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FULL COUNCIL

16 FEBRUARY 2022

Present: Cox (Chair), Arthur, Barnett, Batsford, Battley, K Beaney, S Beaney, Beaver, Bishop, Carr, Chowney, Cooke, Edwards, Evans, Fernando, Forward, Foster, Hay, Hilton, Patmore, Pragnell, Rankin, Roark, Roberts, Rogers, Scott, Sinden, Turner, Webb and Williams.

231. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillors Bacon and Marlow-Eastwood.

232. DECLARATIONS OF INTEREST

None.

233. REVENUE BUDGET 2021/22 REVISED AND 2022/23, PLUS CAPITAL PROGRAMME 2022/23-2024/2025

The Deputy Mayor proposed suspending Rule 16.6b of the Council's Constitution, seconded by Councillor Beaver.

RESOLVED that council suspends Rule 16.6b of the Constitution to permit the substantive motion and any proposed amendments to be on the table and open for discussion at the same time.

The Deputy Mayor proposed that, in order for the Councillors to take advice from the Chief Finance Officer, Full Council proceed as if in committee, seconded by Councillor Battley.

RESOLVED that in order for Full Council to take advice from the Chief Finance Officer where appropriate, under Rule 16.14 of the Constitution the Council proceed as if in committee.

Councillor Chowney, the Finance and Property portfolio holder, proposed a motion, seconded by Councillor Rogers, to approve the recommendations set out in minute 418 of Cabinet on 7th February 2022, Revenue Budget 2021/22 Revised and 2022/23, plus Capital Programme 2022/23-2024/2025.

Councillor Chowney thanked the finance team, and Peter Grace, the Chief Finance Officer, for their work on the budget.

Councillor Patmore, Leader of the Conservative Group, spoke in relation to the Budget and proposed two amendments, seconded by Councillor Rankin, as set out below.

Amendment A:

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Add the following words: *Reverse the decision taken under emergency powers by the Managing Director at full council on 9th February 2022.*

The Council to accept Contractor 5 (indicated in Part 2 papers from the Cabinet meeting dated 4th January 2022) as the best option to carry out Building Cleaning Services.

Amendment B:

Add the following words: *With a four-yearly cycle starting in 2024, we propose that Borough Council elections take place as all out elections every 4 years instead of halves every two years.*

To resolve to formally start this process and seek government approval for the change.

Councillor Beaver proposed an amendment, seconded by Councillor Cooke, as set out below.

Amendment C:

Add the following words: *To reduce the budget for the cost of democracy for 2022/23 by £30,000 as a one-off in year saving and use that amount to stop the sale of the civic silver and regalia.*

Councillor Carr proposed two amendments to the budget, seconded by Councillor Hilton, as set out below:

Amendment D:

Amend recommendation 7 of the budget report to read: *Approve that the use of the limited monies in the budget and Reserves for "Invest to Save" schemes be determined by the Chief Finance Officer in consultation with the lead member for Finance, with details of any spend being presented quarterly to both the Overview and Scrutiny Committee and the Audit Committee. This should set the procedural precedent for any fund or scheme, particularly where the decision is made by 4 people or less in the interest of financial transparency in all that we do.*

Amendment E:

Amend recommendation 9 of the budget report to read: *Approve the revised Land and Property Disposal Programme (Appendix L) in principle and agree that disposals can be brought forward if market conditions make it sensible to do so, but where legislation allows for disposal at less than best consideration, all disposals should be offered to local community groups and land trusts, before going out to the market and that all options on sales from this list or of any Council owned land or building comes before Full Council to be considered on its own individual merits before disposal can proceed to completion.*

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The Deputy Mayor adjourned the meeting at 6.43pm in order for the political groups to discuss the proposed amendments. The meeting resumed at 7pm.

Councillor Chowney accepted amendment D and rejected amendments A, B and C. Councillor Chowney recommended that the 4-yearly elections proposal be referred to the Working Arrangements Group for discussion.

Amendment E was withdrawn by Councillor Carr.

Councillors debated the substantive motion and proposed amendments A, B and C.

The Deputy Mayor proposed the meeting return to Full Council mode, seconded by Councillor Beaver.

RESOLVED that the meeting return to Full Council mode in order to vote.

Councillors voted on amendments A, B and C in reverse order.

Amendment C was rejected by 11 votes for, to 19 against. Councillors K Beaney, Beaver, Cooke, Edwards, Fernando, Foster, Hay, Patmore, Pragnell, Rankin and Williams for. Councillors Arthur, Barnett, Batsford, Battley, S Beaney, Bishop, Carr, Chowney, Cox, Evans, Forward, Hilton, Roark, Roberts, Rogers, Scott, Sinden, Turner and Webb voted against.

