

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Economy and Growth Committee**
held on Tuesday, 6th June, 2023 in the Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Goldsmith (Chair)
Councillor N Mannion (Vice-Chair)

Councillors C Browne, J Clowes, A Critchley, A Heler, G Marshall, C Naismith,
C O'Leary, P Redstone, A Coiley and L Crane.

OFFICERS IN ATTENDANCE

Peter Skates, Acting Executive Director of Place
Andy Kehoe, Head of Estates
Charles Jarvis, Head of Economic Development
Karen Carsberg, Head of Housing
Mandy Withington, Legal Services
Adrian Leslie, Legal Services
Wendy Broadhurst, Lead Finance Partner
Nikki Bishop, Democratic Services Officer

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors David Brown, Fiona Wilson, Brian Drake and Michael Gorman.

Councillors Craig Browne, Laura Crane and Alan Coiley were present as substitutes.

2 DECLARATIONS OF INTEREST

In the interests of openness and transparency, Councillor M Goldsmith declared that he was the seconder of item 5 on the agenda (Notice of Motion: Leasehold Reform) and would vacate as Chair of the Committee for this item.

In the interests of openness and transparency, Councillor L Crane declared that she was the mover of item 5 on the agenda (Notice of Motion: Leasehold Reform).

Councillor C Naismith, in the interests of openness, declared that he lived on a new build estate and paid property maintenance charges (freehold property) and that no decision taken by the Committee would benefit him personally.

3 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on Tuesday 14 March 2023 be approved as a correct record.

4 PUBLIC SPEAKING/OPEN SESSION

Councillor Hayley Whitaker, Ward Member for Poynton East and Pott Shrigley, attended Committee to make a statement in relation to item 7. Cllr Whitaker stated that Poynton Town Council and local residents had a number of concerns in relation to the Flood Study prepared by Jacobs. Local residents and the Town Council felt that the Flood Study did not take into consideration local knowledge. Poynton had suffered three serious flooding events between 2016-2019. Cllr Whitaker, on behalf of the Town Council and local residents, requested that the historical data and local knowledge was used to sense check the Flood Survey, hydrological modelling was re-evaluated, and that consideration was given to obtaining an independent second opinion on the Flood Study.

Beverley Hulme, representing Friends of Poynton Pool, addressed the Committee in relation to item 7. Ms Hulme raised concerns in relation to the tolerance of the proposed kerb forming the dam crest and the short, medium and long-term sustainability of this tolerance. Ms Hulme queried how Cheshire East Council would maintain good grass coverage, how public access would be managed and if this would be prohibited. Ms Hulme also requested that a depth analysis of the pool be undertaken.

Cllr Laurence Clarke, Poynton Town Council, addressed the Committee in relation to item 7. Cllr Clarke referred to the opening of the Poynton Relief Road and asked if the flood category status of the dam had been reviewed in light of this change. Cllr Clarke urged the Committee to ensure that any mitigation works be located in Poynton and that a full list of alternative options be shared with the Town Council along with the reasons for these being discounted.

Mike Ellison, local Poynton resident, attended Committee to speak in relation to item 7. Mr Ellison referred Committee Members to the Council's Site Allocations and Development Policies document and stated that Poynton Town Council had commissioned a valuation using the CAVAT method and that the value of the trees affected by the proposal was calculated to be in the excess of £3m. Committee Members were urged to request that officers review the Risk Based Approach and ALARP calculation to include the increase in the costs of the project and the valuation of the trees that would be lost or damaged.

5 NOTICE OF MOTION: LEASEHOLD REFORM

Councillor M Goldsmith vacated his position as Chair for this item as the seconder of the Notice of Motion. Councillor N Mannion took the role of Chair.

The Committee considered the report in response to a Notice of Motion relating to Government's Leasehold Reform. Council on 22 February 2023 referred the Notice of Motion to the Economy and Growth Committee for consideration.

The motion, proposed by Councillor L Crane and seconded by Councillor M Goldsmith proposed that Council resolved to:

- 1) Write to the Secretary of State for Levelling Up, Housing and Communities to request that the Government:
 - a. Delivers the Leasehold Reforms that were promised and that they include the online calculator for lease extensions and enfranchisement as soon as possible.
 - b. Prevents the sector from fixing capitalisation rates at a low rate in the calculation to avoid pushing up the cost for the leaseholder.
 - c. Speeds up progress on other reforms from the Law Commission – such as Right to Manage and commonhold to address the issues seen today with service charges and insurance commissions.

- 2) The Council to consider through the refresh of the Local Plan:
 - a. Implementing planning policy changes to ensure developers are unable to create so called 'fleecehold' where fees are typically secured by a rent charged and;
 - b. If and when Cheshire East Council sells any reversionary freehold or leasehold interests, then it will offer first refusal to the existing leaseholder at fair value.

It was noted that the Leasehold Reform Act 2022 which came into force on 30 June 2022 restricted ground rents on newly created long leases for residential properties and that the second part of the legislation, which would deal with existing leasehold properties, was awaited.

