

REPORT TO FULL COUNCIL CHESHIRE EAST COUNCILLORS' REPORT



Report Reference C-24-20
Meeting Date 13th January 2025
Agenda Item 6
Prepared by Town Clerk

REPORT OF CLLR PETER COAN

Nothing to report.

REPORT OF CLLR TONY DEAN

Happy New Year to you all!

GENERAL

Nothing earth shattering to report. The Council's forecast for the financial out-turn for 2024/25 is gradually improving month by month as some of the drastic 'recovery' actions come into play. Unfortunately, these are things like increased car park charges and reduced library opening times across the borough. Rather surprisingly they are also going ahead with a new senior management structure which requires recruitment to expensive posts, and have also added an extra Director for Children's services. Whilst these cost-increasing appointments may seem incongruous at this time, I think the posts are needed in the long term to keep the service standards up (the senior management team has been holding several vacancies for nearly a year in some cases). The trick will be to get the planned revenue increases and cost savings in place quickly to cover the predicted budget shortfall this year and the extra recruitment costs. This is something that has never been achieved before by this administration.

2025/2026 FINANCIAL YEAR

The Council has announced its plans to ask for a further £21.6m in Emergency Financial Support from MHCLG for the upcoming financial year. All this means in reality is that the government will be asked to allow an extra £21.6m of borrowing by CEC to cover running costs in 2025/26, it is not 'extra funding' per se. Whether or not his request will be granted, or granted subject to an excessive Council Tax hike is yet to be clarified.

THE ENVIRONMENT AND COMMUNITIES COMMITTEE

The November meeting of this committee was the first one I have missed, having decided not to fly back from New Zealand for the day. Cllr Gardiner was there and can report on the details if required, but essentially the latest library service savings were voted through by the administration majority on the committee, and other votes on future savings consultations also went their way.

Towards the end of the year I had a verbal report that the Knutsford Leisure Centre would receive some limited capital investment for much needed internal improvements in the next year or so, but

not the £4.8m refurbishment promised five years ago, sadly.

REPORT OF CLLR STEWART GARDINER

2025 is set to be a challenging year for Cheshire East with budgetary pressures being exacerbated by addressing the recommendations set out in the peer review report of July 2024.

During January the Council will be consulting on the proposed Budget for the Financial Year 2025-26. All Councils have a statutory obligation to approve a balanced budget, yet with the projected overspends for the current financial year being well above what is manageable and no additional help from the Government provided by the annual settlement confirmed in late December, more cuts to services and rises in Council Tax (maybe in excess of the current 5% limit) should be anticipated if s114 (and all that means) is to be avoided.

You therefore might be surprised to know that later this month interviews will be held for three (maybe four) very senior posts within the Council; including a new position of Assistant Chief Executive, all of which attract a sizeable salary. Additionally, the planning department has advertised for several new officers, again adding to the Council's salaries bill.

It may seem odd that the Council is taking such actions when its finances are in a dire state, but the peer review identified that part of the Council's problem lay in its failure to manage its staffing structure with too many very senior positions being filled by temporary staff or their duties being carried out by more junior officers.

The Peer Review determined that unless the problems with the senior management structure were resolved the wider problems facing the Council could not be dealt with properly. Hopefully the appointment of the new Director of Place, Phil Creswell, who joined in December will start to see results in his directorate, which (if we are being honest) has not been proficiently led since Frank Jordan's departure several years ago.

In addition to these significant internal pressures being faced by Cheshire East, the Government is keen to progress with its plans for Local Government Reorganisation in England. While this will not present a change to the current situation for Cheshire East Council, it does propose the introduction of a new tier of Government by way of an elected Mayor (like Andy Burnham in Greater Manchester) to cover Cheshire East, Cheshire West (& Chester) and Warrington.

The elected Mayor will take on a strategic role and although some powers will be devolved from Government, the Mayor will also become responsible for some of the powers associated with planning, transport and economic growth which the three councils currently deal with themselves on an individual basis. In simple terms the question of where new housing sites are allocated is likely to be a decision taken by the elected Mayor and not by Cheshire East.

The Government believes that its proposals are universally welcomed by the three Cheshire Councils, but this belies the facts. While the Leaders of Cheshire West and Warrington enjoy executive powers to sign up their Councils for this project. Cheshire East operates a committee system in which its Leader holds no such powers. Therefore, only the Full Council can vote to agree Cheshire East's support and it was interesting to note that at the December Full Council approval of the mechanics as to how we will move to the next level was passed by a single vote. With several members of the Independent Group defying their Leader (and Deputy Council Leader) in voting against his recommendation.

However, we must remember that even if Cheshire East votes against the proposed Devolution Deal, we will only be delaying the inevitable. The Government enjoys a significant parliamentary majority so it will be able to force its position through and it also benefits from having two of the three Councils being led by Labour Councillors, each with a majority, and the third where Labour is in coalition with another political grouping. Therefore, the Government can legitimately argue that it has over two thirds support for its proposition.

Finally, the issue of changes to the planning system remains under consideration with major changes proposed to both the planning policies and to the role of local councils in that process. It is possible that the current powers of Local Planning Authorities will be significantly diluted and where Councils refuse applications on sites which are already allocated in Local Plans, the Secretary of State will just override them and allow the application without the matter being referred to an appeal. This is the biggest shift in power since the introduction of the Planning System was introduced over 75 years ago.