

Subject to approval at the next meeting

405

**MINUTES
OF A
SPECIAL MEETING OF THE ARUN DISTRICT COUNCIL
HELD IN THE ARUN CIVIC CENTRE
ON 21 FEBRUARY 2018 AT 6.00 P.M.**

Present:- Councillors Mrs Pendleton (Chairman), Gammon, (Vice-Chairman), Ambler, Mrs Ayres, Ballard, Mrs Bence, Bence, Bicknell, Blampied, Mrs Bower, R Bower, Brooks, Mrs Brown, L Brown, Buckland, Cates, Chapman, Charles, Clayden, Cooper, Dendle, Dillon, Dingemans, Edwards, Elkins, English, Mrs Hall, Mrs Harrison-Horn, Haymes, Hitchins, Hughes, Mrs Madeley, Mrs Neno, Mrs Oakley, Oliver-Redgate, Patel, Mrs Porter, Purchase, Mrs Rapnik, Reynolds, Mrs Stainton, Tyler, Dr Walsh, Warren, Wells, Wensley and Wotherspoon.

[Note: The following Members were absent from the meeting during consideration of the matters referred to in the following Minutes:- Councillor Bicknell – Minute 423 to Minute 424 (Part) and Councillors English and Wells – Minute 423 to Minute 430 (Part)].

423. WELCOME

The Chairman welcomed Councillors, members of the public, press and officers to the meeting.

424. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Northeast, Oppler, Miss Rhodes and Wheal and from all of the Council's Honorary Aldermen Mrs Goad, Mrs Stinchcombe, Mrs Morrish, Mrs Olliver and Mr Squires.

DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

QUESTION TIME

(a) Questions from the public (for a period of 15 minutes).

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The Chairman confirmed that no questions had been submitted from members of the public in advance of the meeting in accordance with the rules of the Council's Constitution.

(b) Questions from Members with Prejudicial/pecuniary interests – No questions had been received.

(c) Petitions from the public – no petitions from the public had been received.

425. MINUTES

The Minutes of the Council Meeting held on 10 January 2018 were approved by the Council as a correct record and signed by the Chairman.

426. CHAIRMAN'S COMMUNICATIONS

The Chairman referred to her list of engagements attended since the last meeting of the Council held on 10 January 2018 as emailed to Members ahead of the meeting.

427. URGENT MATTERS

There were no items for this meeting.

428. STATUTE MATTERS

There were no matters for this meeting.

429. MATTERS FROM THE LAST MEETING

There were no matters for this meeting.

430. BUDGET 2018/2019

The Leader of the Council, Councillor Mrs Brown, presented her Budget Statement, **a copy of which is attached to the signed copy of the Minutes.**

An extract from the Minutes from the meeting of Cabinet [Minute 405] held on 12 February 2018; and Appendix 4 setting out the statutory resolutions that the Council was also required to consider, were tabled at the meeting.

The Leader opened her statement by advising Members that this Budget had been prepared against the continuing uncertainty over Local Government funding. Despite this, the Council had been able to produce a balanced Budget requiring no contribution from the Council's balances. Councillor Mrs Brown saw this as a significant achievement and one that the Council should be justifiably proud of.

Councillor Mrs Brown then provided some background to the ongoing changes in Central Government funding as it had been extensively reported that local government funding was under severe pressure due to this. Councillor Mrs Brown covered the following points:

- Changes to the New Homes Bonus (NHB) allocations in 2018/19 and beyond
- The knock-on effect for this Council and other District Councils in that funding would further reduce
- As a member of the Local Government Association (LGA) and District Councils Network (DCN) how she had lobbied the Government to consider committing to no further increases in the NHB baseline threshold of 0.4% - any changes should be transitional measures to limit the impact of reforms to NHB.
- The retention of business rates and the risk and cost of appeals against valuations. Any increases were dependent upon growth within the District. Due to the Council's focus on economic development, the Council had been particularly successful in attracting 810 new business start-ups to the District. Subsequently, this had partly offset the reductions that were occurring in other funding sources and continued to act as a buffer against some of this uncertainty. The Government had announced a full or partial reset from 2020/21 which might effectively wipe out some or all of this growth.
- The Revenue Support Grant (RSG) from Central Government had continued to deteriorate to the extent that it was projected to be a negative of over £400k by 2019/20.

