

RECOMMENDATIONS TO COUNCIL ON 23 FEBRUARY 2022 FROM CABINET ON 11 FEBRUARY 2022

CAB103 MEMBERS ALLOWANCES INDEPENDENT REVIEW

Cabinet considered the Independent Remuneration Panel (IRP)'s report on the review of Members' Allowances as presented by Councillor Dickinson. Cabinet Members had considered the report and were of the view that in the current financial climate it was not appropriate to make large changes to the scheme at this stage, but to continue with the current arrangements of linking with the pay increases awarded to staff.

Under standing order 34 Councillor Joyce addressed Cabinet on the hourly rate of remuneration, and against the removal of the Opposition Deputy Leader SRA proposed by the Independent Panel which would also decrease the number of allowances paid to opposition party members. He drew attention to the need for some councillors to be remunerated as they were not retired but were working with young families.

Under standing order 34, Councillor Parish drew attention to the Independent Panels recommendation for changes to the Opposition Leader and Deputy allowances. He suggested that the increases could be funded by being taken from other position's allowances.

Under standing order 34 Councillor Moriarty endorsed the comments made by the Independent Panel and asked Cabinet to consider when the full review would take place.

Councillor Middleton commented that it was not the time to review the allowances fully when people were struggling. He drew attention to the number of hours worked by Cabinet members along with the responsibility placed upon them, when he was also working full time. He considered it should be looked at across the board and when it was time to make changes to do so together.

Under standing order 34 Councillor Morley drew attention to the fact that he and a number of other opposition members spent a lot of time on Council business.

Councillor Blunt agreed now was not the time to make a lot of changes and agreed that consideration had to be given to attracting people to stand for the Council.

Councillor Kunes confirmed he felt now was not the time to make many changes, but the issues needed to be addressed.

Councillor Dark acknowledged the delay in the report being prepared due to the additional workloads surrounding covid and thanked the Panel for the report. He referred to the volatile nature of the global and national financial situation. He referred to the 2.5% in the budget in line with staff rises which was the recommendation set out in the report which he supported, and acknowledged that now would not be the time to make sweeping changes to the system as working arrangements for councillors had changed considerably in recent times and it wasn't known if they would be permanent.

Councillor Dickinson commented on the need to look in the round how councillors worked and the ability to attract candidates in the future. She responded regarding the hourly rate used which was the local rate set in Dec 2020, which had to be discounted by 20% to take into account the voluntary element of the role. She reassured members that an Independent Panel Review could be carried out at any time.

RECOMMENDED: 1) Having considered in detail the recommendations of the IRP, Cabinet considers that there two issues for not making significant changes Members' Allowances for the year commencing 1 April 2021. Firstly, the current financial climate is not propitious for increasing the overall sum paid to Councillors, which is the effect of the IRP's review. Secondly, there have been significant changes to working practices as a result of the pandemic, with Councillors seeing a wholesale change of having to carry out all of their duties from home, with all meetings conducted via online means, i.e. Teams and Zoom. This has resulted in what might amount to permanent changes to working practices and therefore a review would be better conducted when those revisions have been fully evaluated.

2) That existing allowances be increased in line with the inflationary increase of the officers' pay award, effective from 1 April 2021.

3) In accordance with the Regulations, Cabinet recommends that allowances for a maximum period of the next 3 years commencing 2022/23 should continue to be indexed in line with the officers' pay award. This is in compliance with the Regulations. An IRP may be called at any time should the need arise or be otherwise appropriate but in any case will be called no later than autumn 2024 to conduct a further review and to report its findings in sufficient time to allow a revised scheme to be approved by Council, in accordance with the regulations, to come into effect on 1 April 2025.

4) That, subject to receiving Council approval, the pecuniary implications to be paid in the current financial year.

Reason for Decision

To comply with the requirements of The Local Authorities (Members' Allowances) (England) Regulations 2003.

CAB104 FINANCIAL PLAN 2021/26

The S 151 Officer, Assistant Director - Resources presented the Financial Plan to Cabinet. It was noted that she had held briefings for Opposition political groups and held a Joint Panels meeting to scrutinise the budget.

In summary the figures shown in the Financial Plan for 2021/2026 included a £4.50 per annum per Band D dwelling increase in council tax for each year of the plan. The overall £5 increase permitted under the Council Tax Referendum Principles included the £4.50 per annum per Band D dwelling increase in council tax to cover the Borough expenditure and an increase of £0.50 per annum to cover the expenditure for special expenses.

