

## Appendix F - Annex E

### **Cheshire East Council Budget Consultation 2009-10** **Minutes of Business Breakfast Event – 20<sup>th</sup> January 2009**

Cabinet Members:	Councillor W Fitzgerald Councillor D Brown Councillor P Findlow Councillor P Mason Councillor D Brickhill Councillor A Knowles Councillor B Silvester	
Officers:	Erika Wenzel  Lisa Quinn  Chris McCarthy	Chief Executive – Cheshire East Council  Borough Treasurer & Head of Assets – Cheshire East Council  Strategic Director Places – Cheshire East Council
Chambers of Commerce:	John Dunning  John Lamond  Peter Whiers	South Cheshire Chambers of Commerce & Industry  Macclesfield Chamber of Commerce  Congleton Chamber of Commerce & Enterprise
Consultees:	See attached	

#### **Introduction**

Cllr Fitzgerald chaired the event and welcomed businesses from Cheshire East to the first Budget Consultation event for the new Council. He outlined the agenda and went through the following key points:

- The background to local government reorganisation and the eagerness of the Shadow Council to move forward and start providing services.
- The process of splitting County budgets and adding together those of the districts.
- The objectives to reduce Council Tax and achieve cost savings where the figures in the original bid had been exceeded.

Erika Wenzel then provided some background to Cheshire East including:

- The scale of the task to create a new Council and merge four cultures and organisational designs into one.

- Statistics on Cheshire East.
- The progress made so far i.e. appointment of a Cabinet and assigning portfolios.
- Progress with recruitment.
- The aims of joint working.
- The promise to maintain grant funding at existing levels for 2009-10.
- The aim to transform inherited services – in part through ICT but retaining face to face contact and a local presence.
- The four pilot areas for neighbourhood working.

### **Lisa Quinn – Borough Treasurer and Head of Assets**

Lisa went through:

- The stages of budget development.
- Plans to improve the consultation process next year.
- Council Tax proposals for 2009-10.
- The Capital Programme.
- The impact of the recession.
- Other key issues including the Local Authority Business Growth Incentive Scheme, Supplementary Business Rates and revaluation.

### **John Dunning – Chair of the South Cheshire Chamber of Commerce**

John gave a presentation on the role of the Chambers and what they could offer to businesses. This included:

- Emphasis on their independence – not being funded by Central or Local Government.
- The scope to build on existing good relationships.
- They could act as a voice for all Businesses and provide the primary route for Councils to make contact.
- They had a quarterly meeting with a Bank of England representative who could feed information back to the Monetary Policy Committee.
- They could undertake surveys and provide information.
- They could promote export routes.
- They could help local suppliers tender for local authority work.

He also briefed on the current economic climate in terms of:

- Staying positive and confident rather than making it worse.
- Businesses should prepare and be well placed to get back on track when things start moving again.
- The Chambers would give businesses a chance to talk through their specific issues and try to help.
- Courses included: Business Continuity on 23<sup>rd</sup> January and a Business Link event on 24<sup>th</sup> April, both at Cranage Hall.
- Help with Business Startups.

## **Question and Answer Session**

Panel: Councillor W Fitzgerald  
Councillor D Brown  
Erika Wenzel  
Chris McCarthy  
Lisa Quinn  
John Dunning  
John Lamond  
Peter Whiers

### **How will Cheshire Police operate after the split of councils.**

John Dunning advised consultees he would be meeting the Cheshire Police Authority (CPA) on 12<sup>th</sup> February to discuss their budget and they were proposing a small percentage increase in Council Tax.

It was noted that the new Chief Constable is keen to meet with Cheshire East Council, Cheshire West and Chester Council and the Chambers of Commerce regarding the budget and to maintain an ongoing dialogue.

Cllr Brown – Several sessions had been held regarding CDRPs and the co-ordination of Local Area Partnerships. Of all partners Cheshire Police have been most keen to engage with the new Council.

Cllr Fitzgerald – The CPA were eager to enter partnership agreements with Cheshire East Council and the eastern operational unit of CPA was almost co-terminus with the Cheshire East Council boundary.