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Despite all these factors, Councillor Mrs Brown outlined that she was delighted to be able to present a balanced Budget and she outlined that the Government had changed the guidance regarding the maximum permissible Council Tax increase for all District Councils allowing an increase in their Council Tax by a maximum of £5 per year or 3%. This new Policy introduced last year had been carried forward for 2018/19 and so she proposed a further increase of marginally less than 3% which equated to £5.13 per year for a Band D property. In proposing this increase, Councillor Mrs Brown reminded Members that Local Government had 137 different lines of business and that District Councils were responsible for 86 of these. With the proposed increase this year she emphasised that the Budget would continue to deliver the Council's share of essential services that residents wanted such as planning, housing, parks and gardens, car parks, tourism, leisure, recycling and the weekly refuse collection for just under £3.39 a week.

Further areas highlighted were:

- the Combined Cleansing Contract which had recently been extended to 2023 would continue to provide a very high performing service whilst at the same locking in annual savings of £400k for an extended period.
- the 2020 Vision projects which had resulted in savings of over £1m in this Budget alone
- the construction of the new Littlehampton Leisure Centre which was being successfully financed from the Council's own resources
- continued investment in the capital programme
- revenue budget funding for major improvements at the Arun Leisure Centre

Moving onto the Housing Revenue Account (HRA), Councillor Mrs Brown was delighted that the Council was nearing completion of 33 new homes as the first phase of the Council's stock development programme. These would help provide quality, affordable homes for local people. In addition to this, the Council had approved its HRA Business Plan allowing for the provision of 250 additional homes over a ten year period.

The final part of the Budget concerned the capital programme. Although this was dominated by the new Leisure Centre, Councillor Mrs Brown outlined that it was pleasing that the Council had committed to other significant schemes as well. Firstly, the Council had completed the purchase of the Bognor Regis Arcade which would obtain a gross return of 9% on its investment. Secondly, the Council had invested £2.1m on the acquisition of 10 temporary accommodation units in Wick bringing two clear benefits as the purchase was supported by a sound business case as well as providing for

more suitable accommodation for those in most need. The 2018/19 programme also included the essential core programme of Disabled Facilities Grants and council housing major repairs and improvements. Phases of other major works to public conveniences, play areas and support to Housing Association new build and a contribution to the Community Flood Fund were also planned.

In conclusion and on behalf of the Council, the Leader thanked Arun's conscientious, hardworking staff for not only helping to prepare this Budget but, also, for all that they did on a day to day basis to make the District a great place to live, work and visit. She particularly thanked the Group Head of Corporate Support and his small team for their sound advice and recommendations in the Budget report.

Councillor Mrs Brown then formally proposed an amendment which was that the recommendations as originally set out on pages 31 and 32 of the report, from the Group Head of Corporate Support, would supersede the minuted recommendations from the Cabinet meeting held on 12 February 2018 [Minute 405], as tabled at the meeting, as these included Recommendation (8) on page 31 of the agenda [the statutory resolutions at Appendix 4] and the further recommendations 1 and 2 on page 32 of the agenda. Councillor Wensley formally seconded the proposals and this amendment.

Councillor Purchase, as Leader of the Opposition, then responded to the Budget Statement by thanking the Leader of the Council for her speech and the Group Head of Corporate Support and his team for the ongoing work they did in safeguarding the Council's financial position. Councillor Purchase referred to the volatile nature of funding from Central Government and agreed with the statement made by the Leader of the Council in that these challenges had been ongoing for the last 5-10 years and so he applauded the extensive lobbying work that she was involved with during these very challenging times. In view of this, Councillor Purchase stated that it was the responsibility of the Council to find better ways of doing things and that it had to consider the effect that past policies of the Council had had on communities. He stated that he was referring to the Council's decision to freeze council tax for several years resulting in a lower Council tax base. With less money coming in the Council had failed to tackle long-term regeneration, not just for the two major towns of Bognor Regis and Littlehampton but for every community and beyond. In such volatile times, Councillor Purchase stated that it was vital for Councils to find ways to support communities and to assist them in improving the economy by supporting jobs and growth.

