

COUNCIL MEETING – 24TH FEBRUARY 2022

MEDIUM-TERM FINANCIAL STRATEGY 2022-26

RECOMMENDATION

That Council approve the items recommended at Appendix A to the report, subject to the following additional recommendations:

- (a) the Highways and Transport Committee be asked to carry out an immediate and major review of the local and national funding of expenditure of Cheshire East Highways, and that this lead to decisions or recommendations to enhance services and value for money to local residents; and**
- (b) the Capital Programme, on Page 218 of the MTFs agenda pack, be amended to provide that Managing and Maintaining Highways expenditure is increased to £6m in each of 2023/24 and 2024/25 instead of £4m in each year. To balance this amendment, the borrowing costs be funded from correlated savings over the three-year period, achieved from the revenue budget allocated to pothole repairs.**

Extract from the Minutes of the Corporate Policy Committee meeting on 10th February 2022

71 MEDIUM-TERM FINANCIAL STRATEGY 2022-26

The Committee considered the Medium-Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2022/23 to 2025/26, together with the feedback from the budget consultation. This was the first time that the MTFS had been reported through the new committee system. The Committee was asked to make recommendations to Council as set out in Appendix A to the report.

The Director of Finance and Customer Services advised that the figures within the financial settlement announced by the Government in December for the 2022/23 financial year, which had at the time been provisional, had now been confirmed.

Councillor D Brown spoke as a visiting member and referred to the underfunding of roads, giving rise to excessive amounts of costly pothole repairs. Whilst recognising that his concerns on the matter, as expressed at meetings of other committees, had been addressed by increased capital expenditure on highways over the next four years, he felt that this was still insufficient. He asked the Committee to consider making two additional recommendations to Council as follows:

- (a) That the Committee request the Highways and Transport Committee to carry out an immediate and major review of the local and national funding of expenditure of**

Cheshire East Highways, and that this lead to decisions or recommendations to enhance services and value for money to local residents.

- (b) That the Capital Programme, on Page 218 of the MTFS agenda pack, be amended so that Managing and Maintaining Highways expenditure is increased to £6m in each of 2023/24 and 2024/25 instead of £4m in each year. To balance this amendment, the borrowing costs will be funded from correlated savings over the three-year period, achieved from the revenue budget allocated to pothole repairs.

Whilst concern was expressed about the increased borrowing that this would involve, the need to safeguard savings earmarked for public rights of way and active travel, and the absence of any capital allocation for highways in year four, there was broad support among members for Councillor Brown's proposal, which was moved and seconded by members of the Committee.

The Director of Finance and Customer Services had examined Councillor Brown's proposals and confirmed that the proposals were legal and were technically and financially valid .

In response to questions from members, officers advised as follows:

- The MTFS Reserve was in accord with the constitution.
- All Council money, including reserves, was allocated to committees.

Councillor Fletcher raised concerns about delays in capital expenditure to make improvements to Alsager Town Centre and sought assurances that the matter was progressing. The Chair suggested that he pursue the matter further with officers.

The Chair asked that an item on Movements within the MTFS Reserve be added to the work programme of the Finance Sub-Committee.

RESOLVED: That

1 the Committee notes:

- (a) the year-end forecast outturn position for 2021/22 (Appendix C, Section 2);
- (b) the summary results of the Budget Consultation and Engagement exercise undertaken by the Council, as set out in the attached (Appendix C, Annex 2a and 2b);
- (c) the report of the Council's Section 151 Officer, contained within the MTFS Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (Appendix C, Comment from the Section 151 Officer); and

- (d) the Council's Finance Procedure Rules will always apply to ensure proper approval should any changes in spending requirements be identified (Appendix C, Annex 14); and
- 2 the Committee recommends to Council the items at Appendix A to the report, subject to the following additional recommendations:
- (a) the Highways and Transport Committee be asked to carry out an immediate and major review of the local and national funding of expenditure of Cheshire East Highways, and that this lead to decisions or recommendations to enhance services and value for money to local residents; and
 - (b) the Capital Programme, on Page 218 of the MTFs agenda pack, be amended to provide that Managing and Maintaining Highways expenditure is increased to £6m in each of 2023/24 and 2024/25 instead of £4m in each year. To balance this amendment, the borrowing costs be funded from correlated savings over the three-year period, achieved from the revenue budget allocated to pothole repairs.

Note: Councillor R Fletcher asked that it be recorded in the minutes that he abstained from voting on this matter.