

LYME REGIS TOWN COUNCIL

STRATEGY AND FINANCE COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 1 FEBRUARY 2023

Present

Chairman: Cllr M. Ellis

Councillors: Cllr C. Aldridge, Cllr B. Bawden, Cllr R. Doney, Cllr B. Larcombe, Cllr P. May, Cllr C. Reynolds, Cllr D. Ruffle, Cllr D. Sarson, Cllr R. Smith, Cllr G. Stammers, Cllr G. Turner

Officers: N. Cleal (finance manager), M. Green (deputy town clerk), A. Mullins (support services manager), J. Wright (town clerk)

22/45/SF Public Forum

There were no members of the public who wished to speak.

22/46/SF Apologies for Absence

Cllr R. Smith – family commitment

22/47/SF Minutes

Proposed by Cllr D. Sarson and seconded by Cllr P. May, the minutes of the meeting held on 30 November 2022 were **ADOPTED**.

22/48/SF Disclosable Pecuniary Interests

Cllr C. Reynolds asked if Cllr B. Larcombe had a pecuniary interest in agenda item 11, Consideration by Dorset Council of Council Tax Premiums on Second Homes and Empty Properties, as he had a second home in Lyme Regis.

Cllr B. Larcombe said he did have another property in another part of the country but he didn't regard it as any more of a conflict of interest than members personally voting for the precept, car park charges or residents' parking permits, from which they could directly benefit.

The town clerk said if it was a universal benefit for all members, they were allowed to participate because a decision couldn't be made if all members were debarred from the discussion. He said if an interest was beyond a universal benefit, there was a pecuniary interest argument. However, he said any decision belonged to the member concerned.

Cllr M. Ellis reiterated it was down to the individual member to declare any pecuniary interests but if anyone had any issues with this, it needed to be taken up in the correct way.

22/49/SF Dispensations

There were none.

22/50/SF Matters arising from the minutes of the Strategy and Finance Committee meeting held on 30 November 2022

Members noted the report.

22/51/SF Update Report

Cllr D. Sarson asked if there was an update on the Charmouth Road park and ride following discussions with the landowner.

The town clerk said the deputy town clerk had met with a representative of the family and it was a positive meeting, so the deputy town clerk hoped to take a report to the Full Council meeting on 15 February 2023.

22/52/SF Equality and Diversity Policy

Cllr C. Reynolds said she believed the council would be in breach of its own policy by not having a mobile hoist to use alongside the beach wheelchairs.

The support services manager said the council had no obligation to provide a hoist and there were practical issues which meant it wasn't feasible to have one.

Cllr B. Larcombe said under the Equality Act, people were asked to take reasonable action and use reasonable judgement to accommodate equality and diversity but sometimes things were beyond resources or reasonable intent.

The support services manager said the equality and diversity policy would be reviewed annually going forward as there was case law which indicated every three years was not sufficient. She said members would also be offered training on the policy annually and staff would receive training annually.

Proposed by Cllr P. May and seconded by Cllr B. Larcombe, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the revised equality and diversity policy.

22/53/SF Breaches of Financial Regulations

The finance manager said there was no requirement to report breaches of financial regulations to members but she wanted to be transparent about any errors and how they had been resolved. She said staffing issues had led to some of the breaches.

Cllr P. May said the most frequent problem seemed to be where BACS payments were made and asked if any procedures could be amended to address this.

Although a procedure was already in place which meant any BACS payments had to be authorised in the bank by two managers, the town clerk said officers intended to bring proposals to members to improve this.

22/54/SF Budget Performance, 1 April – 30 November 2022

The finance manager said in October 2022 a surplus of £226k was reported and this was now at £284k.

Cllr D. Sarson asked why the marketing expenditure was almost £600k over budget.

The finance manager said this was a formula error on the spreadsheet and it didn't affect the overall total. She said marketing expenditure was actually £15k against a budget of £18.5k.

Cllr B. Larcombe noted there were a number of unbudgeted items and he asked why they were not included in the budget.

The town clerk said it was all unexpected expenditure; the tractor would be replaced in 2023-24 but the deposit had to be paid in 2022-23, the lengthsman vehicle broke down and had to be replaced immediately, and the Ware Cliff road collapsed so emergency repairs had to be carried out.

Cllr B. Bawden noted the income from amenities was considerably up on budget and asked if this was normal. She also asked why the replacement of car park machines had cost £5k compared to the £50k budget.

The town clerk said the amenities area had always generated a significant income. He said the budget had been based on pre-Covid levels because officers always made prudent assumptions.

The town clerk said a budget was set to replace the car parking machines but the majority was spent in the previous financial year and there was now a programme of replacing one machine a year.

22/56/SF Consideration by Dorset Council of Council Tax Premiums on Second Homes and Empty Properties

The support services manager read out a letter from A. Schaefer, of Cloverdale Court, a warden controlled, retirement development. He said the property was classed as a second home but they planned to retire to Lyme Regis permanently, however if council tax premiums were applied, they would have no option but to sell. He said the flat was not bought for property or investment, it was not sublet and couldn't be used as holiday accommodation, the purchase of the property was age restricted to a minimum age of 55, the service fees were over £4,000 per year, maintenance was carried out by local tradespeople, and the current council tax was paid fully with no discounts. A Schaefer said he believed any council tax premiums should not be made retrospectively and perhaps applied to new builds, and retirement or age restricted properties should be exempt. Although he sympathised with local people who were unable to buy or rent affordable homes in the town, he said the introduction of council tax premiums would unfairly punish and discriminate second homeowners.

