

Public Document Pack

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A meeting of the **Cabinet** will be held in Committee Room 2 at East Pallant House Chichester on **Tuesday 11 July 2017 at 09:30**

MEMBERS: Mr A Dignum (Chairman), Mrs E Lintill (Vice-Chairman), Mr R Barrow, Mr J Connor, Mrs P Hardwick, Mrs J Kilby, Mrs S Taylor and Mr P Wilding

AGENDA

1 **Chairman's Announcements**

The chairman will make any specific announcements for this meeting and advise of any late items which will be given consideration under agenda item 18 (a) or (b).

Apologies for absence will be taken at this point.

2 **Approval of Minutes** (pages 1 to 10)

The Cabinet is requested to approve as a correct record the minutes of its meeting on Monday 19 June 2017, a copy of which is circulated with this agenda.

3 **Declarations of Interests**

Members are requested to make any declarations of disclosable pecuniary, personal and/or prejudicial interests which they might have in respect of matters on the agenda for this meeting.

4 **Public Question Time**

In accordance with Chichester District Council's scheme for public question time and with reference to standing order 6 in part 4 A and section 5.6 in Part 5 of the Chichester District Council *Constitution*, the Cabinet will receive any questions which have been submitted by members of the public in writing by 12:00 on the previous working day. The total time allocated for public question time is 15 minutes subject to the chairman's discretion to extend that period.

RECOMMENDATIONS TO THE COUNCIL

5 **Approval of the Vision for Chichester City Centre** (pages 11 to 15)

The Cabinet is requested to consider the agenda report and its three appendices

(contained in the first agenda supplement) and to make the following recommendations to the meeting of the Council on Tuesday 25 July 2017 namely that:

- (1) The final text of the Chichester Vision document, having been reviewed by and (if applicable) subject to amendments suggested by the Cabinet, be approved by the Council.
- (2) The Economic Development Manager, following consultation with the Leader of the Council, be delegated authority to enable minor amendments to be made to the document following any further comments from project partners.

6 Chichester District Council Annual Report for 2016-2017 (pages 16 to 17)

The Cabinet is requested to consider the agenda report and its three appendices contained in the first agenda supplement and to make the following recommendation to the meeting of the Council on Tuesday 25 July 2017 namely that:

The Annual Report for 2016-2017 be received by the Council.

7 Making the Lavant Neighbourhood Development Plan (pages 18 to 19)

The Cabinet is requested to consider the agenda report and to make the following recommendation to the Council meeting on Tuesday 25 July 2017 namely that:

That subject to a successful referendum the Council agrees to make the Lavant Neighbourhood Development Plan part of the Development Plan for Chichester District (excluding the area within the South Downs National Park).

8 South Downs National Park Authority - Development Management Agency Agreement (pages 20 to 27)

The Cabinet is requested to consider the agenda report and its three appendices contained in the first agenda supplement (the second and third appendices are confidential and exempt from publication within Part II and will be circulated to members and relevant officers only) and to make the following recommendations to the Council meeting on Tuesday 25 July 2017 namely that:

- (1) The entering into a new Agreement with the South Downs National Park Authority (SDNPA) under section 101 of the Local Government Act 1972 be approved to enable the Council to continue to provide a development management service to the SDNPA for up to three years initially until 30 September 2020 and, subject to a further report to Cabinet and Council, for a further two years up until 30 September 2022 if the arrangements are working effectively and agreeable to both authorities.
- (2) The Head of Planning Services be authorised to conclude negotiations on the Section 101 Agreement including the Service Level Agreement and related Protocols and complete the Agreement.

- (3) The proposed basis for payments set out in appendix 1 and 2 for the delivery of a development management service to the SDNPA be approved.
- (4) The recommendations from Overview and Scrutiny Committee as set out in paragraph 9.1 in the agenda report be considered.

KEY DECISIONS

9 Plot 21 Terminus Road Chichester (pages 28 to 32)

The Cabinet is requested to consider the agenda report and its two appendices contained in the first agenda supplement, the second of which is exempt from publication and has been circulated to members and relevant officers only (see agenda item 19: Exclusion of the Press and the Public) and to make the following resolution namely that:

The updated information relating to the capital cost of the project in the confidential appendix 2 and the Return on Investment (ROI) under section 8 of this report be noted and the budget to enter into a contract with the preferred contractor, contractor (A), to deliver the business unit scheme on Plot 21 Terminus Road Chichester be released.

OTHER DECISIONS

10 Appointment to the BID Board (page 33)

The Cabinet is requested to consider the agenda report and to make the following resolution namely that:

That Jane Kilby be appointed as the 'Alternative Director' (substitute member) to serve as the Council's representatives on the BID's Board

11 Chichester Market (pages 34 to 37)

The Cabinet is requested to consider the agenda report and its two appendices contained in the first agenda supplement, the second of which is exempt from publication and has been circulated to members and relevant officers only (see agenda item 19: Exclusion of the Press and the Public), and to make the following resolutions namely that:

- (1) Officers be authorised to renew the Street Trading Consent held by the current market operator for the running of the Wednesday Market for a further period of two years.
- (2) Improvements to the presentation of the market be obtained in accordance with the recommendations of the Task and Finish Group.
- (3) The Street Trading Consent do make provision for a Christmas Market to be held in the precinct for nine days in 2017 and 2018 (affecting one Wednesday market each year) and account be taken of this in the grant of a new Street Trading Consent with the possibility of an alternative trading day

to be offered in lieu of the lost Wednesdays.

12 **Council Tax Reduction Scheme for 2018-2019** (pages 38 to 43)

The Cabinet is requested to consider the agenda report and its appendix and to make the following resolution namely that:

That the Head of Finance and Governance Services be authorised, following consultation with the Cabinet Member for Finance and Governance Services, to prepare and consult upon a draft 2018-2019 council tax reduction scheme options as proposed in appendix 1, to be brought back to Cabinet in November 2017 for recommendation to the Council.

13 **Delivery of the Tangmere Strategic Development Location** (pages 44 to 55)

The Cabinet is requested to consider the agenda report and its three appendices and to make the following resolutions namely that:

- (1) The use of the Council's compulsory purchase and associated powers (which at this stage are anticipated as likely to include but not be limited to those under the *Town and Country Planning Act 1990* and the *Local Government Act 1972*) to facilitate comprehensive development at Tangmere SDL be supported in principle, subject to the Council being satisfied that the acquisition of each interest or right to be acquired is justified in the public interest.
- (2) In conjunction with the appointed CPO advisors, work commences on the selection process to identify a suitable development partner (master developer) to deliver a masterplan for the Tangmere SDL and a subsequent scheme that delivers the comprehensive development of the Tangmere SDL in accordance with the adopted Chichester Local Plan and 'made' Tangmere Neighbourhood Development Plan.
- (3) Retention of Knight Frank (CPO Advisor), Citicentric (CPO Surveyor/non-legal advice) and Davitt Jones Bould (legal advice) to assist the Council in carrying out the above steps, subject to remaining within the overall approved budget provision for the project, be approved.
- (4) The authorisation of officers to undertake the next steps as set out in section 6 of the agenda report be approved.

14 **Pallant House Gallery - Revised Articles of Association** (pages 56 to 59)

The Cabinet is requested to consider the agenda report and its appendix contained in the first agenda supplement and to make the following resolution namely that:

The revised Articles of Association for Pallant House Gallery in the appendix to the agenda report be approved.

15 **Pay Policy** (pages 60 to 73)

The Cabinet is requested to consider the agenda report and its two appendices and to make the following resolution namely that:

- (1) The proposed Pay Policy Statement as outlined in appendix 1 be approved.
- (2) A comprehensive review of posts based on the Pay Policy Statement to ensure a consistent and fair pay structure be authorised.
- (3) The release of £25,000 from reserves be authorised to fund temporary staffing within the Human Resources service to support the implementation of this project.

16 **Public Spaces Protection Order - Dog Control** (pages 74 to 76)

The Cabinet is requested to consider the agenda report and its five appendices, which are contained in the first agenda supplement, and to make the following resolution namely that:

The making of the Public Spaces Protection Order - Dog Control relating to the behaviours and geographical areas set out in appendices 1 and 2 to the agenda report be authorised.

17 **Treasury Management 2016-2017 Out-turn Report** (pages 77 to 89)

The Cabinet is requested to consider the agenda report and its four appendices and to make the following resolution namely that:

The review of Treasury Management activity and performance for 2016-2017 and the final Prudential Indicators for 2016-2017 to 2021-2022 as detailed in appendix 2 to the agenda report be noted.

