

**MINUTES
OF A
SPECIAL MEETING OF THE ARUN DISTRICT COUNCIL
HELD IN THE ARUN CIVIC CENTRE
ON 1 MARCH 2023 AT 6.00 PM**

Present: Councillors Mrs Cooper (Vice-Chair, in the Chair), Bennett, Bicknell, Blanchard-Cooper, Bower, Brooks, Buckland, Caffyn, Chapman, Chace, Clayden, Cooper, Coster, Daniells, Dendle, Dixon, Elkins, Mrs English, English, Goodheart, Gregory, Gunner, Hamilton, Haywood, Hughes, Huntley, Jones, Kelly, Lury, Madeley, Needs, McAuliffe, Northeast, Oliver-Redgate, Pendleton, Purchase, Rhodes, Roberts, Seex, Stanley, Tilbrook, Thurston, Wallsgrove, Dr Walsh, Warr, Worne and Yeates.

The following Members were absent from the meeting during consideration of the matters referred to in the Minutes indicated:-
Councillor Jones - Minute 733 to Minute 736 (Part) and Councillor Purchase - Minute 733 to 741 (Part).

733. WELCOME

The Chair welcomed Councillors, representatives of the public, press and officers to the meeting.

A special welcome was extended to Antony Baden, the Council's new Group Head of Finance and Section 151 Officer, who had commenced his employment with the Council on 20 February 2023.

734. APOLOGIES FOR ABSENCE

Apologies for Absence had been received from Councillors Batley, Edwards, Oppler, Smith, Stainton and Staniforth and from Honorary Aldermen, Mrs Stinchcombe and Mr Dingemans.

735. DECLARATIONS OF INTEREST

The Declaration of Interest Sheet set out below confirms those Members who had made a declaration of their personal interest as a Member of a Town or Parish Councillor or a West Sussex County Councillor, as confirmed in their Register of Interest as these declarations could apply to any of the issues to be discussed at the meeting.

The Chair reminded Councillors of the restrictions on voting outlined in Section 106 of the Local Government Finance Act 1992 as this confirmed that where a Member had at least two months arrears of Council Tax they must not vote on any other matter relating directly to the setting of the next year's Council Tax, though they could remain in the meeting and could speak.

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Name	Town or Parish Council or West Sussex County Council [WSSC]
Councillor Tracy Baker	Littlehampton
Councillor Kenton Batley	Bognor Regis
Councillor Jamie Bennett	Rustington
Councillor Paul Bicknell	Angmering
Councillor Billy Blanchard-Cooper	Littlehampton
Councillor Jim Brooks	Bognor Regis
Councillor Ian Buckland	Littlehampton and WSSC
Councillor David Chace	Littlehampton
Councillor Mike Clayden	Rustington
Councillor Andy Cooper	Rustington
Councillor Alison Cooper	Rustington and WSSC
Councillor Sandra Daniells	Bognor Regis
Councillor Roger Elkins	Ferring and WSSC
Councillor Paul English	Felpham
Councillor Steve Goodheart	Bognor Regis
Councillor Pauline Gregory	Rustington
Councillor June Hamilton	Pagham
Councillor Shirley Haywood	Middleton-on-Sea
Councillor David Huntley	Pagham
Councillor Henry Jones	Bognor Regis
Councillor Martin Lury	Bersted
Councillor Stephen McAuliffe	Walberton
Councillor Claire Needs	Bognor Regis
Councillor Mike Northeast	Littlehampton
Councillor Francis Oppler	WSSC
Councillor Jacky Pendleton	Middleton-on-Sea and WSSC
Councillor Vicky Rhodes	Littlehampton
Councillor Emily Seex	Littlehampton
Councillor Martin Smith	Aldwick
Councillor Samantha Staniforth	Bognor Regis
Councillor Matt Stanley	Bognor Regis
Councillor Will Tilbrook	Littlehampton
Councillor Isabel Thurston	Barnham & Eastergate
Councillor James Walsh	Littlehampton and WSSC
Councillor Sue Wallsgrove	Barnham
Councillor Jeanette Warr	Bognor Regis
Councillor Amanda Worne	Yapton
Councillor Gillian Yeates	Bersted

There were no Declarations of Interest made.