The Financial Plan 2021/2026 did show that the Council could present a funded budget for three years but there was a budget gap in excess of £2m to address in 2025/2026. The current general fund balances would be required to support the budget in the event that income levels were not achieved and/or delayed, whilst further cost reductions are made.

The report explained that there remained significant uncertainty and risk from 2023/2024. As well as the impact from the pandemic on the council's finances, the council still awaited confirmation of the outcome of the Funding and Business Rates reforms proposed by Government.

Under standing order 34 Councillor Morley sought assurance that the elements contained in the budget were being “sweated”. He drew attention to the potential risks in income and expenditure with minimal flexibility in the budget. He thanked the S151 Officer for her assistance with the papers.

Under standing order 34 Councillor Kemp suggested that Cabinet consider the setting up and investing in a renewable energy company to help residents with price rises and meet the gap in budget.

Under standing order 34 Councillor Joyce thanked the S151 Officer for her assistance. He made reference to the changes in Government funding to pay for the IDB levies whereby the Council now had to fund what had previously been funded by the Government. He mentioned the lack of Council Tax increases in earlier years which had impacted on the budget available now. He also made reference to employee costs and the fact that a number of staff in the planning department had left, suggesting an amendment may be brought forward to increase those costs as those staff were the budget earners.

Under standing order 34 Councillor Moriarty suggested that as he had not received answers to the list of questions he had raised that the Cabinet adjourn the meeting re-consider the content of the budget and reconvene as he considered it hadn't been scrutinised.

Under standing order 34 Councillor Ryves commented on the level of reserves held by the authority. He also commented on the high level of reserves held by IDBs and drew attention to the fact that only a small number of District Councils had IDBs within their areas, so causing the large payments having to be made to them. He thanked the S151 Officer for explaining the budget to him.

Councillor Dark acknowledged the situation with the payments to IDBs which was a large chunk of the total amount collected for the Borough.

In response to Councillor Moriarty's point regarding questions, the S151 Officer confirmed that the answers to the list of questions received on Monday was currently being worked on and should be with him by the end of the day.

Councillor Dickinson acknowledged that the issue with the IDB levies which only affected some District Councils was of major concern as it was a large proportion of the overall budget. Whilst acknowledging the important work of the IDBs, Councillor Dickinson expressed an intention to progress this matter of concern, including drafting a letter to gain MPs and other interested parties support.

Councillor Middleton drew attention to the fact that reserves had been well planned for and created for specific projects, and for times such as the coming years. He acknowledged that levelling up was needed in relation to the IDB funding. He confirmed that Cabinet members had been working closely with officers on the budget over the preceding months.

Councillor Kunes reminded Members that with the RSG at £0 now, it was not possible to plan to include Government funding until the figures were known.

Councillor Blunt clarified the Planning funding situation with CIL being separate, and responded strongly to the points raised on the staffing levels in the planning departments which was being addressed wherever possible, but reminded members that there was a process each application had to go through with no shortcuts.

Under standing order 34 Councillor Parish asked if planning was being put into a position to be run by an agency, Councillor Blunt categorically denied this and commented that some of the work was having to be outsourced until staff could be employed.

Councillor Lawrence acknowledged how hard officers had worked during the pandemic and drew attention to the numbers of people helped over that period. He congratulated the Assistant Director and her team on the budget.

Councillor Dickinson drew attention to the fact that the General Fund balances had been raised to the level they were in order to provide the funding required over the coming years, with the final year bringing the level down to 5%.

She drew attention to the fact that the £3m to invest was in order to invest in new initiatives which would generate income to sustain the budget in future years. She drew attention to the suggestion to set up a Council run energy company and reminded members of the serious financial position these had left some authorities when they had failed. She considered there was too much evidence to demonstrate it was an idea fraught with risk and was not prudent.

Councillor Dickinson also drew attention to the fact that some of the reserves were held for things such as CIL and the collection reserve which was not the Council's to spend.

In response to Councillor Moriarty's suggestion that the meeting be adjourned, Councillor Dark drew attention to the detailed presentation given to the Joint Panels by the Assistant Director. Cabinet members had given the content of the budget much consideration, and were presenting a fully funded budget for 3 years, with the 4th being a concern as it was not possible to rely on Government funding. He reminded members that the place to debate the budget was in the Council Chamber and thanked the Assistant Director for the work put into preparing the budget and the briefings given..

RECOMMENDED: 1) It is recommended that Council note the revision to the Forecast for 2021/2022 as set out in the report.

2) Council is recommended to approve the Policy on Earmarked Reserves and General Fund Balance and the maximum balances set for the reserves as noted in the report and at Appendix 7 in the report.

