

Date of Meeting: 14<sup>th</sup> January 2021

## CHESHIRE EAST – PLACE DIRECTORATE ENGAGEMENT

### **1. Purpose of Report**

To consider details of a recent meeting between the Director of Growth and Enterprise from Cheshire East and representatives from Town and Parish Councils.

### **2. Background**

Through coordination by Cheshire Association of Local Councils (ChALC) Cheshire East Council has commenced a series of engagement meetings with town and parish councils on key strategic issues relating to the Place Agenda across the Borough. They wish it to be a two-way engagement process and want to hear from town and parish councils what strategic topics they would like to cover.

### **3. Considerations**

The first meeting was held on Wednesday 6<sup>th</sup> January 2021, with the Mayor and Clerk in attendance from the town council. The first items on the agenda were Community Asset Transfer and the Medium-Term Financial Strategy.

#### **3.1 Community Asset Transfer**

Peter Skates, the Director of Growth and Enterprise lead on this item advising that Cheshire East has reviewed and revised its Community Asset Transfer Policy. It is likely to be approved within the next three months, but any interested parties can express an interest in any assets or services at any time.

In the current economic climate Cheshire East wish to take the opportunity to reduce costs of its service delivery but also aid regeneration and development. The revised policy has been simplified with initial expressions of interest made electronically via the internet. Should the expression of interest be supported by Cheshire East then the interested party would need to develop a business plan for the asset/service.

Mr Skates confirmed that any assets transferred would be by way of a lease and not freehold, but the lease could potentially be 100+ years, dependent on the asset and business plan. There would not be any additional financial support offered with the transfer from Cheshire East.

Mr Skates informed attendees that there is also scope for town and parish councils to transfer services such as grounds maintenance, bus services, streetscape. In addition, town and parish councils could also look to enhance existing services through financial contributions.

## **3.2 Medium Term Financial Strategy (MTFS)**

Alex Thompson, Director of Finance and Customer Services provided the meeting with an update on the consultation for Cheshire East's MTFS.

The draft budget was out to consultation until 8<sup>th</sup> January 2021. The feedback received will be fed into recommendations for the Cabinet in February 2021. The Chancellor of the Exchequer has published the Spending Review 2020 and the Provisional Local Government Financial Settlement. The announcements relevant to local authorities focused on additional funding schemes related to COVID-19, and an overall increase in Local Government Spending Power for 2021/22 of 4.5%. The increase in Spending Power reflects a net effect of new and continuing grants compared to grant reductions but is mostly based on an ability to increase Council Tax by including an additional 3% precept for Adult Social Care.

Cabinet will utilise the information provided during the consultation period in making their recommendations to Council in February 2021. It is important to note the most significant impacts of the Spending Review:

- Option to increase Council Tax by an additional 3% for Adult Social Care (1% = £2.3m for Cheshire East Council)
- Potential pay freeze across the public sector, apart from some key workers and those affected by minimum wage requirements (pay inflation of 2.5% assumed within the Cheshire East Council budget consultation)
- New Social Care Grant (equal to c.£0.4m for Cheshire East Council)
- Reduction in New Homes Bonus, by not continuing legacy payments for previous housebuilding (reduces grant to Cheshire East Council by c.£3.6m)
- Removal of access to the Public Works Loans Board for borrowing associated with yield. Cheshire East Council was forecasting c.£0.5m of income from activities associated with the approved Investment Strategy.

Mr Thompson advised that the £1m in the previous years budget for the New Homes Bonus scheme had been withdrawn for 2021/22. He also advised that the general reserves of £10m is extremely low.

## **4. Recommendations**

4.1 Consider future topics for discussion with Cheshire East;

4.2 Consider the town council's position in relation to Community Asset Transfer.

## **5. Financial Implications**

None as a result of this report.

## **6. Equalities Impact**

There are no equalities impact as a result of this report.

## **7. Personnel Implications**

There are no personnel implications as a result of the report

## **8. Environmental implications**

There are no environmental implications as a result of the report

## **9. Consultation**

This report constitutes consultation.