

Notes of an Informal meeting of the Policy, Finance & Performance Management Committee held via Zoom video conference platform on Monday 10th January 2021 at 7.30 p.m.

In Attendance:

Councillor A Harris (Mayor) – Chair
Councillor J Bishop
Councillor M Bonfield
Councillor T Foster
Councillor C Moreton
Councillor W Trite
Councillor M Whitwam

Also in attendance:

Councillor C Finch
Councillor N Rogers – to 8.45 p.m.
Dr M Ayres – Town Clerk & RFO
Miss A Spencer – Finance Manager
Mr C Milmer – Visitor Services Manager
Mrs G Percival – Operations Manager

There were no members of the public present at the meeting.

1) Apologies

There were no apologies to report, all committee members being present.

2) Declarations of Interest

Members were invited to declare their interests and consider any requests for Grants of Dispensations in accordance with paragraphs 9 - 13 of the Council's Code of Conduct and regulations made under chapter 7 of the Localism Act 2011.

Agenda Item No. 3 (a) i. – Councillor Bonfield declared a non-pecuniary interest in the scale of charges under the Code of Conduct by reason of being employed as a taxi driver and hiring a grid space in the boat park.

Agenda Item No. 3 (a) i. – Councillor Tomes declared a non-pecuniary interest in the scale of charges under the Code of Conduct by reason of close family members being private beach hut site licensees.

The dispensation granted to the eleven Councillors resident in Swanage to participate in setting the precept until May 2024 was also noted.

3) To Review:

a) Draft Estimates 2022/23

The Town Clerk and Responsible Finance Officer introduced the budget report, incorporating Appendices A – G, which were the culmination of proposals that had been put forward by the Council's Committees during November. It was further reported that a thorough review of the budgets had been undertaken via finance workshops in December, with any recommended changes having been incorporated into the draft budget.

i. Scale of Fees and Charges 2022/23

Members discussed the Scale of Fees and Charges, Appendix G to the report. There had been a general 4% uplift in charges, with some exceptions approved by Committees.

During the workshops, consideration had been given to an increase to the 24-hour car parking charge. It was noted that this was a change to the fees recommended by the Roads & Transport Committee. This matter was discussed at length, but on balance it was agreed that the charges should remain unchanged for the next financial year.

It was RESOLVED:

TO RECOMMEND to the Estimates meeting on 17th January 2022 that Appendix G, the Scale of Fees and Charges, be approved and adopted, subject to the 24 hour car parking fee and associated tariffs being maintained at the current price.

Further to their declarations under item 2) above, Councillors Bonfield and Tomes abstained in relation to those items in which they had declared an interest.

ii. Revenue Budget 2022/23

Turning to proposed expenditure, attention was drawn to Table 3, on page 5 of the Preliminary Budget Report, which summarised the 15 greatest expenditure items for the Town Council. It was noted that the total spent on these matters is projected to increase by £600k between 2018 and 2023, and that the largest single budget heading is employment costs, which could increase further given a number of uncertainties in relation to future salary scales and national pay awards.

Attention was drawn to Appendix B, a list of significant one-off revenue expenditure costs planned for 2022/23, which totalled £114k. A further £38,000 was included for projects that were expected to be deferred from the current year, with these costs being met from reserves. It was noted that a reserve project list had been drawn up, which included projects that had been recommended by Committee, but were deemed non-essential following the workshops. As such, they will only be brought forward if funds permit. These costs, £35,500 in total, were noted as not being included in the draft budget.

The fact that no one-off expenditure had been included in the budgets for 2023/24 and 2024/25 was highlighted.

A question was raised about the requirement of project CF1, Northbrook Cemetery wall repairs. It was confirmed by the Operations Manager that a risk assessment had confirmed that the project was required on safety grounds.

It was RESOLVED UNANIMOUSLY:

TO RECOMMEND to the Estimates meeting on 17th January 2022 that the expenditure listed in Appendix B to the report be approved.

iii. Capital Programme 2022/23

Members considered Appendix D to the report, the capital programme 2022/23 to 2024/25.

It was noted that, since being reviewed by the General Operations Committee in November, several changes had been made to the programme and associated costings following the finance workshops. Again, the question of essential and non-essential projects was raised, most notably in relation to the Sandpit Field and Spa enhancement project. It was noted that this was required due to the need to address seafront land instability.