736. PUBLIC QUESTION TIME

The Chair confirmed that one public question had been submitted for the meeting. This question has been very briefly summarised below:

- (1) From Mr Hamilton to the Chair of the Planning Committee, Councillor Chapman regarding planning application P/188/22/DOC, and Condition 30.

The Chair in drawing Public Question to a close confirmed that a schedule of the full questions asked, and the responses provided would be uploaded to the Full Council Public Question Time Web page within ten working days of the meeting.

737. QUESTIONS FROM MEMBERS WITH PECUNIARY/PREJUDICIAL INTERESTS

No questions were asked.

738. MINUTES

The Minutes of the Council Meeting held on 18 January 2023 were approved by the Council as a correct record and would be signed by the Chair at the end of the meeting.

739. CHAIR'S ANNOUNCEMENTS

The Chair confirmed that there were no announcements to be made.

740. URGENT MATTERS

The Chair confirmed that there were no urgent items for this meeting to consider.

741. ARUN DISTRICT COUNCIL BUDGET 2023-2024

The Chair confirmed that this Special Council Meeting had been called to consider the Budget for 2023/2024 and to set the Council Tax for Arun District Council. Councillors were referred to eleven recommendations set out within the agenda papers for them to consider as well as the minutes from the meeting of the Policy & Finance Committee held on 9 February 2023. These minutes had been circulated to Members and published to the Council's web pages on 24 February 2023 along with a revised Item 8 Appendix 2 being the correct version of that Appendix relating to the Housing Revenue Account (HRA). The Chair also confirmed that at Appendix 4 [The Statutory Resolutions] on page 38 of the agenda pack, in relation to Yapton Parish Council, the figure provided should read 86,050 and not 56,050. It was confirmed that this typing error did not affect any of the other figures contained within the Appendix which were otherwise correct.

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Before inviting the Leader of the Council, Councillor Gunner, to present his Budget Statement, the Chair reminded Councillors of the procedure for this meeting as confirmed in the Constitution at Council Procedure Rule 4.3 and as set out in the covering agenda for the meeting.

Councillor Gunner presented his Budget Statement confirming that he wished to start by thanking the Officer team, especially the Council's previous Interim Group Head of Finance and Section 151 Officer, Carolin Martlew. Working through a Zero Based Budget (ZBB) exercise with high inflation whilst producing a budget and revisiting the Housing Revenue Account (HRA) Business Plan had been an immense amount of work. In recognition of this, thanks were also extended to the rest of the Finance Team for all they had done and for their hard work in preparing the budget. Thanks, was also extended to Tony Baden, the Council's new Group Head of Finance and Section 151 Officer for his support since commencing his employment with the Council.

Reference was made to the vigorous process that had been applied in consulting on the Budget through the committee system. Councillor Gunner confirmed his gratitude to the Council's Chief Executive for organising a briefing for Members on the financial outlook for the Council back in December 2022 as this had ensured that Members were very clear about the overall picture that the Council was in and in preparing to consider and agree its Budget. Councillor Gunner confirmed his gratitude to his fellow Group Leaders for accepting his offer to meet to talk through their thinking on the budget and although they had not asked for the Council Tax to be changed or the position on reserves to be altered, they had made some suggestions which had been either in the budget or spoken about and passed to Officers as suggestions. The Budget having been passed through thirteen Committee meetings had received more scrutiny than ever before but had not resulted in any Councillor voting against it to date or confirming that they wished to table any amendment to it.