3) It is recommended that Council :

- i) Approves the budget of £21,550,170 for 2022/2023 and notes the projections for 2023/2024, 2024/2025 and 2025/2026.
- ii) Approves the level of Special Expenses for the Town/Parish Councils as detailed in the report.
- iii) Approves the Fees and Charges for 2022/2023 detailed in Appendix 4 of the report.
- iv) Approves a Band D council tax of £139.37 for 2022/2023

4) It is recommended that Council approves a minimum requirement of the General Fund balance for 2022/23 of £1,128,410.

Reason for decision

To set a budget for the coming financial year.

CAB105 **CAPITAL STRATEGY 2022/23**

Cabinet considered a report which set out the Capital Strategy which outlined the principles and framework that shaped the Council's capital decisions. The principal aim was to deliver a programme of capital investment that contributed to the achievement of the Council's priorities and objectives as set out in the Corporate Plan. The Capital Strategy would be updated annually and would be put before Cabinet alongside the Treasury Management Strategy so that it could be approved before the year to which it relates begins. The Strategy defined at the highest level how the capital programme was to be formulated; it identified the issues and options that influenced capital spending and set out how the resources and capital programme would be managed.

Under standing order 34 Councillor Moriarty pointed out that the joint panels were invited to read the Cabinet reports for their meeting on 9 February.

Under standing order 34 Councillor Morley expressed concern about the governance aspect of it, and the bureaucratic processes hindering projects being delivered on time. He expressed concern about the number of schemes.

Under standing order 34 Councillor Kemp re-iterated her comments on the provision of an energy farm.

Under standing order 34 Councillor Ryves asked if the revenue implications of transferring housing into Companies had been considered.

Councillor Kunes commented that the council was looking into the possibility of investing in solar or turbines on a small scale, but would not be considering setting up an electricity supply company.

Councillor Blunt commented on the processes required by the Government for the schemes being applied for which had to be complied with.

RECOMMENDED: That the Capital Strategy 2022/2023 as attached to the report be approved.

Reason for Decision

Not to approve these policies would contravene the requirements of both legislation and good practice. In addition, the external auditors may comment in their report to those charged with governance (ISA260).

CAB106 **TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2022/2023**

The Assistant Director presented the report which explained that the Council was required to receive and approve a Treasury Management Strategy Statement; Annual Investment Strategy; and Minimum Revenue Provision Policy Statement which covered:

- The Treasury Management Strategy
- Capital plans, including prudential indicators
- A Minimum Revenue Provision (MRP) Policy
- An Investment Strategy

The report covered the requirements of the Local Government Act 2003, the Chartered Institute of Public Finance Accountants (CIPFA) Prudential Code, The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)), MRP Guidance, the CIPFA Treasury Management Code and the DLUHC Investment Guidance. The Council's Treasury Advisor, Link Asset Services, provided a template document for the Treasury Management Strategy Statement, which was fully compliant with CIPFA's code and DLUHC's guidance. The Council had used the template in preparing the report.

The report looked at the period 2021-2026, which fitted with the Council's Financial Plan and Capital Programme. Officers of the council had prepared the report based on their views of forecasts for interest rates, and had used information provided by the council's Treasury Management Advisor, Link Asset Services.

Under standing order 34 Councillor Ryves asked what strategy would be for the interest, to which it was explained that short term investments were made with no extended borrowing at the moment.

RECOMMENDED: 1) That the Treasury Management Strategy Statement 2022/2023, including treasury indicators for 2022-2026 be approved.

- 2) That the Minimum Revenue Provision Policy 2022/2023 be approved.
- 3) That the Investment Strategy 2022/2023 be approved.

Reason for the Decision

The Council must have approved a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2022/2023 by 31 March 2022.

CAB107 CAPITAL PROGRAMME AND RESOURCES 2021-2026

Cabinet considered a report which:

- revised the 2021/2022 projections for spending on the capital programme
- set out an estimate of capital resources that would be available for 2021-2026
- detailed new capital bids that were recommended to be included in the capital programme for the period 2021-2026
- outlined provisional figures for capital expenditure for the period 2021-2026
- Exempt section detailed corporate capital projects

Under standing order 34 Councillor Kemp asked for the West Lynn Ferry to be included in the capital programme.

No debate was held on the exempt pages.

RECOMMENDED: 1) That the amendments to capital schemes and resources for the 2021-2026 capital programme as detailed in the report be approved.

- 2) That new capital bids to be funded from available capital resources and included in the capital programme 2021-2026 as detailed in the report be approved.

Reason for Decision

To report amendments, rephasing and resources to the 2021-2026 Capital Programme.