18 **Late Items**

- (a) Items added to the agenda papers and made available for public inspection
- (b) Items which the chairman has agreed should be taken as matters of urgency by reason of special circumstances to be reported at the meeting

19 **Exclusion of the Press and Public**

The Cabinet will be asked if required to consider in respect of the appendices listed below whether the public including the press should be excluded from the meeting on the following ground of exemption in Schedule 12A to the *Local Government Act 1972* in each case namely Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

The aforementioned appendices are as follows:

- Appendices 2 and 3 to Agenda Item 8: South Downs National Park Authority – Development Management Agency Agreement
- Appendix 2 to Agenda Item 9: Plot 21 Terminus Road Chichester
- Appendix 2 to Agenda Item 11: Chichester Market

[**Note** These appendices within this part of the agenda is attached for members of the Council and relevant officers only (printed on salmon paper)]

NOTES

1. The press and public may be excluded from the meeting during any item of business wherever it is likely that there would be disclosure of “exempt information” as defined in section 100A of and Schedule 12A to the *Local Government Act 1972*.
2. The press and public may view the report appendices which are not included with their copy of the agenda on the Council’s website at [Chichester District Council - Minutes, agendas and reports](#). unless they contain exempt information.
3. Subject to the provisions allowing the exclusion of the press and public, the photographing, filming or recording of this meeting from the public seating area is permitted. To assist with the management of the meeting, anyone wishing to do this is asked to inform the chairman of the meeting of their intentions before the meeting starts. The use of mobile devices for access to social media is permitted, but these should be switched to silent for the duration of the meeting. Those undertaking such activities must do so discreetly and not disrupt the meeting, for example by oral commentary, excessive noise, distracting movement or flash photography. Filming of children, vulnerable adults or members of the audience who object should be avoided. [Standing Order 11.3 of Chichester District Council’s *Constitution*]
4. A key decision means an executive decision which is likely to:
 - result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council’s budget for the service or function to which the decision relates or
 - be significant in terms of its effect on communities living or working in an area comprising one or more wards in the Council’s area or
 - incur expenditure, generate income, or produce savings greater than £100,000

NON-CABINET MEMBER COUNCILLORS SPEAKING AT THE CABINET

Standing Order 22.3 Chichester District Council’s *Constitution* provides that members of the Council may, with the chairman’s consent, speak at a committee meeting of which they are not a member, or temporarily sit and speak at the Committee table on a particular item but shall then return to the public seating area.

The Leader of the Council intends to apply this standing order at Cabinet meetings by requesting that members should *normally* seek his consent in writing by email in advance of the meeting. They should do this by noon on the day before the meeting, outlining the

substance of the matter that they wish to raise. The word normally is emphasised because there may be unforeseen circumstances where a member can assist the conduct of business by his or her contribution and where he would therefore retain his discretion to allow the contribution without notice.



Minutes of the meeting of the **Cabinet** held in the Committee Rooms at East Pallant House Chichester on Monday 19 June 2017 at 10:00

Members Present Mr A Dignum (Chairman), Mrs E Lintill (Vice-Chairman), Mr J Connor, Mrs P Hardwick, Mrs J Kilby, Mrs S Taylor and Mr P Wilding

Members Absent Mr R Barrow

Officers Present Mr M Allgrove (Planning Policy Conservation and Design Service Manager), Mr S Carvell (Executive Director), Mr R Dunmall (Housing Operations Manager), Mr A Frost (Head of Planning Services), Mrs L Grange (Housing Delivery Manager), Mrs M Grêlé (Housing Options Manager), Mr P E Over (Executive Director), Mrs D Shepherd (Chief Executive), Mr G Thrussell (Senior Member Services Officer) and Mr J Ward (Head of Finance and Governance Services)

366 **Chairman's Announcements**

Mr Dignum welcomed the members of the public, the press representative and Chichester District Council (CDC) members and officers who were present for this meeting.

He referred to the dreadful fire at the Grenfell Tower in North Kensington London on Wednesday 14 June 2017. He announced that the Chief Executive, Diane Shepherd, would be making a statement at the start of the special meeting of the Council later in the day to explain what response CDC would be making locally within Chichester as a result of this terrible tragedy. A national one-minute silence would be observed at 11:00 today and if in still in session at that time this meeting would pause for that purpose.

He congratulated Mrs Keegan on becoming the MP for the Chichester constituency in the general election held on Thursday 8 June 2017. In consequence of her election she had stepped down as a Cabinet member on Saturday 10 June 2017.

He welcomed the following new members to the Cabinet: Mr Connor (Environment Services), Mrs Kilby (Housing Services) and Mr Wilding (Business Improvement Services).

He expressed his gratitude to Mrs Keegan and also to Mrs Plant and Mrs Purnell for their service while Cabinet members. Mrs Plant and Mrs Purnell had left the Cabinet, in the case of Mrs Purnell by virtue of her election as a member of West Sussex County Council.

There were no late items for consideration under agenda item 12.

There was one apology for absence from Mr Barrow.

All other members of the Cabinet were present.

[**Note** Hereinafter in these minutes CDC denotes Chichester District Council]

367 **Approval of Minutes**

The Cabinet received the minutes of its meeting on Tuesday 9 May 2017, which had been circulated with the agenda (copy attached to the official minutes).

There were no proposed changes to the minutes.

Decision

The Cabinet voted unanimously on a show of hands to approve the minutes without making any amendments.

RESOLVED

That the minutes of the Cabinet's meeting on Tuesday 9 May 2017 be approved without amendment.

Mr Dignum then duly signed and dated the final (twelfth) page of the official version of the aforesaid minutes as a correct record.

368 **Declarations of Interests**

The following declarations of personal interests were made by members of the Cabinet and CDC members present as observers in respect of the agenda item 7 (Draft Southern Gateway Masterplan for Public Consultation):

- (a) Mrs C M M Apel as a member of Chichester City Council (West Ward)
- (b) Mr Dignum as a member Chichester City Council (North Ward)
- (c) Mrs J Kilby as a member of Chichester City Council (East Ward)
- (d) Mr L Macey as a member Chichester City Council (North Ward)
- (e) Mr Oakley as a member of West Sussex County Council (Chichester East Division)
- (f) Mr R E Plowman as a member of Chichester City Council (West Ward)

(g) Mrs Purnell as a member of West Sussex County Council (Selsey Division)

369 **Public Question Time**

No questions by members of the public had been submitted for this meeting.

370 **Chichester Local Plan Review: Timetable and Issues and Options Consultation**

The Cabinet received and considered the agenda report and its three appendices in the first agenda supplement (copies attached to the official minutes).

The report was presented by Mrs Taylor.

Mr Allgrove and Mr Frost were in attendance for this item.

Mrs Taylor said that this review of the *Chichester Local Plan: Key Policies 2014-2029* (CLP), which had been adopted in July 2015, was imposed by the planning inspector in pronouncing the CLP to be sound. The requirement for a review within five years was due to the annual housing figure in the CLP of 435 homes per year falling short of meeting the objectively assessed need (OAN) at that time of 505 homes per year. Satisfying the OAN was a particular challenge for Chichester District since 70% of the area fell within the South Downs National Park and so outside the CLP area. A portion of the remaining 30% was either in the AONB or subject to environmental constraints eg flooding. In addition Chichester District was adjacent to other large urban areas with growth in employment and housing requirements, particularly in Arun District Council and Havant Borough Council areas. Moreover, it was evident from recent examinations of other local authorities' local plans that councils were having to plan for very substantial increases in housing numbers and CDC could not assume that it would be exempt at the review examination. Despite not being able at this stage to estimate the scale of development for which CDC would be required to allocate land, the plan-making process had to be commenced now. The timetable was set out in appendix 1 (page 9) and would require close adherence in order to ensure adoption was completed within five years ie by July 2020. The absence of a new local plan could render the CLP area vulnerable to speculative development in inappropriate and even damaging locations instead of the most suitable sites which balanced meeting demand with minimising harm to the area's wonderful natural heritage.

The first main stage of the review process was the Issues and Options consultation which was due to run from 22 June to 3 August 2017, using a questionnaire to engage the community (parish councils and their residents) and drawing out comments and information to help CDC draft a strategy and preferred policy options to be included in the CLP review document. Community engagement was a very important process. The possible locations for housing development listed in the consultation were described only in broad terms at this stage. As the plan-making process progressed, the options would become narrower in range and more clearly defined.

The consultation would be accompanied by a sustainability appraisal (SA) which would deal specifically with the locations in questions 11 and 14. A SA assessed *inter alia* the social, environmental and economic impacts of the development options in the CLP review. At this preliminary stage this SA provided only an outline summary of the positive and negative impacts of options.

The consultation documents were amended in the light of comments made by CDC's Development Plan and Infrastructure Panel on 3 May 2017 (para 6.9 of the report).

Consultation on the SA and the Habitat Regulations Assessment would run in parallel with the issues identified in the CLP review questionnaire.