Councillor Gunner said it was clear that there were some Councillors that were concerned about Council Tax, however, the 2.99% rise represented only a slight increase and was less than the 6% rise in earnings and the 10% rise in pensions. It was also significantly lower than the current rate of inflation at 10-11%. It was highlighted that should any increase in Council Tax be removed tonight, due to the compound effect, this would necessitate millions of pounds in cuts in future years. A Council Tax rise could be reversed by a following administration, but a Council Tax freeze could not be reversed by reinstating a rise and so would bind the hands of any future administration. Last year the Council had passed its Vision for the next few years which had been separated out into four themes, being improving the wellbeing of Arun; delivering the right homes in the right places; fulfilling economic potential; and supporting the environment to support us. Councillor Gunner therefore referred to the work of the Council in relation to those four themes. Firstly, in relation to wellbeing, the Council had provided support for Freedom Leisure to support the Council's leisure centres; had worked to refurbish the changing rooms at the Arun Leisure Centre, illustrating the Council's investment in leisure and in Bognor Regis. In Littlehampton, work had progressed on the development of the new Keystone Youth Centre that the

Council was working in partnership with, with Littlehampton Town Council. There was an agreed cost of living support programme in place with work in community hubs at Chilgrove House and Bersted Green Court continuing as were the community wardens demonstrating the Council's commitment to improving the lives of people in the district's communities. Last year the Council had put aside some funding for the Windmill Theatre roof and this year the Council was commencing work on the Alexandra Theatre. Also, in Angmering work was underway to develop designs for a new sports hub which would serve that community and beyond. Turning to housing, a modest sum had been placed into the Budget to allow the preparatory work to proceed in preparing for a review of the local plan. Turning to the HRA, money had been allocated in the budget for sheltered housing accommodation with the repairs and maintenance budget having been increased to ensure the continued welfare of tenants.

Looking at the local economy, it was highlighted that should the Budget be approved, then this would save the Arundel Festival following an amendment made at the Policy & Finance Committee on 9 February 2023 securing the future of the Arundel Festival and ultimately the future of this historic town. In addition to this there was money for events such as the Christmas Lights in Hotham Park and the Ice Rink which had been hugely popular as well as the availability of small grants across the district for Parishes to apply for new events. A new Whitbread hotel would sit alongside the Alexandra Theatre in Bognor Regis and the Council's partnership working with West Sussex County Council (WSCC) through the business rates pool meant that support was being given to businesses and through the new Arun Growth Deal resulting in the Council being able to extend the high street paving in Littlehampton. With WSCC residents would see improvements made to the A259 in addition to completing sections of the Lyminster Bypass. Further joint working would include the pedestrianisation of Pier Road, Littlehampton and the transformation of The Esplanade in Bognor Regis.

Turning to the environment, residents could enjoy open spaces for free and the Council's commitment to climate change continued with the Council working hard to reduce its carbon emissions. This was in addition to the 35,000 trees that the council would be planting as part of the Queen's Green Canopy. The Community Flood Fund had been topped up to provide continued support to the communities of Clymping, Pagham and Middleton-on-Sea. There had been investment for the Bersted Brooks Country Park and the Council's parks had obtained prestigious green flag awards. Further in land there had been investment in new play areas and work on the Sunken Gardens, in Bognor Regis continued. One of the biggest transformations to take place would be the numerous schemes in place for the Littlehampton Seafront Projects made possible by the receipt of the Levelling-Up Fund grant award.

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In conclusion and in formally proposing the budget recommendations, Councillor Gunner confirmed that this was a positive and forward looking budget for the future which would enable any new administration flexibility to make its own decisions following the May 2023 Elections.

The recommendations were then seconded by Councillor Pendleton.

In line with the procedure for debates at Special Meetings, the Chair confirmed that she would now invite questions from Members to Officers. No questions were asked.

The Chair then invited Councillor Walsh to respond to the Budget as the Leader of the Opposition and Leader of the Liberal Democrat Group.