**Helen Gould, Kendlebell – In light of the recession all organisations are reviewing their budgets. Is there any Sector 1 or 2 European funding available for Cheshire East in a similar way to Liverpool. E.g. Crewe is experiencing post office closures. There needs to be a plan to help people exist and prevent more residents defaulting on rates etc.**

Lisa Quinn – A group had been created to work with partners and businesses to identify what the local authority can do to help. They will do some research to establish the availability of funding and circulate the results. **(Action: Lisa Quinn)**

Cllr Fitzgerald – On 19 January they had met Beverley Hughes, the Minister for the North West, to discuss the recession. She was given a clear message regarding the projects Cheshire East Council wants to start, including Middlewich Bypass and Crewe Gateway, but could not move forward due to a lack of funding. The Minister offered to pursue these issues. In addition, they commented on the issue with banks being tough on existing borrowers or turning away new borrowers and that this had to change.

Representatives from the Chambers of Commerce outlined the plethora of Government announcements they were working through, e.g. Department for Business, Enterprise & Regulatory Reform (BERR) announcements on funding streams, and trying to make understandable. They intend to set up an email alert system for businesses on these issues.

They noted the work done by Business Link in this area to simplify funding streams and a booklet was available on what could be claimed.

They reiterated the need to claim Business Rates relief where Rateable Values were below £5k. Under such conditions 50% may be refunded and backdated to 1/4/2007. They acknowledged this may not apply to many people in the room but asked them to spread the word to firms they know who may benefit.

**Richard Macaulay, Macclesfield Business Ventures – The proliferation and complexity of information often makes it difficult for certain groups to start a business. What initiatives can Cheshire East Council introduce to help.**

Chris McCarthy – The new Council will try to understand what is available, bring it together, simplify it and consider what is the best solution.

**Diane Davy, Chandler Associates – How much does the local economy pay in Business Rates and how much does it get back.**

Lisa Quinn – Cheshire East Council will collect £135m and receive £74.2m so will be a net loser and she would be investigating this issue in the coming year.

**Nigel Evans, Cheshire Agricultural Society (who organise the Cheshire Show) – Does Cheshire East Council regard Cheshire West and Chester Council as a partner and how will this work.**

Erika Wenzel – The split of County Council staff East and West is a difficult exercise. They are working closely with Cheshire West and Chester to avoid any competition developing. Some services will remain pan-Cheshire, such as ICT and transactional Finance services, and these are being negotiated in detail. It should also be noted that in some instances, such as economic partnership, Warrington are also a partner.

Cllr Fitzgerald – On an economic front the two new Councils and North West act as one to improve economic prospects for all. He noted the historical County of Cheshire was not being split but the administration arrangements were for the betterment of Cheshire and its population.

**Peter Jackson, Active Business Solutions – Regarding the reference to the formation of the new Council being akin to a business merger, what are the integration costs.**

Lisa Quinn – Transitional costs have been tracked very closely. The initial bid quoted a figure of £3m of which the Cheshire East Council share would be £1.5m.

As publicised spending was higher due to increased staff costs caused by early appointments and having a fully developed Council structure. They expected to spend £2m but will try to stay within the budget.

They had also decided to make additional investment in ICT and Customer Access of £1.5m. Therefore spend of £3m - £3.5m was projected. Payback of all transitional costs is expected to be within 3 years.

Each local authority had to manage its own costs and they were inspected by Central Government and the Audit Commission. The figures would also form part of the final 2008-09 accounts of each authority.

**Ian Miller, Road Maintenance Services Ltd – He represents a local employer, with 100 staff, dealing with highway and footway maintenance, an area that has suffered from a lack of public investment. There was a need to rebuild and tackle the backlog. However, he was concerned that Councils may spend significant sums on fountains in town centres, etc while the road network is deteriorating and people struggle to get to the attraction.**

**He felt this issue was set in the context of Councils being too willing to satisfy the public and therefore Councillors often decided where improvements should be made and not the experts. What is the Cheshire East strategy.**

Chris McCarthy – Cheshire East is a new Council and will bring its own culture and create a new Highway Service.

They will need time to do this properly and review the methods of prioritising highway schemes that are now much closer to home. They will need to consider the issues to be addressed, the best form of treatment, where it is applied and the Political view. He noted that an element of reactive maintenance would always be needed.

Erika Wenzel added that her previous experience of Local Area Partnerships / neighbourhood working suggested that engineering advice with local input was the best way forward. Regarding the fountains – she acknowledged the point but noted that Cheshire East Council could easily spend its entire Budget on roads, but there are other needs.

Cllr Fitzgerald – Funding is the key. The Government have their own priorities with regard to Highways etc and they apply this to local authorities. Cheshire East Council will have to take this into account even if it does not match local needs.

He outlined plans for Cheshire East Council to look into new income streams, locally achieved, that can generate additional funding for highways. This would take time but would be achieved.