Amendment B was rejected by 13 votes for, to 17 against. Councillors K Beaney, Beaver, Carr, Cooke, Edwards, Fernando, Foster, Hay, Hilton, Patmore, Pragnell, Rankin and Williams for. Councillors Arthur, Barnett, Batsford, Battley, S Beaney, Bishop, Chowney, Cox, Evans, Forward, Roark, Roberts, Rogers, Scott, Sinden, Turner and Webb voted against.

Amendment A was rejected by 13 votes for, to 17 against. Councillors K Beaney, Beaver, Carr, Cooke, Edwards, Fernando, Foster, Hay, Hilton, Patmore, Pragnell, Rankin and Williams for. Councillors Arthur, Barnett, Batsford, Battley, S Beaney, Bishop, Chowney, Cox, Evans, Forward, Roark, Roberts, Rogers, Scott, Sinden, Turner and Webb voted against.

The substantive motion as amended was agreed by 17 votes for, to 11 against, with 2 abstentions. Councillors K Beaney, Beaver, Cooke, Edwards, Fernando, Foster, Hay, Patmore, Pragnell, Rankin and Williams for. Councillors Arthur, Barnett, Batsford, Battley, S Beaney, Bishop, Chowney, Cox, Evans, Forward, Roark, Roberts, Rogers, Scott, Sinden, Turner and Webb voted against. Councillors Carr and Hilton abstained.

RESOLVED (by 17 votes for, to 11 against, with 2 abstentions) that Full Council:

(i) Approve the revised revenue budget for 2021/22 (Appendix A).

(ii) Approve the draft 2022/23 revenue budget (Appendix A)

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- (iii) Approve a 1.99% increase in the Borough Council's part of the Council Tax.**
- (iv) Agree that the absolute minimum level of reserves that shall be retained is £6m (plus General Fund Balance) and that if reserves look to fall below this level urgent action be taken to limit this and restore the reserves as soon as possible to recommended levels; and that Full Council be advised of the actions being taken.**
- (v) Approve the Capital Programme 2021/22 (revised) to 2024/25 (Appendix P).**
- (vi) Approve the proposed expenditure from the Renewal and Repairs Reserve, and Information Technology Reserve (Appendices J and I respectively) and those items from other reserves shown in Appendix H that can proceed without further reference to Cabinet or Council.**
- (vii) Approve that the use of the limited monies in the budget and Reserves for "Invest to Save" schemes be determined by the Chief Finance Officer in consultation with the lead member for Finance, with details of any spend being presented quarterly to both the Overview and Scrutiny Committee and the Audit Committee. This should set the procedural precedent for any fund or scheme, particularly where the decision is made by 4 people or less in the interest of financial transparency in all that we do.**
- (viii) Agree again that the Council does not seek to undertake any capital project/scheme purely for yield that would prevent the Council from borrowing either commercially or from the PWLB to fund its Capital programme.**
- (ix) Approve the revised Land and Property Disposal Programme (Appendix L) and agree that disposals can be brought forward if market conditions make it sensible to do so.**
- (x) Agree that where a Capital scheme involves a net increase in overall revenue costs to the Council, or where any guarantee is to be provided which does, or could, incur costs for the Council, such decisions continue to be made by full Council.**
- (xi) Agree that, no Council properties or land be disposed of, either by sale or lease, at less than market value without further express approval by Full Council - except where the lease is no longer than 5 years and the difference is less than £5,000 p.a. in which case Cabinet will have the authority to determine.**
- (xii) Agree that schemes marked with an asterisk in the Capital Programme can**

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proceed without further reference to Cabinet or Council.

(xiii) Agree that work on Priority Income and Efficiency Reviews (PIER) through the Strategic Oversight and Planning Board should continue, and where possible identify a sustainable budget for a period in excess of one year. A mid-year review, for members and officers, to be undertaken in the light of the continuing severe financial pressures.

(xiv) Approve the detailed recommendations in Appendix M, which relate to the setting of Council Tax in accordance with Sections 31 to 36 of the Local Government Act 1992.

(xv) Approve that the budget be amended as necessary to reflect the final grant figures including Disabled Facility Grants - once received.

(xvi) Full Council adopt the existing Council Tax Support Scheme subject to amendments to allowances in line with national changes. Determination of the allowances to be delegated to the Chief Finance Officer in line with prior year practice.

(xvii) It is recommended that the Council reviews the affordability of the Council Tax Support Scheme during the early part of 2022/23 in order for a consultation exercise to be undertaken.

(xviii) A task force be set up urgently to help identify and make recommendations to Council on alternative options to control, and reduce, spiralling Temporary Accommodation costs.

Reasons:

1. The Council is under severe financial pressure. It is facing increased costs, particularly from inflation and homelessness, it has large Capital projects in the pipeline and must by law set a balanced budget. It has had to use large elements of its reserves to fund the cost pressures and to balance the budgets in each of the last few years and will need to do so again in 2022/23.