Councillor Walsh responded by firstly extending his thanks to the former Interim Group Head of Finance and Section 151 Officer and her team for their work on the budget. He then responded to some of the projects that had been mentioned by Councillor Gunner as some of these had been initiated by the then Liberal Democrat administration, these included the Place St Maur and the Sunken Gardens at Bognor Regis; Littlehampton Public Realm works and the major new projects commencing because of the Levelling-Up Fund grant award. The history around the development of these as part of the LUF application process was explained. The Liberal Democrat Group had wanted to commence a review of the local plan with a view to reducing housebuilding and the Government imposed targets in the district, partly due to the massive loss of grade 1 agricultural land but also due to inadequate sewage systems. Councillor Walsh confirmed that he wished to push this further by seeing a moratorium on new systems until capacity was properly and fully provided by Southern Water Services. His Group had also wanted to proceed with the ever successful food waste trial rolling this out across the entire district, but this had been opposed by the current administration. Councillor Walsh confirmed his opposition to doubling car parking charges which he felt would be to the detriment of the district's town centres and seemed to be an extraordinary step to take at a time of financial difficulty for struggling residents and businesses.

Councillor Walsh stated that this was an unbalanced deficit budget with an overspend of £5m dealt with by raiding the reserves to an amount of £5m. There were also unspecified savings or cuts of £2m which would be looked for in the coming year with no guarantee of success and representing a very large risk to the authority's future finances. In addition, there was £9.3m of extra borrowing to fund the capital programme. Turning to the HRA, the large debt situation should not have occurred and was partly due to the continued use of agency staff and huge repair costs. Of concern were the 5% and 7% increases in rents timed to hit residents in the middle of a crippling cost of living crisis. It was highlighted that both of the Liberal Democrat and Independent budgets, with Green support, had been balanced, had taken no money

from reserves and had initiated projects of lasting value. In contrast this budget was a deficit budget of £5m financed by raiding the Council's reserves with no current specific plan identified to replace those reserves coupled with a maximum allowable 3% increase in Council Tax. In finalising his response, Councillor Walsh urged all Councillors to vote against approving the budget and to work towards achieving an improved budget ahead of next week.

The Chair then invited Councillor Dixon to respond to the Budget on behalf of the Independent Group. Councillor Dixon stated that the budget was seen as a 'stay as we are' budget and failed to address some of the difficult decisions that needed to be taken. It drew substantial amounts from reserves with the forecast illustrating that in future years the situation would worsen. Future funding for Councils remained uncertain and with the current Government residents had seen the highest inflation and highest taxation levels in many years with the public paying more yet being provided with a reduction in public services. Councillor Dixon stated that the Council should not keep running down reserves and selling off capital assets, it needed to find additional ways of funding public services and needed to become more self-financing. New commercial activities would help the Council become more self-financing and examples where much needed income could be achieved were highlighted. The budget contained a transformation budget without any detailed proposals. The best that could be done at this late stage was to create the necessary budget in the hope that the next council would address these issues. Councillor Dixon referred to the fact that the Council had already been significantly downsized and that if there was no commitment from national to local government, further downsizing would be required. This budget contained arguably the worst financial deal in the history of the Council, and he referred to the deal in place with Whitbread at the Regis Centre site as well as other projects and questioned what the Council had done to regenerate its towns. He questioned the justification of some projects such as the investment into the Bersted Brooks Country Park and whether the unspent monies should be returned to reserves. Car parking charges were being increased on a disproportionate and extortionate scale with these charges being a risk to the budget. Looking at the review of the local plan and to start the process of taking back control of planning in the district, it was highlighted that some of the proposals to improve would not apply in Arun as the Council would not have an up-to-date plan. The Littlehampton Wave continued to be a significant drain on resources. Also, the Council was being asked to subsidise Freedom Leisure's energy costs at a sum of £580k whilst wholesale energy prices were falling substantially. Councillor Dixon finished by confirming that his Group could not support this budget.

