

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Overview and Scrutiny Committee**
held on Thursday, 7th April, 2016 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Simon (Chairman)
Councillor M Grant (Vice-Chairman)

Councillors C Andrew, Rhoda Bailey, G Baxendale, S Corcoran, D Flude,
A Moran, J Saunders, B Walmsley, H Wells-Bradshaw and J Wray

Apologies

Councillors G Barton, L Wardlaw and J Weston

23 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 4 February 2016 be confirmed as a correct record and signed by the Chairman.

24 ALSO PRESENT

Peter Groves – Finance and Assets Portfolio Holder
Peter Bates – Chief Operating Officer
Alex Thompson - Corporate Manager Strategy & Reporting

25 DECLARATIONS OF INTEREST

There were no declarations of interest.

26 DECLARATION OF PARTY WHIP

There were no declarations of the existence of a party whip.

27 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present who wished to speak.

28 CHANCELLORS BUDGET ANNOUNCEMENTS 2016

Peter Bates Chief Operating Officer updated the Committee on the main points contained within the recent budget speech given by the Chancellor of Exchequer as they affected Local Government. In summary the budget speech announced:

- There was an expectation that all schools would become academies by 2020, or have an academy order in place to convert by 2022;

- The modernisation of the administration of business rates to revalue properties more frequently and make it easier for businesses to pay the taxes that were due;
- The introduction of more frequent business rate revaluations (at least every 3 years);
- Allocation of the £50 million Pothole Action Fund for England in 2016-17. In addition, the government would also provide a further £130 million to repair roads and bridges damaged by recent storms;
- The Government would pilot the approach to 100 per cent business rates retention in Greater Manchester and Liverpool City Region and will increase the share of business rates retained in London, although there was no mention of Cheshire East in this proposal.
- Allocation of £100 million nationally to assist with homelessness.

RESOLVED – That the report be received.

29 FUTURE BUDGET DEVELOPMENT AND ENGAGEMENT

Councillor Peter Groves, Finance and Assets portfolio holder and Peter Bates Chief Operating Officer set out a broad framework for engagement with Overview and Scrutiny for the 2016/17 budget.

The Committee was informed that the intention during the forthcoming budget consultation cycle was to introduce a more inclusive approach by holding regular internal meetings with political groups.

The government had announced that there was now an option available for local authorities to seek a four year financial settlement. All Councils had been invited to apply for the new arrangement by 14 October 2016 which would provide better financial certainty.

The Government had also announced that the current arrangements whereby Local authorities received Revenue Support Grant (RSG) were being phased out, meaning that Local Authorities would in 4 years time have to be self funding through a combination of business rates, council tax and fees and charges.

As the Council would only expect a minimal increase in business rates revenue, greater emphasis would be placed on the Council tax base which was under the control of the Council. Elsewhere, the Council would have to look at reducing expenditure on non statutory services.

Additional pressure could be added through the triannual review of pensions which was due in the 2017/18 financial year.

Based upon the above, the finance team would be undertaking some financial modelling to identify projected budget pressures over the next 4 years, which were expected to amount to £40 million.

In response to a question regarding business rates retention, Peter Bates informed Members that further feedback was still awaited from the pilot authorities.

In response to query about the current and projected level of new homes bonus to be expected Peter Bates explained that last year the Council received £9.2 million in new homes bonus, but that the Government recently announced that the national new homes bonus pot had been reduced by 50% in 2018/19. The savings from that funding stream had been diverted to the Better Care Fund(BCF), and that money would be ring-fenced.

The announcement in the budget about all schools becoming academies by 2020 had significant implications for the Council. Currently 80% of academies bought back central support from the Council. The current arrangements would have to be reviewed in light of the recent announcement.

In response to a question regarding the status of the additional funds for adult social care resulting from the recent government initiative to increase Council tax by 2%, it was confirmed that these additional funds were ring-fenced to the BCF.

In addition, Peter Bates referred to the transitional grant funding awarded by the Government for 2016/17 and suggested that he would welcome suggestions from this committee as to how this money should be spent.

RESOLVED –

(a) That the update be received noted;

(b) That the commitment to making the budget consultation arrangements more inclusive be welcomed and further discussions be held between the Finance and Assets Portfolio holder, Chief Operating Officer and Chairman and Vice Chairman of this committee

30 WORK PROGRAMME PROGRESS REPORT

The Committee reviewed its work programme.

RESOLVED-

(a) That an item be added under the heading 'possible future items' to review the Council's working arrangements with partners and other third parties specifically in relation to value for money;

(b) That the Leader of the Council and the Housing and Planning Portfolio Holder be invited to attend the next informal meeting of the Committee on 9 June 2016 to provide an update on the Local Plan process

31 FORWARD PLAN

The Committee reviewed the forward plan.

RESOLVED – that the forward plan be received and noted.

The meeting commenced at 2.00 pm and concluded at 4.00 pm

Councillor M Simon (Chairman)