Mr Allgrove and Mr Frost did not wish to add to Mrs Taylor's presentation.

In reply to two questions by Mr Wilding with respect to (a) how the receipt of feedback from stakeholders could be ensured and (b) how responses were weighted, Mr Allgrove summarised the publicity means which would be used by CDC and explained that all comments received would be carefully considered by officers including responses from statutory consultees such as Natural England, Historic England and Highways England.

Decision

At the end of the discussion the Cabinet voted unanimously on a show of hands in favour of making the recommendations set out below.

RECOMMENDED TO THE COUNCIL

- (1) That the published Local Development Scheme 2017-2020 be amended by adding the key dates for the Local Plan Review set out in paragraph 6.3 of the agenda report.
- (2) That the Local Plan Review Issues and Options documents presented as appendices to the agenda report be approved for a six-week period of public consultation from 22 June to 3 August 2017.
- (3) That the Head of Planning Services be authorised following consultation with the Cabinet Member for Planning Services to make minor amendments to the consultation documents prior to their publication.

371 Draft Statement of Community Involvement for Public Consultation

The Cabinet received and considered the agenda report and its appendix in the first agenda supplement (copies attached to the official minutes).

The report was presented by Mrs Taylor.

Mr Allgrove and Mr Frost were in attendance for this item.

Mrs Taylor explained that it was a legal requirement for a local authority to produce a statement of community involvement (SCI), which would set out CDC's approach to engage the public and other interested parties, including specific organisations that had to be consulted, in all planning policy and development management matters. An SCI explained the different categories of planning documents, the stages applicable to them and how the development management system worked. There were five engagement commitments to guide CDC in undertaking consultations (para 3.1 page 124): (a) be clear about what we are doing; (b) be inclusive; (c) be accessible; (d) be transparent; (e) be accountable. The current SCI was adopted in 2013. Although not caught by the prospective requirement under the recently enacted *Neighbourhood Planning Act 2017* to review an SCI every five years, given the review of the *Chichester Local Plan: Key Policies 2014-2029* (CLP) now underway this was an appropriate time to review the SCI. The SCI was not the subject of amendments when considered by CDC's Development Plan and Infrastructure Panel on 3 May 2017 (para 8.2 of the report). If approved by the Council later in the day the draft SCI would be made available for public consultation for a period of six weeks between 22 June 2017 and 3 August 2017.

Mr Allgrove and Mr Frost did not wish to add to Mrs Taylor's presentation.

In reply to questions by Mrs Hardwick and Mr Connor, Mr Allgrove advised that (a) whilst para 2.9 of the draft SCI (page 122) did not refer to the opportunity for interested parties to comment during the examination, this could be inserted after the forthcoming consultation, whereas to add it now would delay its start by about a week which would be undesirable and (b) for those who did not have access to or felt able to use the online consultation, there would be the opportunity (which would be made clear) to participate using local libraries and written comments would be accepted.

Decision

At the end of the discussion the Cabinet voted unanimously on a show of hands in favour of making the recommendations set out below.

RECOMMENDED TO THE COUNCIL

- (1) That the Statement of Community Involvement be approved for a six-week public consultation.
- (2) That authority be delegated to the Head of Planning Services following consultation with the Cabinet Member for Planning Services to enable minor amendments to be made to the document prior to and following public consultation.

372 Draft Southern Gateway Masterplan for Public Consultation

The Cabinet received and considered the agenda report and its appendix in the first agenda supplement (copies attached to the official minutes).

The report was presented by Mr Dignum.

Mr Allgrove and Mr Frost were in attendance for this item.

Mr Dignum said that Matthew Lappin of David Lock Associates, the town planning and urban design consultants engaged for the Chichester Southern Gateway Draft Masterplan (CSG DM) project (which included preparation of the Strategic Environmental Assessment) was present at this meeting and was available to answer the Cabinet's questions. Mr Lappin would be giving a full presentation to the special meeting of the Council later in the day at 14:00 and would respond then to CDC members' questions.

Mr Dignum presented the report, which stated that at this stage it was proposed to hold a public consultation on the CSG DM. He explained the relationship between the draft Chichester Vision process (he read out its theme) and the CSG DM (para 5.3 of the report). The Vision, which supported the enhanced role and function of the city centre as a leading visitor destination with a vibrant and growing economy that was also accessible and attractive, identified three major projects: CSG, the Northern Gateway and the West Street Piazza. The intention was to enhance the SG area of the city, which was a key point of arrival, by developing parcels of land to produce a comprehensive mixed use of housing, retail and commercial development, the last of which to include a hotel. The Canal Basin was identified as an important component in the masterplan scheme. Key priorities included (a) reducing the dominance of road traffic and congestion and (b) improving safety in the Southgate Gyratory and design quality (no building to be higher than four storeys). CDC was working closely with its partners and negotiations were taking place with Stagecoach and Royal Mail to achieve the relocation of their sites. This scheme had clear potential for delivery and there was a strong local appetite for the proposed residential and mixed use development. Funding was addressed in section 7 of the report and funding options would include the Local Enterprise Partnership and other government sources.

Mr Allgrove advised that at a meeting of CDC's Development Plan and Infrastructure Panel on Thursday 15 June 2017 it was questioned whether the transport appraisal for the CSG DM had been signed off. This was now the case after West Sussex County Council had made various proof-reading amendments to the transport appraisal report (which was then republished on the committee papers page of CDC's website); the changes made were not fundamental. The consultation, if approved by the Council at its special meeting later in the day, would run from 29 June to 10 August 2017. The cost of the two highway options A and B had been updated respectively from £4m to £5.3m and £8m to £8.2m (page 138 of the second agenda supplement) and changes to pages 166 and 169 in particular would be incorporated into the documents prior to the start of the consultation.

Mr Dignum briefly summarised the principal difference between the traffic proposals in Options A and B. He said that the CSG DM, which after 12 months work was currently the most advanced of the three projects identified by the Chichester Vision, was a masterplan to guide new development and was not at this stage a prescriptive statement about how to develop this part of the city.

Mrs Kilby and Mrs Hardwick commended the document and the very hard work which had evidently been put into it by officers, members and the consultants.

In reply to Mrs Hardwick who, with reference to page 175 in the main agenda supplement, emphasised the need for the SG DM to identify very clearly that community health was a development objective, Mr Carvell confirmed that this would be added to the development aspirations on that page.

Mr Dignum thanked Mr Lappin for his attendance at this meeting.

Decision

At the end of the discussion the Cabinet voted unanimously on a show of hands in favour of making the recommendations set out below.

RECOMMENDED TO THE COUNCIL

- 1) That the Draft Southern Gateway Masterplan (as set out in the appendix to the agenda report) be approved for public consultation.
- 2) That authority be delegated to the Head of Planning Services following consultation with the Cabinet Member for Planning Services to enable minor amendments to be made to the document prior to public consultation.

373 Flexible Homelessness Support Grant

The Cabinet received and considered the agenda report (copy attached to the official minutes).

The report was presented by Mrs Kilby.

Mr Dunmall and Mrs Grêlé were in attendance for this item.

Mrs Kilby summarised the introduction by the government with effect from 1 April 2017 of the new Flexible Homelessness Support Grant (FHSG) as the successor to the Temporary Accommodation Management Fee (TAMF). Unlike the TAMF, the FHSG would provide a much higher financial allocation but the funds would be ring-fenced and were to be deployed to address proactively and preventatively a range of flexible homelessness services. The coming into force in 2018 of the Homelessness Reduction Act 2017 and the roll-out of Universal Credit in Chichester District in 2018 were expected to increase the demands on CDC's Housing Options team. In view of this, section 5 of the report set out the proposal to create two new posts in the Housing Service and to help support the introduction of a new and improved IT system (para 3.6 and section 7).

The officers did not wish to add to Mrs Kilby's presentation.

Mrs Lintill spoke in full support of the proposals in the report to address the crucially important issue of homelessness.

Mrs Shepherd replied to a question by Mr Wilding regarding employment rights for the proposed two new posts.

Decision

The Cabinet voted unanimously on a show of hands in favour of the resolution below.

RESOLVED

That authority be delegated to the Head of Housing and Environment Services to spend the Flexible Homelessness Support Grant in accordance with the proposals in section 5 of the agenda report.

374 Appointments to External Organisations 2017-2018

The Cabinet received and considered the agenda report and its appendix (copies attached to the official minutes).

The report was introduced by Mr Dignum. He explained that the table in the appendix recorded changes in consequence of Mrs G Keegan stepping down from the Cabinet following her election as an MP earlier in the month and the appointment of Mr G A F Barrett to fill the vacancy for a deputy on the Standing Conference on Problems Associated with the Coastline (SCOPAC) (item 26 page 35).

There was no officer attendance for this item.