It was reported that the Sandpit Field and Spa enhancement project had been discussed through several phases of the budget setting process, with £1.5m being the current funding allocation to earmarked reserves. It was further noted that the approval of the capital programme did not represent the final sign-off for any of the projects included therein, which would have to be presented to Council to commit expenditure in due course. Steps would be taken to further develop the Sandpit Field and Spa enhancement project over coming months.

It was RESOLVED, with seven councillors voting in favour and one abstention:

TO RECOMMEND to the Estimates meeting on 17th January 2022 that Appendix D, the draft Capital Programme, be approved.

iv. Precept 2022/23

Members discussed at length the precept level that had been included in the preliminary budget report. It was highlighted that estimated expenditure was increasing year-on-year in line with council's ambitions for increased and better service provision, and that the balancing figure between income and expenditure would need to be met by increasing the precept above inflation (of 4-5%) in order to present a balanced budget over the three-year term of the estimates. The report set out a 9.46% increase on a Band D property, which equated to £14.86 per annum or 29p per week, this being the culmination of discussions that had been held at the councillor workshops.

Concern was raised about the current squeeze on household finances and this was acknowledged, with large increases in the cost of living being forecast. Alternative, lower level precept increase options were presented to members, which had been discussed at the workshops. However, it was noted that these were less effective in addressing the imbalance between income and expenditure.

It was RESOLVED, with six councillors voting in favour and two abstentions:

TO RECOMMEND to the Estimates meeting on 17th January 2022 that the Council approves a precept of £840,000, equivalent to a Band D bill of £172.01 p.a.

The need to carefully explain the reasons for the precept increase in Swanage Matters and online was noted.

Councillor Rogers left the meeting.

b) Reserves Policy

Consideration was given to the Council's Reserves and Balances Policy, last revised and adopted 18th January 2021. The Finance Manager reported that several revisions had been made to the policy document, namely:

- Introduction – A revision to the pertinent section of the Local Government Finance Act 1992; now reads Section 49A; and
- Earmarked Reserves - The inclusion of an earmarked reserve to build up funds to meet future capital expenditure for Environmental Projects, allocating £5,000.

Further to discussion of the Preliminary Budget Report, agenda item 3 a, Members discussed the impact that the capital programme had on the depletion of reserves, with the level of reserves forecast at £2.6m by March 2025. It was noted that the Capital Receipts Reserve could only be used to finance capital expenditure, but was also the foundation of the council's investments.

Attention was drawn to the fact that £200,000 had been proposed to be allocated from the general fund to the Sandpit Field and Spa Enhancement Scheme project in 2021/22. Discussion about the level of funds held in this reserve ensued (£1.5m). It was noted that revenue reserves could be transferred from one ER to another, or back to the general fund, if approved by council.

It was RESOLVED UNANIMOUSLY:

TO RECOMMEND to the Estimates meeting on 17th January 2022 that the revised Reserves Policy and movement on reserves be approved and adopted.

c) Treasury Management and Investment Strategy Statement 2022/23

The Finance Manager outlined the draft strategy statement and outlined any major changes that had been made from the current year's statement, which had been highlighted in the draft document. These were:

- The external context and financial commentary had been updated by Arlingclose.
- The financial tables to reflect the draft budget, agenda item 3 (a), with balances set to decrease to £2.61m by March 2025.
- A revision had been made to the section on the Council's borrowing strategy statement to include a paragraph stating that the Council would consider borrowing should this option prove expedient.
- A revision had been made to the council's investment strategy to include 'consideration will also be given to environmental, social and governance (ESG) factors' when considering new counterparties for investments. It was stated that the revised prudential code would include a section on the requirement for an ESG policy and that this would be reviewed by the committee in the coming months.

It was RESOLVED UNANIMOUSLY:

TO RECOMMEND to the Estimates meeting on 17th January 2022 that the draft Treasury Management and Investment Strategy Statement 2022/23 be approved and adopted.

4) Items of Information and Matters for Forthcoming Agendas

a) James Day Trust

b) Corporate Plan 2021-25

c) Ethical Investments: It was reported that an Environmental, Social and Governance (ESG) report had been received from Arlingclose, the Council's treasury advisors and this would be reviewed at the next meeting of the committee.

d) Freedom of Information Act 2000-Adoption of Revised Publication Scheme

5) **Date of next meeting**

The date of the next meeting was noted as Wednesday 16th February 2022 at 9.30 a.m.

The meeting closed at 8.55 p.m.