Noted that converting to a unitary authority will provide clarity on who is responsible for the highways issues.

**Andrew Smith, Instrument Science – Regarding the Chambers of Commerce point about bidding for local authority work, they are a small business and do not know how to find out what work is available or how to register an interest. Please could the local authority make this clear. He appreciates the interpretation of Government announcements but there is still a gap in terms of teaching people how to use it.**

Chris McCarthy – He was aware that other local authorities do provide guidance on procurement and the various processes. The intention was for the Chambers of Commerce and Cheshire East Council, as a large authority, to help as much as possible.

The Chambers of Commerce suggested setting up a dedicated joint event between April and June for themselves and Cheshire East Council to advise businesses and this was agreed. Lisa Quinn noted procurement fell under her area of responsibility so she would be able to help.

**Ian Coppack, Cross Country Film – The town centres in Cheshire East were all in poor condition at a time when image was important.**

Cllr Brown – He was aware that there were ongoing discussions regarding regeneration projects. He acknowledged these may be delayed but stated that there were some existing projects due to happen in the next three to ten years, e.g. Crewe, Macclesfield, Sandbach and Congleton. He felt very enthusiastic about it.

There was an issue with establishing how Cheshire East Council could trade with local firms if the goods and services are available at the right price. Working through town centre partnerships and effective trading may help.

Chris McCarthy noted that the issue of using local groups, consultation, capturing volunteers and funds e.g. NWDA support, would be considered. Both top down and bottom up approaches would be considered.

**Mike Chandler, Chandler Associates – Regarding the Crewe Gateway project, what is the plan with regard to option 3 and the potential to merge Network Rail and Cheshire County Council proposals to build a destination opportunity and regenerate the whole of East Cheshire.**

Cllr Fitzgerald – This was a major issue and very complex. He realised there were local objections but was keen to resolve the issues. He had put the case forward to the Minister for adequate Capital funding and asked that Network Rail be pushed to decide what they want to do. He realised Crewe was suffering from the delays and investment was urgently required to move things forward.

Mike Chandler thanked Cllr Fitzgerald for this commitment.

**Rex Garratt, Link-us Publicity – Regarding the proposed Council Tax freeze when national increases are being reported as 3% - 3.5%, can this cautious approach be maintained.**

Cllr Fitzgerald – Cheshire East Council had begun with the Council Tax promise made in the bid. In the longer term the aim of the Council was better financial control through real economies and transformation of service delivery. He would aim for a good budget for 2010-11 which delivered good services at reasonable cost.

Cllr Brown noted that the four existing authorities all did things in different ways with different levels of value for money and quality. They would try to use best practice in Cheshire East.

**Helen Gould, Kendlebell – Would it be possible to have a Business Community Partnership / Resource (possibly led by the Chambers of Commerce) where experts in the room can provide advice to new businesses to give them a chance. Given the many expert Accountants and Business people it would only be a small proportion of their time.**

John Dunning felt that was an excellent idea and would like to do something like that. It was agreed that this concept would be explored in more detail.

Chris McCarthy noted that unitary status would bring a single focus on the economic issues.

**Anthony Bird, Senior Aerospace UK - Bird Bellows – There are manufacturing companies in Congleton who want to work with local partners. Regarding the structural diagram displayed in the slides, if the aim is development of the area he assumes they need to work through the middle band. How will they get their views heard at the top level.**

Erika Wenzel – Some consultation events on the structure will be taking place at the end of the month. Feedback from Businesses is vital and therefore they will have a representative on the Strategic Panel.

Cllr Brown – There are also local plans and local partnerships in Congleton. There is a meeting for the Town and Parish Councils in Congleton Town Hall and Business representatives are welcome to attend.

Lisa Quinn noted that the slide in question did not appear in the delegate pack as the presentation had been refined based on experience. The final slides would be circulated and made available on the Cheshire East Council website.

Chris McCarthy – Acknowledged there were currently many channels that could be used and Cheshire East Council would try to bring some clarity.

John Dunning – The Chamber of Commerce were involved with the Local Strategic Partnerships and wanted that to continue, but to date they have not found their input to be appropriate. He emphasised that they could not afford to waste time and needed to channel their energy into the right forum.

Erika Wenzel - It was acknowledged that the Local Strategic Partnerships Framework under two tier Local Government was too complex and had become a talking shop. A single strategic body should bring better results and communicate with Businesses via a single route.