Cllr M. Ellis said clarity was needed on how the proposal would benefit Lyme Regis and whether homes that were rented out as holiday accommodation

would be classed as second homes or whether they would pay business rates. However, as some holiday lets didn't pay business rates, she said this was something Dorset Council (DC) would need to look at.

Cllr B. Bawden said DC was keen to have an open debate but it was a complicated issue; as such, she had set out the timetable of meetings when this issue was to be discussed and when the public needed to submit questions and statements. She felt the town council needed to encourage people to continue to write to DC or attend the relevant meetings.

Cllr B. Larcombe said there would be difficulty in Dorset in administering council tax premiums as it wasn't straightforward.

The town clerk said there was a possibility a lot of second homeowners could begin to rent out their properties if they had to pay council tax premiums. He said the irony was, this would make them eligible for business rates but they could be under the threshold for paying business rates. He said broadly speaking, he felt most people would support DC's position on empty homes but he felt more information and definition was needed on what constituted a second home.

The town clerk felt it was also reasonable to ask DC what it would do with the additional income; would it contribute to wider budgets or would there be a benefit for Lyme Regis.

Cllr G. Stammers said if the £9.5million generated was ring-fenced for building homes, even if they were not in Lyme Regis but close by, this would be of benefit.

Cllr B. Bawden asked in light of the letter read out, whether the council should support retirement properties being exempt from the council tax premium.

Members felt any proposals should apply equally to everyone.

Cllr B. Larcombe said even if second homes were brought back into use as a result of the council tax premium, many of those properties wouldn't be within the reach of young people to buy. He said the answer was building more affordable housing.

Cllr B. Bawden said a lot of DC members, across the political divide, were calling on the council to be more proactive in building and buying homes for genuinely affordable social housing. She said the council's response to the proposals could include a suggestion that if it went ahead, the income should be ring-fenced for DC to provide social affordable housing.

The town clerk said if DC made the decision to implement council tax premiums, the detail needed to be considered further and there was unlikely to be enough time before DC's final decision to do this.

Members agreed the council couldn't provide a comment at this stage as more details were needed.

Proposed by Cllr P. May and seconded by Cllr C. Aldridge, members agreed to **RECOMMEND TO FULL COUNCIL** to advise Dorset Council that the town

council would like to opportunity to properly comment on the consideration of council tax premiums on second homes and empty properties but more information was required about the definition of second homes, how it would benefit Lyme Regis and whether the money raised would come back to the locality, but to support the empty homes policy.

It was agreed a copy of the draft minutes of this meeting would be provided to Cllr B. Bawden before DC's Place and Resources Overview Committee on 6 February 2023 so she could feed back the council's views.

22/57/SF Investments and Cash Holdings

Cllr D. Sarson asked if any progress had been made in investigating higher interest rates for a portion of the funds held in the Lloyds Liquidity Manager account.

The town clerk said officers were working on this and would bring a report to the Full Council.

Cllr B. Bawden asked if officers were using any environment, social and governance (ESG) criteria in evaluating where to invest the council's funds as this was part of the climate and environmental emergency declaration.

The town clerk said officers were looking at low risk investment and high street banks and building societies. He said members could have the discussion about ethical and green criteria but officers were trying to secure the best interest rates. He said he didn't know if officers knew enough of the criteria but they could try to find out.

Proposed by Cllr B. Larcombe and seconded by Cllr D. Sarson, members agreed to **RECOMMEND TO FULL COUNCIL** that the council continues its approach to investments along the lines the town clerk has outlined and that a further report is taken to the Full Council meeting on 15 February 2023.

22/58/SF List of Payments

Cllr B. Larcombe asked why the professional fees were so high in relation to the Jubilee Pavilion and Antiques and Craft Centre.

The town clerk said it included surveys and drawings but he would check with the deputy town clerk what was specifically included.

Proposed by Cllr M. Ellis and seconded by Cllr B. Larcombe, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the attached schedule of payments November 2022 for the sum of £376,666.20 and £129,377.99, respectively.

22/59/SF Debtors

Proposed by Cllr M. Ellis and seconded by Cllr B. Larcombe, members **RESOLVED** that under Section 1, Paragraph 2 of The Public Bodies (Admission to Meetings) Act 1960, the press and public be excluded from the meeting for this item of business as it included confidential matters relating to relating to the financial or business affairs of any particular person within the meaning of paragraphs 1 and 8 of schedule 12A to the Local Government Act 1972 (see Section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information) Act 1985), as amended by the Local Government (Access to Information) (Variation) Order 2006.

22/60/SF Exempt Business

a) Debtors

The finance manager said since the report was written, the total debt had reduced by just under £12k, made up mainly of chalet debt.

Members agreed it was commendable that debt had been brought down to its current level.

The meeting closed at 8.11pm.