Decision

The Cabinet voted unanimously on a show of hands in favour of the resolution below.

RESOLVED

That the representatives be appointed to serve on the external organisations for 2017-2018 as set out in the appendix to the agenda report with the addition in item 26 of Graeme Barrett as the deputy for the Standing Conference on Problems Associated with the Coastline (SCOPAC).

375 Appointments to Panels and Forums and other Groups 2017-2018

The Cabinet received and considered the agenda report and its appendix (copies attached to the official minutes).

The report was introduced by Mr Dignum. He explained that the table in the appendix required amendment in that (a) on the Business Routeing Panel (page 38) Mrs C Apel was erroneously shown as a Conservative instead of a Liberal Democrat and (b) on the Chichester District Parking Forum Mrs Kilby had replaced Mrs Keegan in consequence of Mrs G Keegan stepping down from the Cabinet following her election as an MP earlier in the month (page 40).

There was no officer attendance for this item.

Decision

The Cabinet voted unanimously on a show of hands in favour of the resolution below.

RESOLVED

That the membership of Panels and Forums for 2017-2018 as set out in the appendix to the agenda report to the agenda report be approved subject to (a) the amendment of the party affiliation for Mrs C Apel to say '(LD)' instead of '(C)' and (b) the substitution of Jane Kilby for Gillian Keegan on the Chichester District Parking Forum.

376 Custom and Self Build Register

The Cabinet received and considered the agenda report and its two appendices (copy attached to the official minutes).

The report was presented by Mrs Kilby.

Mrs Grange was in attendance for this item.

Mrs Kilby summarised the legislative context with reference to the Self-build and Custom Housebuilding Act 2015 and its secondary legislation, the Housing and Planning Act 2016, the broad details of how a register was to be created and maintained for those wishing to undertake self-build and custom housebuilding projects in the Chichester Local Plan area (section 3 of the report) and the no fee which CDC would operate initially pending review in the light of subsequent planning guidance (section 5).

Mrs Grange did not add to Mrs Kilby's introduction.

Mr Dignum pointed out that this would not require CDC to purchase plots of land to make available for such development but only to give 'appropriate' planning permission if such developments were the subject of planning applications.

Mrs Grange and Mr Carvell answered members' questions and comments on points of detail with respect to (a) the meaning of 'appropriate' planning permission and whether such applications could be determined in the usual way in accordance with CDC's planning policies – this had yet to be defined by planning guidance; (b) it should be made very clear that the local authority's duty was to grant planning permissions and not provide plots of land for such developments to take place - the currently available regulations and guidance clearly stated that a local planning authority's duty was to grant sufficient planning permissions and not to make available plots of land; (c) whether the correct interpretation of 'houses to be occupied as homes by those individuals' would ensure that such homes once built were not immediately sold in view of the aim of Part I of the register which was to ensure that such homes were lived in by those with a local connection – planning guidance was awaited on this point; (d) the meaning of 'sufficient' in the phrase 'sufficient permissioned and serviced land' in para 6.1 ii) of the report – this must

await further planning guidance, if indeed it would be defined but it was likely to mean 'sufficient' to meet the level of demand in Part 1 of the register; and (e) the register would not apply to the South Downs National Park area of Chichester District notwithstanding that CDC was the housing authority for the whole of Chichester District.

Mrs Kilby said she noted and shared the concerns on points of detail expressed by members and where answers were not yet known, the publication of planning guidance was awaited.

Decision

The Cabinet voted unanimously on a show of hands in favour of the resolution below.

RESOLVED

That the adoption of a two-part register with local connections and resources conditions for entry to the Part I register be approved as set out in appendix 2 to the agenda report.

377 Late Items

As announced by Mr Dignum at the start of this meeting, there were no late items for consideration at this meeting.

378 Exclusion of the Press and Public

There were no Part II items listed on the agenda and so no resolution to exclude the press and the public was required to be made at this meeting.

[Note The meeting ended at 10:57]

CHAIRMAN

DATE

Chichester District Council

THE CABINET

11 July 2017

Approval of the Vision for Chichester City Centre

1. Contacts

Report Author:

Stephen Oates - Economic Development Manager

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Cabinet Member:

Tony Dignum - Leader of the Council

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2. Recommendation

2.1 To review the final text for the Chichester Vision document, suggest any amendments thereon and to recommend the final text to the Full Council for approval.

2.2 That authority be delegated to the Economic Development Manager, following consultation with the Leader of the Council, to enable minor amendments to be made to the document following any further comments from project partners.

3. Background

3.1 A key priority under the Council's Corporate Plan is to 'improve and support the local economy'. One of the objectives under this priority is to "*promote Chichester District as a visitor and cultural destination*" and another is to "*promote the City (and town centres) as vibrant places to do business*". A key project listed under this objective is '*Preparation of a vision for Chichester City*'.

3.2 In early 2015 the Economic Development Service facilitated internal discussions with members regarding the future of Chichester City Centre and the opportunities for significant economic growth and job creation. Members agreed that there is a need to develop a vision for the City Centre with partners which recognises the variety of factors and issues impacting on its future growth, which identifies existing un-tapped opportunities, seeks out new ideas and proposals, and which links each of them together into one cohesive vision.

3.3 The Service was tasked with taking the project forward working in partnership with local businesses, business and community organisations, and with other local authorities.

3.4 A Steering Group was established which is chaired by the Council's Leader and comprises members and senior officers from the District Council, West

Sussex County Council and Chichester City Council, the Chairman of Chichester Business Improvement District and a representative of Visit Chichester. A Project Partners Group was established to provide input and additional operational support, and to assist as a consultative body through each stage of the project. The Project Partners Group comprises senior representatives from a range of local businesses, attractions and organisations.

4. Outcomes to be Achieved

- 4.1 Much of the work in this project has involved research and analysis, generation and consideration of ideas and proposals, and partnership working with other public sector authorities and with the private sector. In summary, the anticipated long-term outcomes will include:
- (a) A clear, credible and locally supported articulation of ‘what we want Chichester City Centre to be’, focusing on the function and future of the City Centre compared to now
 - (b) Chichester City Centre’s offer developed as a vibrant and attractive commercial and cultural focal point serving residents, workers and visitors, across all demographics
 - (c) The identification of development opportunities to meet identified needs
 - (d) Partnership working with the private sector and others in the public sector
 - (e) A well-managed, well-coordinated, and well promoted City Centre
 - (f) Increasing profile of the City and the District
 - (g) Significant new inward investment and funding into the City and the District
 - (h) Substantial economic growth and the creation of jobs, including higher-value jobs

5. Methodology and Consultation

- 5.1 Central to developing the Vision has been a drive to generate and inspire new ideas, new proposals and new thinking, and to provide the key data, information and market intelligence required to take an informed view.
- 5.2 The proposals in the Vision have therefore been shaped by field research, reviews of previous plans and strategies, facilitated workshops attended by representatives of community and business organisations and a comprehensive range of studies including:
- Research into comparable towns and cities
 - Qualitative and quantitative studies into usage and satisfaction of the City and its facilities among residents, businesses, workers and visitors. These included:
 - Chichester City Centre User Survey
 - Chichester City Centre Business Performance Survey

- Economic impact of main visitor attractions
 - Destination Benchmarking Desk Review
 - An ‘audit’ or baseline study of the City in terms of its character and condition, the ease of access, physical assets and the diversity of its local economy
 - A retail trends study
 - A study by the University of Chichester into usage and satisfaction of the City and its facilities among students
- 5.3 These studies produced a number of recurring topics which formed the foundation to our first full draft Vision document. This sets out an overarching Vision statement supported by three principal themes and a number of underlying proposals, ideas and opportunities. Following review by project partners and the Steering Group, this ‘consultation draft’ was published for full public consultation in February this year.
- 5.4 An electronic survey was made available on the Council’s website between 6 February and 19 March 2017 and a paper version of the survey was available on request. The survey was promoted via news release, the Council’s social media accounts, and via an A5 leaflet delivered to 39,866 households in Chichester postcode areas. In addition, six ‘View the Vision’ exhibitions were held around the city centre.
- 5.5 In summary, the Vision has been well received and the consultation responses provide a clear steer that the ambitions and aspirations set out in the draft document are welcomed and agreed by a high majority – generally well in excess of three-quarters – of respondents. (A summary of the public consultation responses is included at appendix 2.) The outcome of the consultation has been reviewed and considered by the Steering Group.
- 5.6 The Vision document has now been updated and amended to reflect the consultation responses. A near-final draft of the text has been reviewed by the Overview and Scrutiny Committee, by a number of project partners, and by internal services. There were no recommendations from OSC to Cabinet to change or amend the text. Those project partners who responded – including the Cathedral, the Theatre and the University – and other services consulted have confirmed their approval of the text subject to a handful of generally minor amendments which have been incorporated into the final text.

