

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Monday, 10th March, 2025 in the Capesthorne Room, Macclesfield
Town Hall

PRESENT

Councillor D Clark (Chair)
Councillor L Anderson (Vice-Chair)

Councillors D Brown, S Gardiner, B Drake and K Edwards

OFFICERS IN ATTENDANCE

Adele Taylor, Interim Executive Director of Resources and S151 Officer
Helen Charlesworth-May, Executive Director of Adults, Health and Integration
Dan Coyne, Head of Service: People and Communities
Julie Gregory, Acting Head of Legal Services
Nikki Bishop, Democratic Services Officer

ALSO IN ATTENDANCE

Cllr M Beanland

47 APOLOGIES FOR ABSENCE

Apologies were received from Councillor J Clowes and C O'Leary.
Councillor S Gardiner was present as substitute.

48 DECLARATIONS OF INTEREST

Councillor D Clark declared a non-registerable interest in relation to agenda item 7/8: Beechmere Fire and Renegotiation of PFI contract for Extra Care Housing. Cllr Clark had a distant family relative who previously resided at Beechmere. Cllr Clark would therefore leave the room during the debate and vote.

Councillor L Anderson declared a non-registerable interest in relation to agenda item 7/8: Beechmere Fire and Renegotiation of PFI contract for Extra Care Housing. Cllr Anderson declared that she worked for Virgin Money and that Nationwide were now the parent company of Virgin Money. Cllr Anderson would therefore leave the room during the debate and vote.

49 **MINUTES OF PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting held on Thursday 9 January 2025 be approved as a correct record and signed by the Chair.

50 **PUBLIC SPEAKING/OPEN SESSION**

There were no registered speakers.

51 **SERVICE BUDGETS 2025/26**

The committee considered the report which set out the proposed allocation of approved budgets to each service committee, following approval of the Medium-Term Financial Strategy (MTFS) at Full Council on 26 February 2025.

The committee noted the recommendation to approve the virement of up to £0.7m from the central contingency budget to the children and families budget to cover inflationary pressures in 2025/26 however queried the proposal to recommend to full council the approval of the virement of up to £8m from the central contingency budget to the Adults and Health budget to cover inflationary pressures in 2025/26. The committee felt this was a significant amount and sought assurance that this was a reasonable sum to transfer at present. It was confirmed that the majority of the £8m related to people costs within contracts and packages of care and reflected the nature of the adult social care workforce.

The committee noted that the transformation programme budget lines that were held centrally by the Corporate Policy Committee, however it was anticipated that during 2025-26 these would be transferred to the services which would be responsible for delivery of the savings. It was anticipated that there would be significant savings made during 2025-26 and the committee asked at which point further detail on the proposals under transformation would be shared. It was confirmed that there would be more detailed monitoring around transformation throughout the financial reporting year to all committees as part of the usual budget management reports. It was requested that the financial timetable also included graphics, as done in previous years.

The committee took the opportunity to thank the Interim Executive Director of Resources and S151 for all her hard work during her time with Cheshire East.

RESOLVED (unanimously):

That the Finance Sub Committee:

1. Approve allocation of the revenue and capital budgets, approved budget change items and earmarked reserves to the following committees in accordance with the approved MTFS 2025-29, as set out in Annex A.
 - Adults and Health Committee
 - Children and Families Committee
 - Corporate Policy Committee
 - Economy and Growth Committee
 - Environment and Communities Committee
 - Finance Sub Committee
 - Highways and Transport Committee
2. Approve the virement of up to £0.7m from the central Contingency budget to the Children and Families budget to cover inflationary pressures in 2025/26.
3. Recommend to Full Council to approve the virement of up to £8m from the central Contingency budget to the Adults and Health budget to cover inflationary pressures in 2025-26.
4. Note the draft financial reporting timetable for 2025-26 set out in Annex B.

52 WORK PROGRAMME

Consideration was given to the 2025-26 Work Programme.

The committee discussed the timetable of meetings and agreed that a twilight meeting of the sub-committee would be held on 1 September 2025 – 5.30pm start.

RESOLVED:

That the work programme be received and noted.

53 BEECHMERE FIRE AND RENEGOTIATION OF PFI CONTRACT FOR EXTRA CARE HOUSING

Councillor D Clark and Councillor L Anderson vacated their positions as Chair and Vice Chair for this item due to previously declared pecuniary interests.

It was moved and seconded and subsequently carried that Councillor Ken Edwards be appointed the Chair of the Committee for the remaining items on the agenda. Cllr Edwards took the role of Chair.

The committee considered the Part 1 report which updated member on the Cheshire Extra Care Housing Private Finance Initiative (PFI) contract and the progress and renegotiations of that contract, following the destruction of the Beechmere scheme by fire in 2019.

The committee noted some minor amendments to the report, as set out below in red.

Paragraph 20: *In the meantime, investigations and surveys were carried out on the part of the building that remained after the fire and they revealed that there were construction/design defects which **may have contributed to the spread of the fire, including defective or missing cavity barriers and a lack of roof compartmentation.***

Paragraph 21. *Subsequent surveys undertaken on the remaining four PFI Extra Care Housing schemes revealed that similar fire protection defects were also present in those schemes. **The remedial works in those other PFI Extra Care Housing schemes are now complete.***

Due to potential conflicts of interest, officers shared a revised recommendation 3, as set out below.

Recommendation 3: *Authorise the Executive Director for Adults, Health and Integration in consultation with the Chair of Finance Sub-Committee **(or if necessary, the Chair of the Corporate Policy Committee)**, and the Governance, Compliance & Monitoring Officer to negotiate and enter into a settlement agreement with the PFI Provider for the Extra Care Housing contract.*

The committee asked questions in relation to the Part 1 report, before moving into Part 2 to consider and debate upon the confidential appendix. The committee moved back into Part 1 for the vote.

RESOLVED (unanimously):

That the Finance Sub Committee

1. Note the progression of negotiations in relation to the Extra Care Housing arrangements in an effort to reach a negotiated settlement for the survival of the project.
2. Note that any settlement agreement is subject to approval from MHCLG and HM Treasury/Infrastructures and Projects Authority.
3. Authorise the Executive Director of Adults, Health and Integration in consultation with the Vice Chair of the Finance Sub Committee (or if necessary, the Chair of the Corporate Policy Committee), and the Governance, Compliance and Monitoring Officer to negotiate and enter into a settlement agreement with the PFI provider for the Extra Care Housing Contract.
4. Authorise the Governance, Compliance and Monitoring Officer to implement any subsequent amendments required to the PFI contract as a result of the settlement agreement.

5. Authorise the Executive Director of Adults, Health and Integration to extend external adviser contacts as needed to achieve the settlement agreement and implementation.

54 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting during consideration of the final item on the agenda pursuant to Section 100(A) 4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3, 5 and 7A of the Local Government Act 1972 and the public interest would not be served in publishing the information.

55 BEECHMERE FIRE AND RENEGOTIATION OF PFI CONTRACT FOR EXTRA CARE HOUSING

The committee considered the confidential report relating to the Beechmere Fire and Renegotiation of PFI contract for Extra Care Housing.

RESOLVED (unanimously):

That the Finance Sub Committee agree the recommendations as set out within the Part 2 report.

The meeting commenced at 10.10 am and concluded at 11.39 am

Councillor D Clark (Chair)