It was confirmed that there was currently no requirement, as a matter of law or national planning policy, for new open space that was created as part of a development scheme to be conveyed to the Council by the developer. Given the absence of any legal requirements and that a key test of local plan policy at examination was consistency with national planning policy, it was not proposed that the next refresh of the Local Plan provided a route to address the issue. It was also reported that any request to sell any reversionary freehold or leasehold would be dealt with

on a case-by-case basis, as the Council was compelled by statute to achieve best price for its land and property assets.

Councillor O'Leary referred to stock sold by the Council to Registered Housing Providers for affordable housing schemes and asked how many individuals had a protected right to buy as a result of this transfer and if there were any leaseholders/freeholders that were transferred who were subject to charges. Officers committed to provide a written response.

Councillor C Naismith referred to the lack of legal requirement for open spaces to be conveyed to the Council on new estates and roads to be adopted by the Council and queried how the introduction of a local policy on this issue would be inconsistent with the national planning policy framework. Officers committed to provide a written response.

Amendments were proposed and seconded and subsequently carried which sought agreement to amend/add the following recommendations:

Recommendation 3.1 to include reference to concerns raised in relation to management companies encouraging the use of inhouse solicitors.

3.2 The Committee request that the Environment and Communities Committee further investigate any opportunities to deter developers from creating so called 'fleecehold' where this is within the remit of Cheshire East council.

3.3 Consideration of sale to the leaseholder be given due consideration during the development of the emerging Acquisitions and Disposals Policy for Cheshire East Council.

Councillor M Goldsmith left the room whilst the vote took place.

RESOLVED (by majority) That the Committee

1. Agree that the Chair of the Economy and Growth Committee writes to the Secretary of State for Levelling Up, Housing and Communities raising the issues outlined in points 1a-c above, with the addition of the following issue:
 - 1d) That the letter to the Secretary of State include concerns raised by the Committee in relation to the use of inhouse solicitors.
2. Request that the Environment and Communities Committee further investigate any opportunities to deter developers from creating so called 'fleecehold' where this is within the remit of Cheshire East council.

3. Note that consideration of sale to the leaseholder be given due consideration during the development of the emerging Acquisitions and Disposals Policy for Cheshire East Council.

Councillor M Goldsmith returned to the meeting and Chair position.

6 SERVICE BUDGETS 2023/24

The Committee considered the report on the allocation of the approved budgets for 2023/24 to the Economy and Growth Committee.

The Finance Sub-Committee at its meeting on 8 March 2023 had approved the allocation of the approved capital and revenue budgets, related policy proposals and earmarked reserves to each of the service committees.

Councillor C O’Leary queried the removal of £5m for Macclesfield regeneration from the Medium-Term Financial Strategy. It was confirmed that this line within the Capital Addendum was an unfunded aspiration however the Council would continue to make applications to Government for funding for Macclesfield. Officers committed to providing a written response in relation to the detail of the £5m capital addendum relating to Macclesfield regeneration.

RESOLVED (by majority): That the Committee

1. Note the decision of the Finance Sub Committee to allocate the approved revenue and capital budgets, related budget policy changes and earmarked reserved to the Economy and Growth Committee as set out in Appendix A.
2. Note the financial reporting timetable for 2023-24 set out in Appendix B due to be approved at Finance Sub Committee on 7 June 2023.

7 POYNTON POOL

The Committee considered the report which provided an overview of the progress made to date, and next steps, in relation to works at Poynton Pool. It was reported that a very strong response was received during consultation and engagement with the local Town Council and residents.

The Council as the landowner had statutory responsibilities under the Reservoirs Act 1975 to manage Poynton Pool – a large high-risk reservoir. Recent inspections had found that the reservoir did not meet modern standards and the Council would be required to either undertake works to address the issues or permanently remove water, reducing its capacity to take it outside of the current legislation.

It was confirmed that a meeting between officers and members of Friends of Poynton Pool was scheduled to discuss the concerns raised by the group and local residents. Officers extended the offer to meet to the public speakers present.

Councillor N Mannion stated that he was a member of the Northern Planning Committee which would ultimately consider the planning application surrounding Poynton Pool. Cllr Mannion confirmed that he would not participate in any debate or vote on this matter when it is considered by the Planning Committee.

RESOLVED (by majority): That the Committee

1. Note that the Director of Growth and Regeneration will consider whether to submit planning applications related to this scheme.
2. Note that a virement for £780,000 will be considered by the Director of Finance and Customer Services in consultation with the Chair of the Economy and Growth Committee and the Chair of the Finance Sub Committee. A £580,000 allocation is required from the approved Strategic Capital Project and £200,000 from an earmarked reserve previously set aside for this matter.

Councillor C O'Leary requested that it be recorded that he voted against the above recommendations.

8 WORK PROGRAMME

The Committee considered the Work Programme for the new municipal year. Members referred to the Medium-Term Financial Strategy Consultation 2024/25 – 2027/28 and requested that the Committee be given an early opportunity to consider budget proposals and have more involvement in the process. It was confirmed that dedicated sessions would be arranged for all members as part of this year's budget setting process.

RESOLVED:

That the Committee Work Programme be noted and that the Committee meeting scheduled for 11 July 2023 start at 1pm.

The meeting commenced at 2.00 pm and concluded at 4.00 pm

Councillor M Goldsmith (Chair)