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Councillor Purchase confirmed that he would be proposing an amendment which would pump-prime regeneration and would benefit the economy in the District's Towns and local communities.

Councillor Purchase then referred to the Council's General Fund Balances which remained at a level of £8m and he stated that he disagreed with the Leader of the Council's decision to not reduce these. He questioned this decision and referred to similar district authorities and the levels of balances that they held. Councillor Purchase stated that he queried how the Council could utilise its resources more efficiently. He did not propose that they should be significantly drained but instead that a sum be earmarked to push forward regeneration, growth and jobs in the District. Councillor Purchase's other issue was that as the District's two main Towns were seaside resorts he wanted to see the public conveniences affected by recent closures re-opened and sufficient funds made available for their up-keep. His final matter to raise was that of Supplementary Estimates in which over £580k had been taken off the Council's General Fund and he argued that there must be methods of ensuring that these requests could be planned for in advance.

Councillor Purchase then confirmed that he wished to make an amendment to Recommendation (1) which would utilise balances on reserves to support growth in the community. Councillor Purchase then formally proposed the following amendment to Recommendation (1) to add after "Appendix 1 is approved:

Subject to the use of reserves:

- (i) To earmark up to £1.35 million in order to urgently pump-prime regeneration in Littlehampton and Bognor Regis, in order to benefit the economy in our Towns and surrounding communities. This Council request the two Regeneration Sub-Committee to make recommendations to Cabinet for how to best utilise this money with the specific aim of boosting and kick-starting regeneration within the two towns;
- (ii) To earmark up to £150,000 to re-open and keep open all public toilets that have been partly or completely close over the last year, to keep then running and to ensure there is sufficient funds for suitable up-keep;

- (iii) In noting the high volume and cost of 'supplementary estimates' agreed by Full council over the last few financial years, to agree to promote better accounting at the Council by agreeing a contingency fund within the Budget of £500,000 in order to avoid such a need for 'supplementary estimates' in the future.

This amendment was seconded by Councillor Dr Walsh.

The Chairman then invited debate on this amendment. This saw many Members speaking against it. Some Members questioned whether the £1.35m proposed in (i) would be equally distributed between Littlehampton and Bognor Regis or would this result in the two towns competing against each other? The point was made that this was a small amount for spending in two large towns not including their surrounding communities and so how this would work and benefit communities effectively was questioned.

Comments were made about the Council's balances with Councillors disagreeing with Councillor Purchase's view that the current level of £8m was excessive. It was felt that in such uncertain times it would not be sensible to erode balances to below this level. Similar District Authorities to Arun had much higher levels of balances. The levels of balances were needed to assist the Council with its medium term financial planning and in view of the considerable risks that had been identified by the Leader of the Council when presenting her statement. It was also pointed out that the Council used its reserves well and reference was made to the construction of the new Littlehampton Leisure Centre which was being financed from the Council's own resources without needing to borrow any funds to complete this project. Money was spent on regeneration and the Council had attracted a great number of new businesses to the District, therefore assisting the economy. Partnership working was continuing with West Sussex County Council on the Arun Growth Deal and work was progressing in Bognor Regis looking at the Regis Centre and Hothampton sites as well Enterprise Bognor Regis. In Littlehampton work was continuing to regenerate the Town Centre and Seafront areas and so the need to earmark funding to regenerate the two towns was not necessary as this was taking place.

On the cost of supplementary estimates, it was felt that the proposal to agree a contingency within the Budget could not be supported. Supplementary Estimates were acknowledged as being an effective method of managing major projects. They were always presented to Full Council to discuss and debate and so were adequately scrutinised.

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Other Councillors speaking against the amendment stated that again they did not have enough detail confirming how the proposals would work. Some stated that they were mystified by amendment (ii) as both Littlehampton and Bognor Regis Town Council's had withdrawn their contributions in 2015/16. Also, a very thorough consultation process on the future of public conveniences had taken place.

