

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 8th March, 2023 in Committee Suite 1, 2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor A Stott (Chair)
Councillor B Puddicombe (Vice-Chair)

Councillors D Brown, J Clowes, S Corcoran, N Mannion, M Warren and
M Beanland (for Cllr Martin)

OFFICERS

Alex Thompson, Director of Finance and Customer Services
David Brown, Director of Governance and Compliance
Paul Goodwin, Head of Finance
Helen Gerrard, Head of Customer Services
Michael Todd, Internal Audit Manager
Lianne Halliday, Senior Manager – Procurement
Tom Shuttleworth, Interim Director of Environment and Neighbourhoods
Paul Mountford, Democratic Services

ALSO PRESENT

Kevin Melling, Managing Director of Ansa

APOLOGIES

Councillor A Martin

The Chair announced that Councillor Brian Puddicombe had been appointed as Vice-Chair of the Sub-Committee at the last Council meeting. She congratulated Councillor Puddicombe on his appointment.

59 DECLARATIONS OF INTEREST

There were no declarations of interest.

60 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 19th January 2023 be approved as a correct record.

61 PUBLIC SPEAKING/OPEN SESSION

Sue Helliwell raised a number of questions in relation to Item 5 - Aligning the MTFS to the Committee Structure, specifically in relation to Congleton household waste and recycling, the garden/food waste collection service

and car parking charges and the impact of individual committee decisions on the Council's budget. The Chair gave a detailed response which would also be forwarded to the questioner in writing.

62 ALIGNING THE MEDIUM-TERM FINANCIAL STRATEGY (MTFS) TO THE COMMITTEE STRUCTURE

The Sub-Committee considered a report which determined the allocation of the approved budgets to each of the service committees and informed the financial reporting cycle for 2023/24.

RESOLVED

That the Sub-Committee

1. unanimously approves the allocation of the capital and revenue budgets, policy proposals and earmarked reserves to the following Committees in accordance with the approved MTFS, as set out in Appendix A to the report:
 - Adults & Health
 - Children & Families
 - Corporate Policy
 - Economy & Growth
 - Environment & Communities
 - Finance Sub-Committee
 - Highways & Transport
2. notes the draft financial reporting timetable for 2023/24 set out in Appendix B.

63 2022/23 FINANCIAL UPDATE

The Sub-Committee considered an update report on financial management for the year 2022/23.

In response to members' questions and comments, officers advised as follows:

- Information would be included in future reports on the effect of interest rates, inflation and capital costs on the delivery of projects.
- The forecast DSG deficit was being held as an accounting override; this applied to all English councils with DSG balances and was effectively a negative reserve. The accounting override could last for up to three years, and discussions would need to be held with the DfE and the Department of Levelling Up to determine what would happen when the accounting override ended.

RESOLVED

That the Sub-Committee

1. notes the forecast adverse Net Revenue financial pressure of £7.7m against a revised budget of £328.3m, as previously reported to Finance Sub-Committee on 19 January 2023;
2. notes the forecast Capital Spending of £125.2m against an approved MTFS budget £185.2m;
3. notes the contents of Annex 1 to the report and each of the appendices;
4. unanimously approves 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 6 Finance Sub-Committee, Section 3 Corporate Grants Register, Table 3;
5. by majority approves the drawdown from the MTFS reserve for transport detailed in Appendix 6, Section 5;
6. notes that Council will be asked to approve:

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 1, Section 2 Corporate Grants Register, Table 2, Appendix 2, Section 2 Corporate Grants Register, Table 2 and Appendix 3, Section 2 Corporate Grants Register, Table 2.

7. by majority recommends to Service Committees to:
 - (a) note the financial update and forecast outturn relevant to their terms of reference; and
 - (b) note the delegated decisions relating to supplementary revenue estimates for specific grants coded directly to services in accordance with Financial Procedure Rules as detailed in Section 2 of each Committee Appendix.

64 **SUNDRY DEBT BRIEFING REPORT**

The Sub-Committee considered a briefing report on the current level of sundry debt across all Council services and how this was being managed.