The Chair invited Councillor Goodheart to respond to the Budget on behalf of the Arun Independent Group. He thanked staff for their hard work in putting the budget together at a time of significant inflation which had put pressure onto the cost of services. This careful forward planning and monitoring was essential if the Council was to maintain adequate reserves and to not fall behind the recommended HRA balance of £2m which was a concern along with £4m budget deficit. Councillor Goodheart confirmed that his Group had confidence that the Council had made adequate provision to meet the challenges ahead building up a healthy reserve enabling the Council to have

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sufficient funds to draw down £4.9m resulting in a balanced budget for 2023/24 without incurring significant risk. The shortfall and unknown outlook for the New Homes Bonus, which the Council had benefitted from since its introduction, had left a dent in its finances, however, Councillor Goodheart was pleased to learn that the funding resilience reserves would now support gaps in Government funding. Arun had been fiscally prudent enabling it to have funds available for a rainy day and so it was reassuring to know that the Council would be benefiting from an increase in business rate base due to substantial growth in the area resulting in a predicted increase of around £1.5m. This demonstrated that Arun was in a good place to invest and benefit the district in so many ways bringing jobs and opportunities to the area. Councillor Goodheart was pleased to see the Council investing £100k in events and an Event Officer which would help to bring growth and prosperity to the district and would assist businesses by bringing in and encouraging visitors to the district's towns. Councillor Goodheart concluded by confirming that he supported this budget and its proposed modest increase in Council Tax. He felt that the budget represented good value for money and especially in looking at the future financial pressures that were ahead.

The Chair then invited Councillor Thurston to respond on behalf of the Green Group. She extended her thanks to Councillor Gunner and other Leaders for ensuring that Group Leaders had been consulted on all aspects of the budget and she also thanked the Officer team for their hard work in preparing it and in difficult times. Councillor Thurston confirmed, however, that Councillors were left in an embarrassing position having to draw heavily on reserves to balance the Budget and to maintain services. This was a precarious budget with a great deal riding towards the end of the year with the Council's transformation and culture change work. It was unfortunate that some of this unwanted position was down to council decisions made through the year.

Councillor Thurston highlighted the decision to add £3m to the Levelling-Up Fund for Bognor Regis whilst deciding to turn down the chance to save £450k annually on the waste contract meaning that the Council would fall short with its recycling targets. This £450k would have contributed and assisted residents with the cost of living crisis. Councillor Thurston was saddened that the Budget was not a greener budget, despite climate change being a key priority and that there was no effective plan that was working or budget allocated allowing the Council to meet its net zero aims. Councillor Thurston was surprised to see that only £100k of new money had been allocated to climate plan activities. Whilst she was pleased that the Council would be recruiting a new officer from last year's budget, it was alarming to note that the sum allocated was less and not more. It was felt that the money should be used in the community looking outwards perhaps towards the creation of a climate change hub or even provide grants to organisations already achieving great work. There was still a great deal of work to do to bring council owned housing stock up to an acceptable standard. Councillor Thurston confirmed that her Group was not supportive of the proposed 7% increase in rents which was unfair on tenants. She hoped that improvements to the Council's stock would be undertaken with the greatest of urgency. In finalising her response, Councillor Thurston confirmed that she could support some elements of the budget such as the funding in place for the Local Plan review but that as this was not a green focused budget in its current form, she could not support it.

The Chair thanked Group Leaders for their responses and invited debate.

Debate commenced with some Councillors confirming that they could not support the budget. This was because residents were experiencing significant financial hardship and would be looking to their local authority for help and assistance. Instead, the Council was proposing to add further additional costs when many vulnerable residents were struggling with debt. This budget was asking Councillors to add further misery and stress to struggling families with a 7% hike on rents plus a rise in Council Tax and at a time of extreme hardship. This budget would force even more residents below that poverty threshold. Concern was also expressed over the lack of reference to much needed social housing.

In response and from those supporting the budget, it was acknowledged that everyone was living in difficult times but that this required the Council to make difficult decisions. To maintain vital services, these had to be paid for otherwise services would have to be reduced and this would be the case in the event of a Council Tax freeze. To not raise Council Tax would result in a likely cut in services that residents relied upon. The budget proposed to increase revenue for the council and to date no debate against this had been raised in any Committee meetings, nor had any Officers been approached by Councillors to discuss possible amendments. Views were expressed that in view of the serious issues being faced by struggling residents, the Council should dip into its savings during this time.

