

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Economy and Growth Committee**
held on Wednesday, 25th September, 2024 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Gorman (Chair)
Councillor F Wilson (Vice-Chair)

Councillors A Burton, J Clowes, K Edwards, A Heler, G Marshall, C O'Leary,
B Puddicombe, P Redstone and J Rhodes

OFFICERS IN ATTENDANCE

Peter Skates, Acting Director of Place
Charles Jarvis, Head of Economic Development
Jez Goodman, Economic Development Manager
Sally Ashworth, Team Manager for Attendance and Children out of School
Julie Gregory, Legal Officer
Steve Reading, Finance Officer
Rachel Graves, Democratic Services Officer

20 APOLOGIES FOR ABSENCE

Apologies were received from Councillors L Buchanan, B Drake, P Coan
and R Vernon. Councillors K Edwards, B Puddicombe and J Rhodes
attended as substitutes.

21 DECLARATIONS OF INTEREST

In the interest of openness, Councillor J Rhodes declared that she was the
Crewe Town Council representative on the Crewe Town Board.

22 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 10 September 2024 be confirmed
as a correct record.

23 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

24 CREWE TOWNS FUND BUDGET REALLOCATION AND THE FUTURE OF THE FORMER FLAGG LANE BATHS

The Committee considered the report on the reallocation of Crewe Town Fund budget and the future use of the former Flagg Lane Baths.

The Flagg Lane Baths had closed in 2016 and the building had remained vacant since then. The site had been marketed for sale twice with the only tangible interest expressed by a local charity Always Ahead who proposed to remodel the building for a range of community uses.

Always Ahead had developed a business case which secured £3.9m support from the Crewe Town Board as part of the Crewe Towns Fund programme. Planning consent for the scheme was obtained in 2022. However, since then the project had experienced significant delays mainly due to the structure of the building and escalating costs. In July 2024, Always Ahead indicated that the cost of Phase 1 alone had escalated from £3.9m to £5.9m. The charity had been unable to secure the additional funding so that the project could be completed by March 2026, when the Towns Fund grant expired.

The Crewe Town Board at its meeting in September 2024 had recommended withdrawal of the financial support for the project and reallocation of the funding to other Town Funds projects. The Board was keen to ensure a future use of the former Flagg Lane Baths. Alternative uses for the site had been suggested with the proposal for a new Alternative Provision School being the preferred approach, the details of which were set out in the report.

The Committee asked about the additional money being allocated to the Cumberland Arena project and it was explained that all the projects had business cases projecting costs against the details. The Cumberland Arena project had seen the removal of the improvements to the changing room facilities early in the project because of the budget so the expectation was that this would not be done. The reallocation of the Towns Fund would allow for this element to be put back into the project along with critical funding for the required new substation for power provision.

Reference was made to the cost of demolition, and it was explained that different quotes had been obtained for both the retention of the facade and demolition of the entire site and that it would cost more to retain the facade. It was not yet known what the design of the school would be, but it was hoped that the facade could be incorporated into the design. It was suggested if the old facade could not be kept that an element of the design be incorporated into the new plans, which would be subject to planning approval.

It was noted that Flagg Lane Baths were a local listed building, and it was explained that local listing was a building or structure of architectural or

historic interest which made a valuable contribution to the character of an area but did not qualify for inclusion on the statutory list.

RESOLVED (unanimously): That the Committee

1. following the recommendations of Crewe Town Board, and in accordance with the Council's role as accountable body for the Town Board and the Towns Fund grant funding, approve:

- a) the withdrawal of further funding for the Flag Lane Baths project that was proposed by the Always Ahead charity and delegate authority to the Director of Growth & Enterprise to take all steps necessary to terminate the grant funding agreement between Always Ahead charity and the Council;
- b) that following the approval of a Project Adjustment Request by the Ministry of Housing, Communities & Local Government the remaining £3,319,583 Towns Fund grant from the Flag Lane Baths project be reallocated to other projects in the Crewe Towns Fund programme, with up to the following amounts:

YouthZone (Oak Street)	£1,353,000
YouthZone (Mirion Street)	£458,000
Mill Street Corridor	£407,583
History Centre Public Realm	£200,000
Pocket Parks	£200,000
Cumberland Arena	£701,000

- 2. delegate authority to the Director of Growth & Enterprise to explore other options for the former Flag Lane Baths noting the preference for its use as a new Alternative Provision School and develop a business case to be reported back to the Committee in due course.
- 3. in support of alternative plans for the former Flag Lane Baths, approve the reallocation of £1,353,000 Cheshire East Council funding from the Crewe Youth Zone (Oak St) budget to the Flag Lane Baths budget.

25 **FIRST FINANCIAL REVIEW 2024/25**

The Committee considered a report which provided the current forecast outturn for the financial year 2024/25 based on the Council's income, expenditure and known commitments as at the end of July 2024. It also identified actions that were being taken to address adverse variances to urgently address the Council's financial sustainability.

The Council was forecasting an additional in-year pressure of £26.5m - this was before the application of any exceptional financial support. The overall reasons for the £26.5m pressure were outlined in the report.

The Economy and Growth were reporting an underspend of £2.6m against a net budget of £28.1m. The key reasons for the underspend were outlined in the report and included savings on gas and electricity costs, business rates underspend and vacancy management.

It was noted that the report format had been changed so that one finance report with a single set of information would go to each service committee to enable them to consider and see the full financial position.

Reference was made to the review of the capital programme and that £70m capital spending was being moved into next year and future years. It was explained that there were many reasons why projects slipped back into the following year. Each capital project had been re-evaluated against actual spend on the project and any uncertain elements defrayed to the following years. Where projects had external funding, this money would be spent first with the Council's money being spent in the following years.

In relation to the Facilities Management area, it was explained that Public Sector Decarbonisation Scheme grant money was being used to help decarbonise Delamere House, Macclesfield Town Hall, and schools in Cheshire East. The relocation of teams from Westfields to Delamere House and Macclesfield Town Hall was underway and would be completed by the end of the year. An update report on the future use of Westfields was due to come to the January 2025 committee meeting. Savings had been made due to a decrease in the price of gas and electricity, however these prices were expected to rise in October and costs would be monitored to see what impact they had.

RESOLVED: That the Committee

- 1 note the factors leading to a forecast adverse/(positive) Net Revenue financial variance of:

Council: £26.5m against a revised budget of £387.6m (6.8%)
Economy and Growth: (£2.6m) against a revised budget of £28.1m (9.3%)

note the contents of Annex 1, Section 2 relevant to services within the committee's remit, and review progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.

- 2 note the in-year forecast capital sending of:

Council: £164.5m against an approved MTFS budget of £215.8m
Economy and Growth: £48.9m against an approved MTFS budget of £80.3m

due to slippage that has been re-profiled into future years.

- 3 note the available reserves position as per Annex 1, Section 5.
- 4 note that Council will be asked to approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant funding over £1,000,000 as per Annex 1, Section, Table 1.
- 5 note the Capital Virements above £500,000 up to and including £5,000,000 as per Annex 1, Section 4, Table 3 will be approved in accordance with the Council's Constitution.

26 **WORK PROGRAMME**

The Committee noted the Work Programme for 2024/25.

The meeting commenced at 4.00 pm and concluded at 5.13 pm

Councillor M Gorman (Chair)