In response to members' questions and comments, officers advised as follows:

- With regard to the debt arising from unpaid farm and market rent, the Head of Customer Services undertook to provide a breakdown of the rent owed by current and former tenants. She also undertook to provide details of the process involved in recovering debt from tenants

of Macclesfield Indoor Market, including any discussions that had been held with tentants/stallholders.

- Customers of adult social care were asked to state their preferred method for receiving notification of accruing debt, which could include notification by non-electronic means.

RESOLVED

That the report be noted.

65 APPOINTMENTS TO THE BUSINESS RATES WORKING GROUP

The Sub-Committee considered a report on the appointment of a Business Rates Working Group.

The terms of reference for the Working Group were set out in the Appendix to the report for information.

RESOLVED (unanimously)

That a Business Rates Working Group be established comprising three members with the following composition: 1 Conservative; 1 Labour; 1 Independent Group, the members to be drawn from the membership of the Sub-Committee, and nominations be submitted by the relevant political groups to the Head of Democratic Services and Governance in due course.

66 REVIEW OF COMPANY BUSINESS PLANS

The Sub-Committee considered a report which provided feedback from the Shareholder Working Group in relation to the business plans of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd.

RESOLVED

That the Sub-Committee

1. notes the feedback from the Shareholder Working Group on the review of the business plans of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd;
2. notes that the delivery of company business plans during 2023/24 will be monitored at company board meetings, at which a Shareholder representative will be present; and
3. notes that the quarterly accounts of the companies will be reported to the Shareholder (via the Shareholder Working Group), and year-end statutory accounts of companies will be reported to the Audit and Governance Committee, in accordance with governance arrangements determined by the Finance Sub-Committee on 7th September 2022.

67 WORK PROGRAMME

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

With regard to the remaining items on the work programme, officers commented as follows:

- The review of ASDV governance was largely complete. The review was undergoing an oversight process before report back to the Sub-Committee.
- An internal audit had been carried out in relation to developer contributions from Section 106 Agreements and the Community Infrastructure Levy. The field work on CIL was now complete; The field work on S106 would be concluded within the next few weeks. The outcome of the internal audit would be reported as appropriate to the Audit and Governance Committee.
- Both items would be carried forward to the Sub-Committee's work programme for the 2023-24 municipal year. Other items for the new work programme would be determined in line with the committee dates which were yet to be agreed and by the financial reporting cycle.

RESOLVED

That the update on the work programme be noted.

68 PROCUREMENT PIPELINE

The Sub-Committee considered a report which provided an update on the procurement pipeline for the Council and any contracts to be considered as business as usual, 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.

Members referred to the recent exercise in which a member working group had considered an overview of the procurement process, including a close examination of a number of specific procurements. Members had found this to be a useful exercise and asked that it be repeated for the coming year.

RESOLVED

That the Sub-Committee

1. notes the procurement pipeline of activity in Appendix 1 to the report;
2. unanimously approves the 3 pipeline projects in Appendix 1 as business as usual;

3. notes the contracts awarded by the Council since April 2022 as set out in Appendix 2; and
4. notes the reason for 4 waivers approved between 1st November 2022 and 31st January 2023 (22 in total in 2022/23).

Prior to the Sub-Committee moving into Part 2, the Chair took the opportunity to express her appreciation and thanks to the team of officers who had supported the Sub-Committee since its inception.

69 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.

70 PROCUREMENT PIPELINE

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

RESOLVED

That the details of the waivers be noted.

71 ANSA SERVICE DELIVERY UPDATE

The Sub-Committee considered an update report on ANSA service delivery.

Kevin Melling, Managing Director of Ansa, was present for part of this item and addressed members' questions.

Tom Shuttleworth, Interim Director of Environment and Neighbourhoods, was also in attendance for this item as the Director of CERF, the shareholder of Ansa.

RESOLVED (unanimously)

That

1. the recommendations in the report be approved; and
2. further updates be submitted to the Sub-Committee.

The meeting commenced at 2.00 pm and concluded at 3.40 pm

Councillor A Stott (Chair)