Members speaking in support of the amendment stated that although they accepted the difficult national position that the Council was in financially, more needed to be done with the provision of public conveniences, which were key to supporting tourism in the District's Towns. Many complaints had been received over the recent closure of facilities in Littlehampton. The amendment (ii) would overcome these problems.

Councillor Dr Walsh, as seconder to the amendment, responded to some of the comments made from Members speaking against the proposals. Looking at amendment (i) the key wording was pump priming, additional assistance to existing schemes that would lead to an injection of private sector funding coming into the District. The DCLG recommended that Councils should hold reserves of between 5% and 10%, Arun's balances equated to nearer 30% which was not a sensible level and was excessively high. This was a budget provision not a spending authorisation and could be used for match funding and partnership funding. The two Regeneration Sub-Committees could then consider and agree on specific ways to spend the money for pump priming regeneration.

Councillor Purchase, as proposer to the amendment, continued to urge Councillors to agree that the level of the Council's balances needed to be reviewed with the money being used for much needed projects around the District. On the issue of regeneration, the use of funding from balances to pump prime growth was massively important. Other Councils were doing this and achieving really good results.

The Group Head of Council Advise & Monitoring Officer outlined that in line with the Council's Constitution a recorded vote was required when voting on this amendment.

Those voting for the amendment were Councillors Brooks, Buckland, Purchase, Mrs Rapnik, Dr Walsh and Wells (6). Those voting against were Councillors Ambler, Mrs Ayres, Ballard, Mrs Bence, Bence, Bicknell, Blampied, Mrs Bower, Bower, Mrs Brown, L Brown, Cates, Chapman, Charles, Clayden, Cooper, Dendle, Dillon, Dingemans, Edwards, Elkins, English, Gammon, Mrs Hall, Mrs Harrison-Horn, Haymes, Hitchins, Hughes, Mrs Madeley, Mrs Oakley, Oliver-Redgate, Patel, Mrs Porter, Reynolds, Mrs Stainton, Tyler, Warren, Wensley and Wotherspoon (40). Councillor Mrs Pendleton abstained from voting.

The amendment was declared LOST.

Returning to the substantive recommendations, Councillor Brooks, on behalf of the Independent Group, confirmed his support for the Budget and his Group's appreciation for the work undertaken by the Group Head of Corporate Support and his team in preparing the Budget. Although he accepted the comments made by the Leader of the Council, in presenting her Statement, in terms of the level of balances that the Council had, he stated that he was concerned about this and that it was his view that these were higher than they needed to be. He stated that as far as he could recall a request for a Supplementary Estimate had never been refused at Full Council and so he felt that on this basis the process was at fault. Councillor Brooks then referred to investment in regeneration expressing his view that proposals for the Linear Park scheme had been rushed in terms of the uncertainty that existed over the land and the risk to the health centre. Councillor Brooks felt that there needed to be a master plan for regenerating the whole of the District instead of 'cherry picking' sites. Councillor Brooks agreed that the level of supplementary estimates submitted to the Council for approval needed to be reviewed. Referring to the 2020 Vision work undertaken, he felt that the reduction in staffing numbers had put a lot of additional pressure onto remaining staff who were working harder with less resource and with little financial award.

The Chairman then invited debate on the substantive recommendations.

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The majority of Councillors applauded the Budget stating that it would deliver exactly what the Council had said it would deliver and that the Council could continue to invest in the District in a continuing capital programme investing in a range of projects which would be delivered both to support the Council's priorities and to make a real difference for many residents, visitors and businesses in the District. The construction of the Littlehampton Leisure Centre was cited as an example and especially as this was being self-financed by the Council. The near completion of 33 homes as a result of the recently approved HRA Business Plan was also applauded along with the Council's aim to provide 250 additional homes over a ten year period.

Councillor Wensley, as seconder to the substantive recommendations, outlined that the budget demonstrated that despite challenging financial times, the Council continued to deliver good quality services to its residents, businesses, tenants and visitors for a very small cost, despite the Council's RSG being cut by Government yet again. To achieve a balanced budget, in such challenging times, whilst at the same time constructing a new Leisure Centre in Littlehampton was a credit to the prudent financial management this Council had exercised over many years. Due to the professionalism of Officers, the Budget continued to support the Council's priorities.