2. A major overhaul of the funding mechanism for local authorities has again been postponed and when combined with a Spending Review that continues to underfund disadvantaged councils will leave the Council with little option but to cut services to the barest minimum. The Council is able to increase Council Tax by a maximum of 1.99% without a referendum against a background of inflation currently running at above 5%.

3. Despite identifying Priority Income and Expenditure Review (PIER) savings of £1.36m for 2022/23 these are insufficient to balance the budget without the further use

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of Reserves. Once again further significant savings need to be found during 2022/23 in order to reduce the call on the Reserves, achieve a balanced budget in future years, and to try and ensure that reserve levels can be maintained at above the minimum recommended level.

4. The Council needs to be in a position to match its available resources to its priorities across the medium term and to maintain sufficient reserves and capacity to deal with potentially large and unexpected events in addition to fluctuations in income and expenditure levels – as highlighted by the Covid-19 crisis and one off expenditure items such as dangerous structures, cliffs and reservoir works. The increased in-year spend on temporary housing accommodation necessitates a much greater degree of service reductions elsewhere in the Council.

5. The Council remains exposed to a much greater degree of volatility in terms of its income from Non Domestic Rates and expenditure in terms of Council Tax Support claims – the cost falling directly on the Council and the preceptors.

6. The government provided additional funding for Covid-19 in 2020/21 and 2021/22, which has significantly helped the financial position. However even with this additional assistance the Council's costs have exceeded the income it receives and overall there is less government funding for the Council in 2022/23.

234. TREASURY MANAGEMENT, ANNUAL INVESTMENT STRATEGY AND CAPITAL STRATEGY 2022/23

The Deputy Mayor proposed suspending Rule 16.6b of the Council's Constitution, seconded by Councillor Battley.

RESOLVED that council suspends Rule 16.6b of the Constitution to permit the substantive motion and any proposed amendments to be on the table and open for discussion at the same time.

Councillor Chowney, the Finance and Property portfolio holder, proposed a motion, seconded by Councillor Batsford, to approve the recommendations set out in minute 417 of Cabinet on 7th February 2022, Treasury Management, Annual Investment Strategy and Capital Strategy 2022/23.

Councillor Hilton proposed an amendment, seconded by Councillor Carr, as set out below:

Add the following to the list of requirements for specific investment appraisals as set out in paragraph 33, page 9 of the Capital Strategy: *Consideration of how the investment will mitigate climate risk using the best available data*

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Councillor Chowney accepted the amendment and Councillors debated the substantive motion as amended.

RESOLVED (by 17 votes for, to 11 against, with 2 abstentions) that:

1. The Council approve the Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy, Annual investment Strategy and the Capital Strategy.
2. The strategies listed are updated as necessary during 2022/23 in the light changing and emerging risks and the Council's evolving future expenditure plans.
3. The Financial Rules and the Financial Operating Procedures of the Council are reviewed and revised as necessary to meet the requirements of the Code of Practice.
4. 'Consideration of how the investment will mitigate climate risk using the best available data' be add to the list of requirements for specific investment appraisals as set out in paragraph 33, page 9 of the Capital Strategy.

Reasons:

1. The Council seeks to minimise the costs of borrowing and maximise investment income whilst ensuring the security of its investments. The Council continues to make substantial investments in property, housing and energy generation initiatives, and this will continue to involve the Council in taking on additional borrowing.
2. The sums involved are significant and the assumptions made play an important part in determining the annual budget. The CIPFA Treasury Management Code of Practice (2017 Edition), previously adopted by the Council, was released to take account of the more commercialised approach being adopted by councils and the enhanced levels of transparency required. The Code has represented best practice and helps ensure compliance with statutory requirements.
3. The Council has the ability to diversify its investments and must consider carefully the level of risk against reward against a background of historically very low interest rates. Investments can help to close the gap in the budget in the years ahead and thus help to preserve services, assist in the regeneration of the town, provide additional housing and enhance the long term sustainability of the town. However, over reliance on such income streams would involve taking unnecessary risks with the future of the Council and its ability to deliver statutory services.

235. BUDGET AND CORPORATE PLAN CONSULTATION RESPONSE AND DRAFT CORPORATE PLAN UPDATE 2022/23

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The Deputy Mayor proposed suspending Rule 16.6b of the Council's Constitution, seconded by Councillor Beaver.

RESOLVED that council suspends Rule 16.6b of the Constitution to permit the substantive motion and any proposed amendments to be on the table and open for discussion at the same time.

The Leader of the Council, Councillor Forward, proposed a motion, seconded by Councillor Barnett, to approve the recommendations set out in minute 416 of Cabinet on 7th February 2022, Budget and Corporate Plan consultation response and draft Corporate Plan update 2022/23.

The Leader of the Council thanked everyone who responded to the consultation process.

Councillor Rankin, Deputy Leader of the Conservative Group, spoke in relation to the Corporate Plan update.

The Deputy Mayor adjourned the meeting, to be reconvened on a date to be agreed.

(The Deputy Mayor declared the meeting closed at 9.02pm)