Another response made related to the HRA and that its position going forward was extremely vulnerable following previous years' healthy balances. It was felt that this lack of financial stability would affect many of the major projects including the purchase of new homes and improvements to the existing housing stock. It was also concerning that the minimum balances set of £2m would be breached and would not recover for a further 7 years; that there was a significant budget gap for 2023/24 with the Council becoming reliant upon match funded Government grants to enable it to carry out essential decarbonisation works. It was highlighted that there could also be further risk factors identified by way of incorrect assumptions; additional spending pressures and reactive repairs. Although there were concerns over the significant overspend on the HRA, it was hoped that the projected gains from rent increases and the efficiency gains together with prudent budget management would be sufficient to carry out the previously planned schemes.

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Councillor Bennett confirmed that he wished to move an amendment to Recommendations d) and e). As the wording of the amendment had been sent to the Committee Services Manager after the meeting had commenced, a short adjournment of 5 minutes was approved to allow the wording of the amendment to be confirmed.

The wording of the amendment has been set out below [with additions shown in **bold** and deletions shown using ~~strikethrough~~]:

(d) Arun's Band D Council Tax for 2023/24 is set at **£196.47** ~~£202.34~~, an ~~increase of 2.99%~~ **a freeze** over 2022/23;

(e) Arun's Council Tax Requirement for 2023/24, based on a Band D Council tax of **£196.47** ~~£202.34~~, is set at **£12.605.32m** ~~£12.982m~~, plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements;

Councillor Bennett having proposed his amendment explained that as a district councillor he had a duty to represent the whole of Arun. He confirmed that he had had discussions with the Section 151 Officer and the Chief Executive prior to this meeting. He also referred to Councillor Wallsgrove's amendment approved by the Audit & Governance Committee yesterday, which would be forwarded to Full Council on 15 March 2023 for approval. Councillor Bennett stated that times were tough for many people all over the world which did not exclude the community of this district. The cost of living had increased; bills had increased; with everyone struggling in one way or another. The Council was now in a position, as a result of the amendment passed at the Audit & Governance Committee, to freeze Council Tax if this Council decided to. The amendment passed at the Audit & Governance Committee recommended that the Council withdrew from investments in the Qatar National Bank and the First Abu Dhabi National Bank. This income was in excess of £8m which would be returned to Arun between now and the start of June 2023. Councillor Bennett stated that he did not wish to spend the whole of this investment, but the increase equalled £602k. His proposal was to use the £602k from the £8m and reinvest the £7.39m in new investments and freeze council tax for the new year. Councillor Bennett confirmed that his amendment provided to be a fairly costed and responsible way to enable the Council to freeze Council Tax for the next year which would assist the local community, his primary priority.

The amendment was seconded by Councillor Wallsgrove.

The Chair then invited debate on the amendment.

Various concerns were raised. Firstly, Councillors spoke against the amendment reminding Councillors that tough choices always had to be made. There was also the need to ask the Section 151 Officer what the implications of doing this would be for the Council if it decided to freeze its Council Tax base. Would a new administration be able to raise Council Tax by way of a revised budget post May 2023? Also, what would it mean for the Council to not have that incremental increase in Council Tax year on year and what would the wider implications be from taking money out of investment income?

The Group Head of Finance and Section 151 Officer responded. He confirmed that if the Council Tax was frozen for this year, this could not be retrieved or increased in future years and the money would be lost each year forever. The other implications from taking more money out of reserves were that this would reduce the Council's investment income. He added that it was important for Councillors to think beyond the 2023/24 budget and to think about the longer-term financial impacts on reserves of freezing the Council Tax. He confirmed that the use of reserves to balance a budget was a legitimate use by Councils, but it did have negative knock-on implications.