6. Proposal and Next Steps

- 6.1 The final text is attached at appendix 1. The Cabinet is requested to recommend the final text for approval by full Council.
- 6.2 In conjunction with the drafting of the final text, new visuals, images and illustrations, together with document layout and design, are currently being prepared for the final document. It is proposed that the draft design and illustrative images for the Vision be also submitted to full Council for approval in July 2017. A similar process of review and approval will be taking place in the other local authorities and Chichester BID.

- 6.3 Following content approval, the final document design will be completed for printing. A copy of the project timetable is attached at appendix 3.
- 6.4 Following approval and adoption of the Vision, a delivery plan and timetable will be produced, and it is proposed to establish a 'Chichester Vision Delivery Steering Group'. The action plan, together with governance arrangements for the Delivery Steering Group, will be brought to the Cabinet for approval in October 2017.

7. Alternatives Considered

- 7.1 Do Nothing. This is not considered appropriate as, having already generated a wide variety of ideas, suggestions and proposals from the community and having undertaken a considerable amount of research, it is clear there is an opportunity to meet the project objectives.

8. Resource and Legal Implications

- 8.1 The staff resources in undertaking the work are as indicated in section 3 above. The total budget for the work is estimated to be £70,000. The Council is funding most of this (c £65,000) with the remainder from partners.
- 8.2 The further resources which may be required following completion of the Vision will be dependent on the delivery plan and timetable. Funding requirements will vary on a project by project basis and in most cases will be sourced from a variety of partners and through grants. It is likely that individual projects will require input and resources from a range of services including Economic Development, Legal, Planning, PR, Estates and Finance.

9. Consultation

- 9.1 As indicated in 5.2 above, consultation on the early stages of the project included fieldwork, research studies and workshops. Through the face-face surveys, participation workshops and other activities, over 1,000 individuals and 28 organisations provided input. Consultation on drafting the initial Vision text took place with the Steering Group and Project Partners, and the full 'consultation draft' was subject to a six-week public consultation and over 500 responses were received.
- 9.2 Prior to completion of the final Vision there has been further consultation with Project Partners and the Steering Group.
- 9.3 The Overview and Scrutiny Committee on 13 June 2017 considered the draft text for the Chichester City Centre Vision and recommended to the Cabinet and to the Council that the draft Vision be approved.

10. Community Impact and Corporate Risks

- 10.1 The aim of the project is to have a positive impact on the City's economy and, in turn, the wider economy in our district.

11. Other Implications

Crime and Disorder The additional employment created could assist in the reduction of crime and disorder	Yes
Climate Change	No
Human Rights and Equality Impact	No
Safeguarding	No

12. Appendix

- 12.1 Appendix 1 – Chichester Vision - Text for Final Version – Last updated 27-6-17
- 12.2 Appendix 2 – Summary of public consultation held during February and March 2017
- 12.3 Appendix 3 – Chichester Vision Project – Working Project Plan Timetable

13. Background Papers

- 13.1 Report to Cabinet – ‘Approval of Draft City Vision for Consultation’ 10 January 2017
<http://chichester.moderngov.co.uk/ieListDocuments.aspx?CId=135&MId=752&Ver=4>
- 13.2 Report to Overview and Scrutiny Committee – ‘Preparing a Vision for Chichester City’, 5 July 2016 – available here
<https://chichesterintranet.moderngov.co.uk/ieListDocuments.aspx?CId=133&MId=808&Ver=4>

Chichester District Council

THE CABINET

11 July 2017

Chichester District Council Annual Report 2016-2017

1. Contacts

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2. Recommendation

- 2.1. That the Cabinet recommends the Annual Report for 2016-2017 to be received by Council.**

3. Background

- 3.1. The Annual Report 2016-2017 outlines the key achievements delivered during the year. Whilst the reporting of significant achievements and future work areas is the main focus for the report, it should also be acknowledged that there are many other work areas in relation to the Council's core services that may not be specifically mentioned, a comprehensive list of these services can be found on the Council website.

4. Outcomes to be achieved

- 4.1. The report focuses on work successfully delivered that supports the expected outcomes of projects contained within the Council's Corporate Plan and in relation to other significant work areas. In addition to these highlights, short summaries of major projects for 2016-2017 have been included and are followed by end of year performance indicator outturns where the data is available. Please note these are un-audited figures. Brief information on the expected areas of work for 2017-2018 is also included.
- 4.2. The report provides a record of the achievements and work of the council over the period 2016 – 2017 and the public is therefore better informed and has a greater understanding of the work of the council.

5. Proposal

- 5.1. The Cabinet is asked to review the Council's performance and achievements over the last year as detailed in the Annual Report 2016-2017 and recommend the report to Council.

6. Resource and Legal Implications

- 6.1. The Council is under obligations to properly manage its finances and activities in accordance with the local government acts and relevant finance acts. The carrying out of the annual report activity ensures that members have oversight of the general and financial management of the organisation.

7. Consultation

- 7.1. Each service has provided commentary for the report and the Senior Leadership Team has commented on the final draft version. Each Cabinet Member has had the opportunity to comment on the final draft version.

8. Community Impact and Corporate Risks

- 8.1. A number of projects are noted in the Annual Report which demonstrate the Council's leadership or support role in reducing the impact of climate change, promoting safety and reducing levels of crime. A number of projects also highlight the Council's commitment to supporting vulnerable people and communities.
- 8.2. Addressing inequalities remains a key work area for the Council. Projects and work provided by our services are assessed to ensure our customers' needs continue to be met.

9. Appendix

- 9.1. Chichester District Council Annual Report 2016-2017

10. Background Papers

- 10.1. None.

Chichester District Council

THE CABINET

11 July 2017

Making the Lavant Neighbourhood Development Plan

1. Contacts

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2. Recommendation

- 2.1. That the Cabinet recommends to the Council that subject to a successful referendum it makes the Lavant Neighbourhood Development Plan part of the Development Plan for Chichester District (excluding the area within the South Downs National Park).**

3. Background

- 3.1. The South Downs National Park Authority (SDNPA) is the lead authority for the Lavant Neighbourhood Development Plan (NDP). At its Planning Committee meeting on 11 May 2017 the SDNPA approved the Lavant NDP examiner's recommendations that the NDP should proceed to referendum subject to modifications and approved the Decision Statement. The NDP will now proceed to a referendum on 18 July 2017. The referendum is required to meet the requirements of the *Localism Act 2011* and the *Neighbourhood Planning (Referendums) Regulations 2012*.
- 3.2. In accordance with the *Neighbourhood Planning (General) and Development Management Procedure (Amendment) Regulations 2016* a local planning authority must now 'make' the NDP within eight weeks of the date of the referendum. This report is prepared in anticipation of a referendum result in favour of the NDP. Should this not be the case this item will be withdrawn from the agenda for the Council meeting on 25 July 2017. An oral update on the referendum results will be available at that meeting. Provided that more than 50% of those who voted in the parish were in favour of the NDP being used to help decide planning applications in the NDP area, then the NDP can be 'made'.
- 3.3. Accordingly, subject to a favourable referendum result, it is recommended that the Lavant NDP is made part of the Development Plan for Chichester District (excluding the area within the South Downs National Park). A copy of the NDP has been placed in the Members' Room and is available on the South Downs National Park website <https://www.southdowns.gov.uk/planning/planning-policy/neighbourhood-planning/neighbourhood-development-plans/lavant-neighbourhood-plan/> .

3.4. Chichester District Council (CDC) will publish a formal decision statement as required under the *Neighbourhood Planning (General) Regulations 2012*.

4. Outcomes to be Achieved

4.1. A community based statutory plan that can be used to identify local features of importance and to guide future development in the NDP area.

5. Proposal

5.1. That the Lavant NDP be made so that it forms part of the Development Plan for Chichester District (excluding the area within the South Downs National Park).

6. Alternatives Considered

6.1. Paragraph 38A (4) (a) of the *Planning and Compulsory Purchase Act 2004* requires that CDC must make the NDP if more than half of those voting have voted in favour of the NDP being used to help decide planning applications in the plan area. CDC is not subject to this duty if (and only if) the making of the NDP would breach or would otherwise be incompatible with any EU obligation or any of the Convention rights (within the meaning of the *Human Rights Act 1998*).

7. Resource and Legal Implications

7.1. None.

8. Consultation

8.1. Lavant Parish Council, the local community and local members have been involved throughout the process of preparation of the NDP.

9. Community Impact and Corporate Risks

9.1. There has been strong community involvement throughout the development of the NDP. There are no additional corporate risks to making the NDP.

10. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder		X
Climate Change		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
Other (please specify) eg biodiversity		X

11. Background Papers

11.1 None

12. Appendices

12.1 None

Chichester District Council

THE CABINET

11 July 2017

South Downs National Park Authority

Development Management Agency Agreement

1. Contacts

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2. Executive Summary

This report outlines the background to the delivery of a Development Management service by the Council on behalf of the South Downs National Park Authority over the previous six years and the key changes proposed in payment for, and delivery of the service for a further period of up to five years. The principal change relates to the approach to payments, which would be based largely on application and appeal casework and an agreed projected number of hours for enforcement work undertaken by the Council. The current and proposed arrangements have been reported to the Overview and Scrutiny Committee and its recommendations are set out in section 9 of this report.

3. Recommendation

That the Cabinet recommend to the Council:

- 3.1 To enter into a new Agreement with the South Downs National Park Authority (SDNPA) under section 101 of the Local Government Act 1972 to enable the Council to continue to provide a development management service to the SDNPA for up to three years initially until 30 September 2020 and, subject to a further report to Cabinet and Council, for a further two years up until 30 September 2022 if the arrangements are working effectively and agreeable to both authorities.**
- 3.2 To authorise the Head of Planning Services to conclude negotiations on the Section 101 Agreement including the Service Level Agreement and related Protocols and complete the Agreement.**

- 3.3 To accept the proposed basis for payments set out in appendix 1 and 2 for the delivery of a development management service to the SDNPA.**
- 3.4 To consider the recommendations from Overview and Scrutiny Committee as set out in paragraph 9.3 below.**

4. Background

- 4.1 The South Downs National Park Authority (SDNPA) originally entered into a legal agreement under S101 of the Local Government Act 1972 with 15 host authorities that have parts of their administrative areas within the national park to enable the delivery of development management services from 1 April 2011 to 31 March 2014. Individual agreements were supplemented with a number of other provisions including protocols relating to enforcement and the management of Section 106 agreements and a Service Level Agreement (SLA). The agency agreement with the SDNPA was extended for a further 3 years in April 2014 (to 31 March 2017). Since the introduction of the host authority delegation arrangements in 2011, ten of the original host authorities have opted out, with the administration of the development management service within those areas transferring back to the SDNPA. With the exception of the relevant County Councils, this has been where the SDNP designation covers a comparatively small proportion of the application workload of these authorities.
- 4.2 The current agency agreement, under which the Council provides a development management service for the area of the national park that falls within Chichester district, was extended earlier this year for a period of 6 months until the end of September 2017 to enable negotiations on any future arrangements to be concluded, after which time the agreement will expire. The Council is paid for this work by the SDNPA annually, based on an estimate of the cost of delivering the service against an assumed level of planning applications and other activity dealt with by the Council in preceding financial years, and subject to a 5% 'tolerance'. Additional payments for non-routine matters (including workloads above the identified tolerance) are subject to separate negotiations. All S106 contributions are paid to and held by the SDNPA as the relevant local planning authority.
- 4.3 The previous S101 agreements have been drafted on the basis of a 3 year term, including a 12 month notice period in the event of termination by either the Council or the SDNPA. They set out the terms under which the council would undertake all development management planning work pursuant to Parts III, VII, VIII and X of the Town and Country Planning Act 1990, and also the operation of the SDNPA pre-application advice service, within those parts of the SDNP in the Council's administrative area. The work also includes general planning enquiries, the making of tree preservation orders, EIA screening/scoping and the administration and determination of planning related applications, appeals and enforcement matters. The SDNPA retains the ability to call in those applications, orders

or consents which it considers may have a significant effect on the purposes for which the SDNP has been designated. During the course of 2016/17, the SDNPA called in some 20 planning applications of varying degrees of complexity, the majority of which were smaller applications in relation to larger historic sites, such as King Edward VII Hospital. This represented approximately 2.4% of all planning applications submitted in that part of the SDNP covered by Chichester District. In addition, the SDNPA called in some 30 other cases comprising pre-application and permitted development enquiries and discharge/compliance with conditions.

- 4.4 Officers have been working with the SDNPA over recent months to review the current arrangements and determine how they might be taken forward. This has included the recording by all the host authorities of time spent by relevant Council staff on different application case types to inform the objective of the SDNPA to attribute an average cost per application. It is envisaged that this will enable a new approach to be established on which to base charges for work undertaken by the Council. To mitigate the risk of significant annual variances in payment levels, officers have raised with the SDNPA the potential for including lower and upper payment thresholds, based upon an agreed tolerance, within the agreement. This matter remains under discussion with the SDNPA. A revised S101 legal agreement, revised protocols and revisions to the SLA are in the process of being prepared which will set out the type and level of service that would be provided by the Council and arrangements for payment over the period of a further agreement.
- 4.5 The SDNPA has advised that it remains committed to delivering its development management service through an agency arrangement with the Council and has made an offer to the Council to undertake the Development Management functions on its behalf within the part of the SDNP within Chichester District.

5. Outcomes to be achieved

- 5.1 To ensure that the proposed agency agreement provides for recovery of all costs incurred by the Council in delivering a development management service for the SDNPA.
- 5.2 Future arrangements should ensure a high quality service continues to be provided and that the character and qualities of the area of the South Downs National Park within Chichester district are protected.
- 5.3 There is also considered to be significant benefit for the Council in maintaining a larger core of experienced planning officers and being involved in planning decision making across the whole District.

6. Proposal

- 6.1 That the Council enters into a new agency agreement with the SDNPA to provide a development management service on the basis of the terms of

the proposals put forward for the Council's consideration. The draft S101 Agreement includes four Schedules; the Service Terms (1), a Service Level Agreement (2); the Financial Provisions (3) and the Protocols (4). The protocols in the 4th Schedule relate to Enforcement, Section 106/Community Infrastructure Levy (CIL), exceptional additional payments and SDNPA data recording requirements. Whilst officers are broadly satisfied with the content and format of the proposed arrangements, a number of detailed matters remain under discussion with the SDNPA and Cabinet will be updated at the meeting.

- 6.2 Notable elements in the proposed new agreement are as follows:

Proposal for a 5 year term

- 6.3 Whilst previously each agreement has covered a period of three years, the current proposal is for an initial 3 year term which can be extended to a five year term (up to 31 March 2022) provided both parties are satisfied that the arrangements are working well. This is considered a positive change as it will increase certainty in service delivery but will not affect the ability of either the Council or the SDNPA to terminate the agreement within this period if such a decision was warranted, giving a year's notice of intention to do so. Any proposed extension of the agreement would be reported to Cabinet and Council for consideration.

New arrangements for determining payment levels

- 6.4 A key change proposed in the new agreement is the way in which payment levels will be calculated. The SDNPA proposes to move away from a fixed fee payment per annum to a payment approach largely based upon case work undertaken by the Council on the SDNPA's behalf. The payment arrangements are set out in Schedule 3 to the S101 Agreement (Financial Provisions). Payments to the Council would be based upon the number and case type of applications received and validated, the number of appeals submitted and the total annual cost of providing the enforcement service.
- 6.5 To enable this approach to be introduced, an average cost per application has been assigned to the various application types, which would form the basis of the calculation for payment, based upon the number of each category of application received and validated in the previous quarter, multiplied by the average estimated cost for that application type. The Council's Planning Service has carried out a robust time recording exercise since July 2016 which has provided information to inform average cost per case, including overheads and on-costs, which have been reviewed by SDNPA officers.
- 6.6 It is considered that the proposed move to payment by way of case types will likely result in a more accurate reflection of the cost to the Council of delivering the service on behalf of the SDNPA. Whilst this approach may result in increased uncertainty regarding the level of income that can be expected annually via the agency arrangement, it will ensure that the

Council is paid for workloads actually undertaken. The last 2 years have seen the number of SDNP applications received and validated remain around 1,760 applications per year (an increase of approximately 11% on 2014/15 figures) and there is no indication at this stage that this level of applications is likely to change significantly in future years. However, in the event that there was a significant fall in the number of SDNP applications received and validated by the Council within the term of the agreement, the Council would need to consider how costs might be reduced or staff redeployed to vacant posts elsewhere within the wider DM Service. As outlined within paragraph 4.4 above, the inclusion within the new agreement of an upper and lower threshold cap on payments based on a suitable tolerance either up or down from the estimated cost of DM work for 2016/17 has been raised with the SDNPA. This matter remains under consideration and Cabinet will be updated at the meeting.

