

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 31st January, 2024 in Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Gorman (Vice-Chair) in the chair

Councillors J Clowes, B Drake, R Kain, F Wilson, A Heler (for Cllr O'Leary),
B Puddicombe (for Cllr Mannion) and P Redstone (for Cllr Brown)

OFFICERS

Alex Thompson, Director of Finance and Customer Services
David Brown, Director of Governance and Compliance
Julie Gregory, Legal Team Manager - Place/Corporate
Paul Mountford, Democratic Services

APOLOGIES

Councillors D Brown, N Mannion and C O'Leary

47 DECLARATIONS OF INTEREST

Councillors P Redstone and F Wilson declared interests as members of
the Handforth Garden Village Member Advisory Group.

48 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

49 MEDIUM TERM FINANCIAL STRATEGY CONSULTATION 2024/25 - 2027/28 PROVISIONAL SETTLEMENT UPDATE (FINANCE SUB- COMMITTEE)

The Sub-Committee considered a report on proposals within the budget
consultation relating to its responsibilities.

Feedback from all service committees would be collated and provided as
evidence to the Corporate Policy Committee on 13th February 2024. Final
approval of the 2024/25 budget would take place at full Council on 27th
February 2024 following recommendation from the Corporate Policy
Committee.

The full list of budget consultation proposals for 2024/25 for the Finance
Sub-Committee was set out at Appendix A to the report.

During the budget consultation held between 9th and 28th January 2024,
the Council received confirmation of additional funding from the

Government which would be included in the final MTFS figures for full Council.

The Provisional Local Government finance settlement was received on 18th December 2024. There was no material impact on the target funding envelope for the service Committees. Appendix B to the report: 'Provisional Local Government Settlement 2024/25 and Net Budget Envelope 2024/25' set out the Core Spending Power funding announcements and comparison to the forecast net budget for 2024/25. There was an overall reduction in unringfenced grant funding of £1.4m when compared to the funding estimates included in the 2024/25 target setting exercise. The shortfall was proposed to be made up from using additional business rates compensation grants which would otherwise have been credited to the Collection Fund Earmarked Reserve. This maintained the net revenue budget for 2024/25 at the level of £372.7m.

The Director of Finance and Customer Services responded as follows in relation to members' comments and questions on the report:

- In order to protect businesses against the recent high levels of inflation, the Government had given local authorities business rates compensation grant funding instead of increasing business rates in line with inflation.
- The two figures for core spending per dwelling and net revenue per dwelling in Appendix B were based on the different calculations used by the Government and the Council.
- The use of grant funding for highways maintenance and improvement was restricted to the specific purpose for which the grant was made. £4m of the funding within the budget was discretionary and could be used for such things as repairs to potholes. This was a matter for the Highways and Transport Committee when considering its capital programme.
- The additional monies provisionally allocated to the Council in the Government's announcement last week, which were estimated to be around £3m, would be used to reduce the budget shortfall.
- With regard to bad debt provision, a written response would be provided regarding the percentage of income collected, and whether this had changed in the last twelve months.
- Risk assessments were undertaken on the likely achievement of the budget.

Councillor J Clowes put forward a set of additional proposals by the Conservative Group for inclusion in the budget. The proposals had been submitted to officers for comments in December. The proposals, including the officer comments in response, had been circulated to members of the

Sub-Committee before the meeting. Each proposal was considered in turn by the Sub-Committee and amendments were agreed to certain proposals. The proposals as amended were as set out below:

Early Committee Oversight and Scrutiny of MTFS implementation

Ai) That clear decision / delivery schedules for MTFS proposals are identified as part of the CLT masterplan, clearly articulated to the relevant Service committee(s) and incorporated into the appropriate service committee work programmes.

Inclusive Pay Terms and Conditions

Bi) That Human Resources investigate consistency in payments for evening and weekend working, together with appropriate 'inclusive salary' contracts.

Bii) That Human Resources incorporate this work under the Workforce Strategy related to recruitment and retention, any changes to be subject to discussion with recognised trade unions.

Biii) That any related budget implications are reported to Corporate Policy Committee / Finance Sub-Committee.

Parish Compact System Extension

Ci) That the Finance Team support Environment and Communities Colleagues in conducting a cost-benefit analysis of the Parish Compact model for those smaller parish councils that express an interest.

Reducing the Costs of Democracy

It was noted that there were no proposals at this time in relation to this item.

Council Tax and Business Tax Payment Targets

Ei) That the Sub-Committee identify a working group to review current debt management and retrieval practices and to make appropriate recommendations for change.

Reserves Strategy

There were no proposals at this time in relation to this item.

Adult Social Care Debt

Gi) This item should remain 'on the radar' throughout this fiscal year with a view to bringing forward, if indicated, any potential additional savings in 2024/25.

Review of Capital Projects

The office response had been noted and there were no proposals at this time in relation to this item.

Council Tax Support – Reduction to Pre-Covid Levels

li) That this item is recommended as part of the 2024/25 Budget submission in order that (a) appropriate consultation can be triggered, and (b) a full fiscal study of the up-take of Council Tax support (since its most recent increase to 100%) is undertaken, whilst ensuring protection of the most vulnerable.

RESOLVED

That the Sub-Committee

1. recommends to the Corporate Policy Committee, for its meeting on 13th February 2024, all proposals within the budget consultation, as related to the Committee's responsibilities, for inclusion in the Council's budget for 2024/25;
2. unanimously recommends to the Corporate Policy Committee, for its meeting on 13th February 2024, the additional proposals from the Conservative Group, as amended at the meeting, for inclusion in the Council's budget for 2024/25; and
3. notes the contents of Appendix B: 'Provisional Local Government Settlement 2024/25 and Net Budget Envelope 2024/25', and unanimously approves the use of a further £1.3m of business rates compensation grants to maintain the net revenue budget for 2024/25 at £372.7m.

The meeting commenced at 2.00 pm and concluded at 3.15 pm

Councillor M Gorman (Vice-Chair in the Chair)