**Roger Hargreaves, SISIS Equipment Ltd – His company paid £80k in Business Rates and they are set to increase by 5%. How sustainable is that rise given the current economic forecast and the Cheshire East Council plans to maintain Council Tax at existing levels.**

Lisa Quinn stated that the increase in Business Rates was determined by the RPI rate in September. Local Authorities had to apply that increase.

Erika Wenzel – The issue was raised with the Minister at the meeting on 19 January but any change was unlikely.

Cllr Fitzgerald – Acknowledged this was a major issue. He agreed that a motion would go to the next Shadow Council and an official note would be sent to the Treasury stating the increase was unacceptable.

**Gary Dodson, Greenlight Computers Limited – In times of recession there is an opportunity to export more effectively. What can be done to help.**

John Dunning – They had a contract with Business Link for training and expertise.

They were available to help start the process by subsidising trade visits and providing advice. He agreed it was a good opportunity for the north west. He encouraged any business with ideas about exporting to get in touch and check the Business Link website.

Gary thanked the panel and noted the funding they had received had been used to rebuild their website which had led to more enquiries. He noted BERR may need to provide working capital funding to help businesses make the goods before they are paid by the clients.



**Roger Hargreaves, SISIS Equipment Ltd – Regarding reducing carbon footprints, businesses are aware of this issue but need help from the local authority etc. with initiatives such as:**

- **Better links with rail services, e.g. parkway stations**
- **Improving car parking at existing stations**
- **Better integration of road / rail / bus transport**

**Where are these ideas currently sitting?**

Chris McCarthy – Agreed these were major issues for the new Council to address and help the local economy. However, they could not do it alone, it had to be at the sub regional level and this was being looked at.

Erika Wenzel noted that the Council had set up a working group under the Chairmanship of Cllr Brickhill to try and reduce its own carbon footprint.

**Roger Hargreaves, SISIS Equipment Ltd – All businesses are considering cost cutting measures. Regarding the local government pension funds, can these be made sustainable and realistic, i.e. moving away from the Final Salary approach.**

Erika Wenzel – The Local Government Pension Scheme rules are determined nationally and they have to follow the guidance. The Scheme was redesigned recently but is still based on final salary at this stage.

The Chamber of Commerce reps advised that they had put this question to David Cameron in December and while he acknowledged the difficulties he did want to pursue the issue.

Wesley Fitzgerald noted the huge Political implications of changing the system but change may be forced by the recession and other events.

**Peter Whiers, Congleton Chamber of Commerce & Enterprise – Reminded the audience that the last Congleton Business Awards event to celebrate local success was taking place soon and encouraged businesses to send in their entries. He also reminded them about the Business Continuity Event this Friday and that forms were available.**

## **Conclusion**

Cllr Fitzgerald thanked the Business representatives for attending and welcomed the potential to work together for the long term success of the economy in Cheshire.

**Cheshire East Council Budget Consultation 2009-10**  
**Business Breakfast Event – Delegate List**

<b>Name</b>	<b>Organisation</b>
Alen Lenton	Weaver Bomford Group
Alex Thompson	Congleton Borough Council
Andrew Arditti	Cheshire East Council
Councillor Knowles	Cheshire East Council
Andrew Smith	Instrument Science
Andy Pratt	Cheshire East Council
Annie Simmons	Delmar Press
Anthony Bird	Senior Aerospace UK - Bird Bellows
Arthur Moran	Medica Packaging Crewe
Barbara l'Anson	Triad Ltd
Councillor Barrie Moran	Congleton Borough Council
Councillor Brian Silvester	Cheshire East Council
Carl Ellson	Cheshire Work & Leisure Wear Ltd
Carol Vickers	Always There Homecare Ltd
Cedric Knipe	Macclesfield Borough Council
Chris Edwards	BAM Nuttall Ltd
Chris McCarthy	Cheshire East Council
Christine House	Wardell Armstrong LLP
Christopher Heathcote	J.J.J Heathcote Ltd
Councillor David Brickhill	Cheshire East Council
Councillor David Topping	Congleton Borough Council
Dan Walmsley	United Utilities
Daniel Bennett	Wright's Printers
Dave Masters	Northgate Information Solutions UK
David Binns	Newfield Fabrications Company Ltd
David Bridgwood	Wardell Armstrong LLP
Councillor David Brown	Cheshire East Council
David Legat	Mason Owen & Partners
David McGifford	South East Cheshire Enterprise
David Squire	Arriva North West Ltd
David Watson	Congleton Chamber of Commerce & Enterprise
Deborah Garritty	Bell Pottinger North
Dennis Rogers	Briden Homes
Diane Davy	Chandler Associates
Diana Heard	Adelphi Hygiene
Dick Macaulay	Macclesfield Business Ventures
Eilidh Milnes	Eilidh Milnes
Erika Wenzel	Cheshire East Council
Gareth Roberts	Cheshire East Council
Gary Dodson	Greenlight Computers Limited
Gaynor Bowen-Jones	Cheshire East Council
Geoff Wright	Cheshire & Warrington Learning & Skills Council
Gordan Hamilton	Cheshire East Council
Graham Bridge	IE Services
Guy Morrison	Provident Marketing
Hannah Edge	Cheshire East Council
Helen Gould	Kendlebell
Helen Meacher-Jones	Cheshire East Council