Further debate took place with a number of Members arguing against the amendment. Examples of Parish Council precept increases were provided by the Leader of the Council who could not understand that Councillors were content to raise Council Tax in their Parishes but not at District level. Another Councillor reminded Members that they had a fiduciary duty to the council taxpayers of the district and this amendment did not serve that purpose well. Reference was again made to the amendment at the Audit & Governance Committee meeting held on 28 February 2023 to withdraw funds from the Abu Dhabi and Qatar banks on account of their human rights record and no other grounds. It had not been a preparatory move to reduce reserves and that had not been discussed yesterday. On this basis, there were Councillors who could not support the amendment.

Councillor Wallsgrove, as seconder to the amendment, requested to speak at this point. She explained the reasoning for the amendment which was to address human rights issues whilst at the same time using this money to support residents and their human rights when struggling with the cost of living and having to rely on food banks. This amendment showed that Councillors were here for their residents.

Further Councillors spoke expressing their concerns over the amendment and the long-term financial impacts this would have for the Council. Some Councillors questioned if this was a legal amendment? What financial penalties would the Council incur from withdrawing these investments?

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Oposing views were that these investments were invested at a very low rate of interest and that the remaining sums could be reinvested at a higher rate of interest and so the concerns expressed over the financial damage to the Council might not be as severe as first thought. A statement was then made by Councillor Clayden, as Chair of the Audit & Governance Committee, regarding the amendment passed at the meeting held yesterday. He confirmed that in agreeing to remove the two banks from the Council's Counter-Party List, the Committee had also agreed to undertake investigations as to the implications of this amendment as it was accepted that the Council had to protect its reserves and services. A report back would be made to the first meeting of the Audit & Governance Committee in the new municipal year.

A question was asked. Would the amendment affect Recommendation f) – the Council's General Fund Balance minimum of £5m as an unknown cost?

Following further points made, Councillor Stanley then proposed a Motion without Notice in line with the Constitution at Rule 16 [Motions without Notice], to move to the vote, which was at Rule 16 j) (that the question be now put). This was seconded by Councillor Gunner. Before putting this to the vote, the Chair confirmed that considering the many questions asked, she confirmed that there were points of clarification that needed to be heard from the Section 151 Officer first.

The Group Head of Finance and Section 151 Officer outlined that he did not know what the penalties of withdrawing investments from the First Abu Dhabi Bank and Qatar National Bank would be. It was his opinion that they were not likely to be material, nor would they have a major impact. The Council legally had to set a balanced budget, and this could be done via reserves. The withdrawal of investments from the First Abu Dhabi Bank and Qatar National Bank would in itself not reduce the level of reserves.

The Monitoring Officer provided some clarification in terms of the constitution and what needed to happen once a motion without notice "that the question be now put" had been proposed and seconded. He confirmed that if in the opinion of the Chair it was felt that the matter had been sufficiently discussed, the Chair would put the procedural motion to the vote without further discussion. If passed, the Chair would give the mover of the amendment, opportunity for a right of reply before putting the matter to the vote. Councillor Bennett had already indicated that he would want to reply.

Councillor Bennett, as the proposer of the amendment, was invited to speak. He responded to some of the questions that had been raised as part of the debate. He confirmed that the Council's financial year commenced on 5 April 23 and that on that day one of the investments would mature. That investment was £4m and was not being terminated early and so there would be no penalty clause applied. After that date there was one investment left which was due to mature in June 2023 in the sum of £1m. Councillor Bennett reminded Councillors that they were present to represent their

community. What needed to be asked was why there was a need to balance the budget each year from reserves, partly due to a reduction in central government funding each year. Councillor Bennett urged Councillors to support what was a fully costed out and balanced amendment to the budget.

In line with Council Procedure Rule 20.6 – the voting on the amendment was recorded.

Those voting for the amendment were Councillors Bennett, Blanchard-Cooper, Brooks, Buckland, Coster, Dixon, Gregory, Haywood, Huntley, Jones, Lury, McAuliffe, Needs, Northeast, Purchase, Seex, Stanley, Thurston, Tilbrook, Wallsgrove, Walsh, Warr, Worne and Yeates (24). Those voting against the amendment were Councillors Bicknell, Bower, Caffyn, Chace, Chapman, Clayden, Cooper, Daniells, Dendle, Elkins, Mrs English, English, Goodheart, Gunner, Hughes, Kelly, Madeley, Oliver-Redgate, Pendleton, Rhodes and Roberts (21). Councillors Mrs Cooper abstained from voting.

