The Sub-Committee considered a report on changes to the membership of the following working groups:

ASDV Governance Review Working Group
Shareholder Working Group

Two vacancies had arisen on each working group as a result of the death of Councillor Carter and the departure from the working groups of Councillor Sarah Pochin following a review by the Independent Group of

its representation on the working groups, Councillor Pochin having ceased to be a member of the Independent Group. Councillors Sam Corcoran and David Jefferay had been nominated by their political groups to fill the vacancies.

Councillor Carter had also been the Chair of both working groups, leaving a vacancy of Chair on each working group.

The Sub-Committee was informed that there was also a vacancy of shareholder representative on the board of Tatton Park Enterprises following Councillor Gardiner's recent resignation from the Sub-Committee. Councillor Janet Clowes had expressed the wish to replace Councillor Gardiner on the board.

RESOLVED (unanimously)

That

1. Councillors Sam Corcoran and David Jefferay be appointed to both of the following working groups:

ASDV Governance Review Working Group
Shareholder Working Group

2. Councillor Sam Corcoran be appointed as chair of both working groups;
3. if future vacancies occur on either working group, the relevant political group appoint a replacement; and
4. Councillor Janet Clowes be appointed as the shareholder representative and observer on the board of Tatton Part Enterprises.

7 WORK PROGRAMME

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

It was reported that in addition to the items on the work programme, there would be a report back to the March meeting from the Shareholder Working Group in relation to the business plans of the wholly-owned companies.

Officers advised that it would be necessary in due course to consider a response to the proposed consultation on National Business Rates. However, as that consultation had not yet been launched, there was little merit in having the item on the current work programme. It was therefore proposed that the item be removed.

With regard to a proposed item for the March meeting on the appointment of a Business Rates Working Group, Councillor Clowes signalled her

interest in becoming a member of the working group, having previously been involved with this area of work.

RESOLVED

That subject to the changes discussed at the meeting, the work programme be noted.

8 ASSET MANAGEMENT

The Sub-Committee considered a report which provided information on the property acquisitions and disposals undertaken by the Council in the first two quarters of the 2022-23 financial year, and information on pending transactions and a potential pipeline of further activity.

Appendix C to the report contained commercially sensitive information on property transactions and would be considered in part 2 of the meeting.

RESOLVED (unanimously)

That subject to detailed consideration of Appendix C in part 2 of the meeting, the Sub-Committee notes:

1. the acquisition and disposal activity of the Council for the period 1st April 2022 to 30th September 2022 as set out in the Appendices:

Appendix A - Summary of Acquisitions

Appendix B - Disposals completed

Appendix C - Disposals Programme

2. the pipeline of property transaction activity and the potential impact on the MTFS.

9 EXCLUSION OF THE PRESS AND PUBLIC

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 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.

The Sub-Committee adjourned for a five minute break.

10 ASSET MANAGEMENT

The Sub-Committee considered Appendix C to the Asset Management report.

RESOLVED

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

11 ANSA HOUSEHOLD WASTE CENTRE PROCUREMENT - UPDATE

The Sub-Committee considered an update report on the ANSA Household Waste Centre Procurement.

RESOLVED

That the update report be noted.

12 SETTLEMENT OF A SUBROGATED INSURANCE CLAIM

The Sub-Committee considered a report on the proposed settlement of a subrogated insurance claim.

RESOLVED (unanimously)

That the Sub-Committee

1. approves a settlement of the Subrogated Insured Claim as against the defendants;
2. delegates the responsibility for the negotiation and finalising of a settlement of the Subrogated Insured Claim to the Executive Director of Adult Social Care in consultation with the Director of Governance and Compliance; and
3. delegates the responsibility for the negotiation and finalising of a settlement of the Other Uninsured Claims as against the defendants to the Executive Director of Adult Social Care in consultation with the Director of Governance and Compliance.

The meeting commenced at 10.00 am and concluded at 11.39 am

Councillor A Stott (Chair)