- 6.7 Appendix 2 sets out the agreed average cost per case that would be incorporated with the S101 Agreement and would be applied to the number of cases per quarter in order to inform appropriate payment levels. Appendix 3 applies the proposed cost per case type to the numbers of applications received in the financial years 2014/15, 2015/16 and 2016/17. Based on workloads in 2016/17, the payment to the Council would have equated to £942,440. This compares to the payment actually made to the Council of £959,200, i.e. a reduction of £16,760.
- 6.8 The agreement also includes provision for settling costs associated with planning application, appeal and enforcement work that is carried out 'exceptionally' e.g. significant costs in defending an appeal or works in default to secure compliance with a notice when all other enforcement action has failed to do so.
- 6.9 The approach to recovering the cost of undertaking enforcement work on behalf of the SPNPA would be based on an agreed number of projected hours per annum (2,810 for Chichester District Council), based on the results of the time recording exercise. Payment on this basis would amount to £150,770 per annum.
- 6.10 In relation to appeals work, the Council's time and resources spent defending SDNP appeals over the past two years were analysed and an average cost devised, by appeal type. The draft S101 agreement proposes a cost of £60 for each fast-track appeal, £765 for written representation appeals and £10,305 for each informal hearing. Local Inquiries are proposed to be costed on an individual basis recognising that they can vary significantly in cost and their infrequent occurrence; however the cost of the two Inquiries handled by the Council on behalf of the SDNPA in 2015/16 was estimated to average £16,200 per Inquiry and a single Inquiry held in 2016/17 was estimated to cost £25,920.
- 6.11 In light of the proposed approach to payments outlined above, the SDNPA has made the Council an offer of payment for the delivery of a Development Management service largely based upon the cost of casework undertaken as set out in paragraphs 6.4-6.10 above. It is

considered that this approach is appropriate as a basis for determining the Council's costs and that the offer should be accepted.

Updating of criteria on which performance is measured

- 6.12 The proposed Service Level Agreement (SLA) has been reviewed and updated from the current version and sets out a range of performance management standards for delivery by the Council of the service. It is proposed to make relatively minor changes to the SLA only, none of which are expected to have a significant impact on the resourcing of the service. The most notable proposed changes include amendments to criteria in respect of the determination of planning applications to reflect changes in national application performance criteria (including for the purposes of 'designation') and recognition of the use of agreed extensions of time to determine applications.

7. Alternatives Considered

- 7.1 The case for the Council continuing to provide a development management service on behalf of the SDNPA has been considered carefully by officers and the Council has previously resolved to confirm its agreement in principle to enter into a new agreement with the SDNPA. It is noted that the SDNPA considers that in general terms, a good quality service has been provided by the host authorities during the first six years. Comparatively few complaints have been received about service delivery and planning application performance in that part of Chichester district within the national park has improved over the last year; significantly exceeding targets.
- 7.2 The alternative option, not to enter into a new agency agreement for a further period would mean that the Council would no longer handle planning and associated applications on behalf of the SDNPA. The financial implications to the Council would also need to be reassessed.

8. Resource and Legal Implications

- 8.1 Recognising the importance of this work, the Planning Service operates a dedicated SDNP Applications Team and shares the resources of the Enforcement Team across both the CDC plan area and the SDNP. Both teams are supported by an administrative support team and specialist advisors in areas such as heritage, ecology, housing and environmental health. Given the staff resources already employed in undertaking this work, the continuation of the provision of a development management service on behalf of the SDNPA would not result in significant resource implications beyond those already identified. Maintaining a larger DM service to support work both in and out of the SDNP also provides greater resilience to the Council in service delivery as a whole and efficiencies of scale in relation to overheads.
- 8.2 A new agreement for a period of 3 years with the potential to extend this to 5 years will provide for greater certainty in service delivery and staff

resourcing whilst allowing for the arrangements to be reviewed at appropriate points during the term of the agreement.

9. Consultation

9.1 The existing agency arrangements and progress on discussions with the SDNPA were reported to a meeting of the Overview and Scrutiny Committee on 13 June 2017. In respect of the proposed agency agreement, the committee resolved:

1. That the operation of the current S101 agreement and Service Level Agreement with the South Downs National Park Authority be noted.
2. That the position and progress that is being made in relation to the negotiations with the South Downs National Park Authority in connection with potential new delegated arrangements from 1 September 2017 be noted.

9.2 The Committee also recommended the following:

That the SDNPA considers the preparation of a Communications Protocol (with district and parish councillors) with the local authorities to whom it contracts development management matters, for inclusion within the agency arrangements.

9.3 The Committee recommended the following to Cabinet:

- 1) If the response from the SDNPA on the above recommendation is not favourable, to develop a Communications Protocol (with district and parish councillors) with the SDNPA and to bring it back to the Overview and Scrutiny Committee for consideration within six months.
- 2) That a corporate task and finish group be set up to review the resources allocated to enforcement in relation to the SDNPA Enforcement Protocol and the Council's Enforcement Strategy and that membership includes a representative from this committee.

9.4 In relation to these recommendations, Cabinet should consider the need for a communications protocol and review of the resourcing of the planning enforcement service in respect of both the CDC and SDNPA service areas.

9.5 Consultation has also been undertaken with the Head of Finance and Governance and the Legal and Democratic Services Manager in respect of the proposals for determining future payments and the content of the new S101 agency agreement.

10. Community Impact and Corporate Risks

- 10.1 Important considerations are that any agreed arrangement delivers a service that is respected by the community, meets the requirements of the SDNPA and ensures the Council is compensated for the agency work undertaken.

11. Other Implications

- 11.1 None.

12. Appendices

- 12.1 Appendix 1 – Draft S101 Agreement, Service Level Agreement and Protocols
- 12.2 Appendix 2 – Agreed costs per case to be used in calculating quarterly payment amounts [Part II – confidential exempt from publication]
- 12.3 Appendix 3 – Comparison of payment criteria applied to the number and type of applications received in the previous 3 years [Part II – confidential and exempt from publication]

13. Background Papers

- 13.1 Current agreement under s 101 of the *Local Government Act 1972*, related Protocols and SLA.

Agenda Item 9

Chichester District Council

THE CABINET

11 July 2017

Plot 21 Terminus Road Chichester

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2. Executive Summary

This report updates the Cabinet following a procurement process to select a developer to construct the proposed speculative 6 unit industrial scheme on Plot 21, Terminus Road. The report recommends approval to proceed to the next stage in which the Council will enter into a contract with the preferred contractor to build the development on the Terminus Road Industrial Estate.

3. Recommendations

- 3.1 That the Cabinet notes the updated information relating to the capital cost of the project in the confidential appendix 2 and the Return on Investment (ROI) under section 8 of this report and releases the budget to enter into a contract with the preferred contractor, contractor (A), to deliver the business unit scheme on Plot 21 Terminus Road Chichester.**

4. Background

- 4.1. At its meeting of 2 June 2015 the Cabinet agreed to release some £166,000 from Capital Reserves in order to enable the demolition of the existing buildings on Plot 21 and submit an outline planning application to redevelop the site for an industrial, storage and distribution use.
- 4.2. With demolition works underway and having secured outline planning consent, a further report was submitted to the Cabinet on 12 July 2016 seeking approval to progress a detailed scheme and tender for its development.
- 4.3. The work required to cover the detailed planning consent and pre-construction tender activities was estimated at some £150,000 with construction costs estimated at £1,767,000.

- 4.4. On 12 July 2016 the Cabinet considered the options available to the Council for the development of the Plot 21 site and with a reported total cost plan estimate of £2,083,000 resolved to recommend:
- (1) That funding of the amount set out in recommendation 2.1(i) of the report be released from Capital Reserves to enable the detailed design, planning matters and pre-construction tender process to be progressed for a five unit scheme.
 - (2) That the £1,767,000 balance of the estimated total project cost is allocated from capital reserves and that, following the tender process, a report is brought back to the Cabinet to review capital costs, return on investment, and prevailing condition of the property market before the budget is released to enter into a construction contract.
- 4.5. The Cabinet resolution was subsequently endorsed by the Council at its meeting of 19 July 2016.
- 4.6. Officers have appointed an Employers Agent to ensure that the design of the B2/B8 business unit scheme meets the requirements of potential occupiers and the Council's objectives for the development of the site. The Employers Agent has also been working to ensure the Council's appointed design team provide good value for the Council.
- 4.7. On advice from local commercial property agents, Henry Adams, the earlier scheme was subsequently re-designed as a six-unit scheme to provide a better mix of units and to maximise the letability of the development. This scheme has full planning consent. (see appendix 1 for approved layout)
- 4.8. The April 2016 Market Overview Report previously prepared by Henry Adams has now been updated by the agents to advise the Council of current market conditions in respect of industrial rented space in Chichester (see Background Paper referenced at Section 13 to this report).
- 4.9. The report indicates the potential to achieve a total rental income in the range of £160,000 to £180,000 per annum once the scheme is fully let to a mix of trade counter and non trade counter lettings, see table in section 8.3. The report also concludes that it is highly likely that if an aggressive marketing campaign was adopted some of the units could go under offer during the build out period. The report also highlights that a total income of up to £204,500 per annum could be received by the Council if all the space was let to trade counter operators.
- 4.10. A single stage tendering process was employed in order to allow the Council to appoint a contractor on a design and build basis to complete the final technical design for the development.
- 4.11. A procurement process was undertaken from 11 April 2017 to 26 May 2017 and the Council received nine responses to the invitation to tender by the noon deadline. The results of this process are contained at appendix 2 to this report.
- 4.12. The leading tenderer was interviewed by the Council's officers and Employers Agent on Monday 5 June 2017. The outcome of this review was that Contractor (A) was

identified as the preferred contractor to deliver the development for the Council. It is proposed that the Council proceed to enter into a design and build contract with Contractor (A) as main contractor.