Ian Coppack	Cross Country Films
Ian Miller	Road Maintenance Services Ltd
Ian Tulloch	Connections Oxford
James Russell	James Russell Photography
Jane Casson	Made in Cheshire
Jane Parkinson	United Utilities
Jane Scullion	Cheshire East Council
Jenny McLaren	RSK Group Plc
Jeremy Hilliard	Tarmac Limited
Jo Roszich	Cheshire East Council
Joanne Smith	Cheshire East Council
John Dunning	South Cheshire Chamber
John Dutton	Junction 17 Defensive Driver Training Ltd
John Elkin	Myers & Co
John Lamond	Macclesfield Chamber of Commerce
John Warham	Cheshire & Warrington Learning & Skills Council
John Wood	Ambrose Wood & Son
Karen Kelsall	Cheshire & Warrington Learning & Skills Council
Katie Vost	Storage Boost Ltd
Lillian Burns	Campaign to Protect Rural England (CPRE)
Lisa Quinn	Cheshire East Council
Liz Gorb	Macclesfield College
Margaret Bardsley	Reaseheath College
Marilla Blackburn	Energia Vital
Mark Caldwell	Bluemantle Group
Mark Slinger	Alexandra Court Hotel
Martin Lee	Cheshire & Warrington Economic Alliance (CWEA)
Martin Lindholt	Lindholt Springett Ltd
Matt Larkin	The David Lewis Centre
Matt Stacey	BAM Nuttall Ltd
Matthew Pochin	Lamont Commercial Ltd
Max Eaton	Eaton Estates
Michael Farr	Delmar Press
Michael Warke	Congleton Museum Trust
Michelle Jones	Rare IT
Mike Chandler	Chandler Associates
Mike Collins	Business Link
Mike Hawes	Bentley Motors Ltd
Nasar Malik	Atkins
Dr Neil Fell	Total Fitness
Neil Osbourne	Astra Zeneca
Nicki Juggins	Triad Trade Textiles Ltd
Nicola Duffy	Profile Communication Limited
Nigel Evans	Cheshire Agricultural Society
Nigel Oakes	Pioneer Corporate Finance
Pamela Garnett	Garnett Farms Engineering Ltd
Pat Bradley	Green Contract Services
Paul Colman	South Cheshire Chamber
Councillor Paul Findlow	Cheshire East Council
Peter Jackson	Active Business Solutions
Councillor Peter Mason	Cheshire East Council

Peter Raynes	Campaign to Protect Rural England (CPRE)
Peter Tucker	Northgate Information Solutions UK
Peter Whiers	Congleton Chamber of Commerce & Enterprise
Phil Baker	Bakers Coaches
Philip Isaacs	CK Leafleting
Rex Garratt	Link-us Publicity
Ria Nortcliffe	Wilmslow Express
Richard Milkins	Cheshire East Council
Richard Stanisezewski	Compelling Results
Robert Blackwood	Mason Owen & Partners
Roger Hargreaves	SISIS Equipment Ltd
Roger Pomlett	Jenny Trickett Ltd
Simon Isherwood	Sidev Limited
Steve Addison	BAM Nuttall Ltd
Steve Edgellar	GL Hearn
Steve Jardine	Cheshire East Council
Steve Reading	Cheshire East Council
Sue Benson	Cheshire East Council
Sue Eddison	Business Information Service
Susan Bartholomew	Wains Solicitors
T.A Heard	J.R Atkins & Co Chartered Accountants
Tony Garnett	Garnett Farms Enginnering Ltd
Tony Jones	Smallwood Storage
Councillor Wesley Fitzgerald	Cheshire East Council