The amendment was therefore declared CARRIED.

In response to this, Councillor Bower asked if it could be confirmed what the implications of this carried amendment were and before any further debate took place.

The Chair, having received an indication from Members that they were happy to adjourn the meeting, confirmed a ten minute adjournment so that Officer advice could be sought.

On resumption, the Chair confirmed that she would firstly allow Councillor Gunner to speak as Leader of the Council. He confirmed that with the agreement of his seconder [Councillor Pendleton] he wished to withdraw the recommendations (as amended) for the budget in line with Council Procedure Rule 17.9 [Withdrawal of a Motion] and he proposed to adjourn the meeting.

This was seconded by Councillor Pendleton.

The Chair invited the Group Head of Law & Governance and Monitoring Officer to provide advice. He confirmed that there was provision within the Constitution for a mover of a motion to withdraw that motion with the consent of the seconder with no further debate then taking place. He stated that this left the Council in a position where it had a report on the budget with a set of recommendations, now amended, and the question of what would happen next. He confirmed that at this stage he would need time to discuss with colleagues and take advice as to what should happen next. This could be the need for a further adjournment now or an adjournment to a later date to

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allow the Council to seek advice, with it being critical that the Council could ensure that it would be able to set a balanced budget by 11 March 2023. On the motion to withdraw, he would also attempt to answer that question too.

Questions were asked. Was it within the remits of the Constitution for another Member of the Council to be permitted to move the recommendations (as amended) so that the meeting could proceed either later this evening following an adjournment or on 9 March 2023. The Monitoring Officer responded stating that he could not answer this now and needed to consider if this was a possibility and as there may be other options to consider.

The Chief Executive confirmed that this was an incredibly complex and difficult position that neither he nor any other Officer present had experienced before and since the Constitution had no provision for this situation, he asked for an adjournment to allow Officers time to seek legal advice.

The Monitoring Officer provided further advice confirming that Councillor Gunner had withdrawn his budget recommendations in line with constitution and with the consent of his seconder. A mover of a motion was able to do that any point. Councillor Walsh had responded asking a legitimate question which was whether another Councillor could now move the motion as amended allowing the Council to return to the debate on the substantive recommendations. The Monitoring Officer confirmed that neither he, nor the Chief Executive, or any other colleagues had experienced this situation before. A further adjournment would be necessary to consider what to do next and if needed to take further advice.

A further adjournment of 20 minutes was approved to see if the questions asked could be answered.

The Chair confirmed that she would adjourn the meeting for a period 20 minutes. At this time a Point of Order was raised by Councillor Coster in relation to Council Procedure Rule 17.9 – withdrawal of a motion in that this required the consent of the meeting as well as the seconder.

The meeting then adjourned for a period of 20 minutes.

In returning, the Monitoring Officer provided advice and responded to the questions raised by Councillors Walsh and Coster. The requirements of the Constitution at Rule 17.9 were confirmed in that to withdraw the now amended substantive recommendations, the consent of the meeting would be required as well as that of the seconder.

Subject to approval at the next Full Council meeting

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Special Council Meeting - 1.03.23

In view of the position that the Council was now in, the firm advice from Officers was that the meeting be adjourned to 9 March 2023 to allow Officers time to assess the impact of the amendment on the budget and to take legal advice on the way forward. This would be for Members to agree.

Following further discussion, Councillor Cooper proposed and Councillor Gunner seconded that the meeting be adjourned to 9 March 2023 at 6.00 pm.

Following further questions asked, the proposal to adjourn the meeting was put to the vote and it was declared CARRIED.

The Council

RESOLVED

That the meeting be adjourned to 9 March 2023 at 6.00 pm.

(The meeting concluded at 9.16 pm)