Despite the growing national problems with homelessness and increasing demands on the Council's resources, ten units of temporary accommodation had been purchased which would bring long-term benefits to those that needed this the most. Other work addressing the acute housing shortage was also emphasised being the work of the Empty Homes Officer and the Housing Fraud Investigator. The benefit to the people of Arun was that 12 additional families would be assisted.

Finally, Councillor Wensley outlined that despite some of the good news items above, the future for the Council remained very challenging. The Council needed to maintain its savings culture in order to continue to not compromise the delivery of the high quality services that were provided year on year. Councillor Wensley stated that what was proposed was a sound Budget which was good for the Council's residents and businesses and the Council as a large local business and so he urged Members to support it.

Councillor Mrs Brown, as proposer to the substantive recommendations, added to the points made by Councillor Wensley by reminding Members that the Council was facing very uncertain times. This Budget would ensure that the Council would be able to deliver essential front line services and a substantial capital programme to support council housing; private sector housing; leisure; regeneration; tourism; and asset management and improvement, all of which would support those in the community that needed it most. The fact that all of these services were provided for £3.39 a week for a Band D property, in her view, represented excellent value for money. She therefore urged Members to support the Budget.

In summing up, Councillor Mrs Brown thanked everyone for their contribution in compiling and debating the Budget and she requested that a recorded vote be taken.

Those voting for the substantive recommendations were Councillors Ambler, Mrs Ayres, Ballard, Mrs Bence, Bence, Bicknell, Blampied, Mrs Bower, Bower, Brooks, Mrs Brown, L Brown, Cates, Chapman, Charles, Clayden, Cooper, Dendle, Dillon, Dingemans, Edwards, Elkins, English, Gammon, Mrs Hall, Mrs Harrison-Horn, Haymes, Hitchins, Hughes, Mrs Madeley, Mrs Neno, Mrs Oakley, Oliver-Redgate, Patel, Mrs Porter, Mrs Rapnik, Reynolds, Mrs Stainton, Tyler, Warren, Wensley and Wotherspoon (42). Those voting against were Councillors Buckland, Purchase and Dr Walsh (3). Those that abstained from voting were Councillors Mrs Pendleton and Wells (2).

The Council therefore

RESOLVED – That

- (1) The General Fund Revenue budget as set out in the revised Appendix 1 is approved;
- (2) Arun's Band D Council Tax for 2018/19 is set at £176.40, an increase of 2.995%
- (3) Arun's Council Tax Requirement for 2018/19, based on a Band D Council Tax of £176.40, is set at £10,654,914 plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements;
- (4) The HRA budget as set out in Appendix 2 is approved;

(5) HRA rents for 2018/19 are set at 1% below the current year's level in accordance with the provisions of the Welfare Reform and Work Act;

(6) HRA garage rents are increased by 5% to give a standard charge of £11.16 per week (excluding VAT) and heating and water/sewerage charges increased on a scheme by scheme basis, with a view a view to balancing costs with income;

(7) The Capital Budget as set out in Appendix 3 is approved;

(8) The statutory resolutions required by the Council in agreeing its budget for 2018/19, as set out in Appendix 4, are approved;

(9) It be noted that the Group Head of Corporate Support, in consultation with the Deputy Leader of the Council and Cabinet Member for Corporate Support, has approved i) a Council Tax base of 60,402 for 2018/19 and ii) the submission of the Council's NNDR1 return (the estimate of the Council's Business Rate income for 2018/19) to the Ministry of Housing, Communities and Local Government; and

(10) For 2018/19 any expenses incurred by the Authority in performing in part of its area a function performed elsewhere in its area by a Parish/Town Council or the Chairman of a Parish Meeting shall not be treated as special expenses for the purposes of Section 35 of the Local Government Finance Act 1992.

(During the course of the discussion on this item, the following Councillors declared their Personal Interests:

- *Councillor Dr Walsh as a Member of Littlehampton Town Council*
- *Councillor Purchase as a Member of West Sussex County Council.)*

(The meeting concluded at 20.01 pm).