5. Outcomes to be Achieved

- 5.1. The outcome that has been sought is the redevelopment of the Plot 21 site with six new sustainable industrial buildings that can be let to achieve c £160,000 to £180,000 per annum income for the Council and a Return on Investment of 7% plus.
- 5.2. A key driver behind building the scheme has been to improve the economy of the local area by attracting new employers and/or providing an opportunity for an existing Chichester based company to relocate to the site and expand economic activity in Terminus Road.
- 5.3. The proposed project supports the Corporate Plan 2015 -2018 “Priority to improve and support the local economy” and the objective to “Promote commercial activity and economic growth”.

6. Proposal

- 6.1. The six unit B2/B8 industrial scheme with ancillary trade counter use has been progressed to a detailed design stage that has full planning consent and has subsequently been tendered for development.
- 6.2. The estimated total build costs from the preferred contractor for the delivery of the project are summarised at appendix 2. These costs come within the balance of the estimated total project costs of £2,083,000 allocated from capital resources and it is recommended to keep the full allocated budget. Any remaining budget on completion of the project can be returned to reserves.
- 6.3. Alongside the selection and appointment of a main building contractor, the Employer’s Agent will be responsible for the delivery of the building to practical completion, under the direction of Council officer’s.
- 6.4. The Employers Agent has proposed a construction programme with start of design 1 August 2017, start on site 4 October 2017 and practical completion 21 May 2018.

7. Alternatives Considered

- 7.1. Various options for the development of the site have been considered and where outlined in paragraph 7 of the Cabinet report of 12 July 2016.

8. Resource and Legal Implications

- 8.1. While government funding to the Council continues to reduce the legal requirement to maintain a balanced budget remains. It is recognised that this can be achieved, in part, by maximising income from Council owned properties.
- 8.2. If, as advised in the market overview report prepared for the Council by Henry Adams, some c £160,000 to £180,000 per annum rental income can be achieved from this 6 unit scheme then the ROI to the Council is illustrated in the following table. The units will be let under the terms of full repairing and insuring leases with the tenants contributing to a service charge account for the recovery of the costs incurred in managing any future repairs and general maintenance of the premises.

The investment will be managed by the Estates Service Team and the net ROI shown below includes a notional 2% deduction from the annual income. It is not envisaged that any asset replacement costs will be required for this new building over the next 25 years or more. The capitalised value of the investment in the last column of this table is an indication of how much this investment would cost an investor to purchase.

8.3.

Total allocated budget (includes all costs incurred to date)	Income pa	ROI (Net)	Capitalised Value of Investment based on an estimated yield of 7% (rounded net of purchaser's costs of 6.8%)
£2,083,000	£160,000	7.5%	£2,130,000
£2,083,000	£180,000	8.4%	£2,400,000

9. Consultation

- 9.1. External consultation is not appropriate at this stage but there has already been some coverage of the proposed development in the Council's quarterly magazine *initiatives*.
- 9.2. The Economic Development Service and Commercial Programme Board have been consulted and support the proposal.

10. Community Impact and Corporate Risks

- 10.1. There is a risk that the tendered construction costs will produce project costs that are above those estimated in the initial cost plan, say from unknowns currently underground, however this risk will be mitigated by the project contingency sum contained in the total project cost. There is a risk that the ROI as indicated by Henry Adams is not achieved.
- 10.2. The redevelopment of this brownfield site would improve the environment and present an opportunity for existing Chichester based businesses seeking to expand to secure new premises. That in turn may release existing premises for occupation or redevelopment as well as provide an opportunity to attract a new business in to Chichester.

11. Other Implications

Crime and Disorder Additional employment created could assist in the reduction of Crime and Disorder.	Yes	
Climate Change The development will be to sustainable standards	Yes	

Human Rights and Equality Impact		No
Safeguarding		No

12. Appendix

- 12.1 Appendix 1 – Architect’s plan of the six unit scheme for which full planning consent has been granted, subject to conditions.
- 12.2 Appendix 2 – Tender summary and Costs, Plot 21 Terminus Road [Part II – confidential document exempt from publication]

13. Background Papers

- 13.1 Plot 21 Terminus Road Chichester Market Overview – by Henry Adams June 2017 [Part II – confidential document exempt from publication]

Chichester District Council

THE CABINET

11 July 2017

Appointment to the BID Board

1. Contacts

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2. Recommendation

- 2.1. **That the Cabinet appoints Jane Kilby as the ‘Alternative Director’ (substitute member) to serve as the Council’s representatives on the BID’s Board.**

3. Background

- 3.1 Appointments to external organisations were made by the Cabinet at its last meeting and Tony Dignum was appointed as Chichester District Council’s (CDC) representative to serve on the BID’s Board. Since that meeting CDC has received a request from the BID asking if it would appoint an ‘Alternative Director’ (substitute member) to serve on its Board. The reason for this request is that if Tony Dignum is not able to attend the meeting then the BID’s Board is not quorate.

4. Proposal

- 4.1 To cover the eventuality of Tony Dignum not being available to attend a BID Board meeting it is proposed that Jane Kilby is appointed as the ‘Alternative Director’ to serve on the BID’s Board.

5. Appendix

- 5.1 None

6. Background Papers

- 6.1 None

Chichester District Council

THE CABINET

11 July 2017

Chichester Market

1. Contacts

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2. Executive Summary

This report considers the future of the Chichester Wednesday Market following an initial trial period of operation and is based on the recommendations of the Traders Market Task and Finish group. The Task and Finish Group has given consideration to the operation of the market during the trial and the results of the consultation undertaken in March/ April 2017 and other sources of feedback and assessment of the market.

3. Recommendations

- 3.1. That officers be authorised to renew the Street Trading Consent held by the current market operator for the running of the Wednesday Market for a further period of two years.
- 3.2. That improvements to the presentation of the market are obtained in accordance with the recommendations of the Task and Finish Group.
- 3.3. That the Street Trading Consent make provision for a Christmas Market to be held in the precinct for nine days in 2017 and 2018 (affecting one Wednesday market each year) and account to be taken of this in the grant of a new Street Trading Consent with the possibility of an alternative trading day to be offered in lieu of the lost Wednesdays.

4. Background

4.1. At its meeting on 1 December 2015 Cabinet considered a report relating to the future of the Traders Market and noted that there had been a significant decline in the use of the market in its Cattle Market Car Park location. Consideration was given to the opportunity for this market to be held in North Street and East Street, Chichester. Cabinet resolved that on the retendering of the market operation provision be made for the Wednesday market to be held in the North Street and East Street on a trial basis for the first year of operation.

4.2. The matter was referred to Council following receipt of a petition calling on the Council to support the continuation of the Traders Market. At its meeting held on 1 December 2015 Council resolved:

That tenders be sought for the operation of the Traders Market from 1 April 2016, including the introduction, on a trial basis for one year, of a precinct traders market on Wednesdays with the Saturday market remaining at the Cattle Market Car Park location.

4.3. In accordance with market practice and to give potential operators a reasonable opportunity to recoup initial set up expenditure tenders were sought for the Wednesday general market, Saturday general market and the Sunday car boot sale for a term of three years with the Wednesday Market re-located to the North Street and East Street, Chichester for a trial period of one year.

4.4. Following the tendering process, drafting and negotiation of an associated Street Trading Consent, approval of detailed operational practices and health and safety information provided by the market operator, the trial Wednesday market in the North Street and East Street commenced on 17 August 2016.

4.5. As part of the initial consideration of the future of the market consultation surveys were carried by the Council's Communities Team. The surveys engaged city centre businesses, market traders and customers/visitors. Further consultation surveys have now been carried out to assess the operation of the market and there was an opportunity for all three groups to complete questionnaires in a six week period from 1 March 2017.

4.6. Additionally, the market operator also commissioned a survey and separately arranged for retailers in the city centre to complete short questionnaires. The Chichester BID (Business Improvement District) were consulted and footfall and other media responses noted. Representatives from the BID and the market operator were also separately invited to attend a 'Q&A' session meeting of the Council's Markets Task and Finish Group.

4.7. The results of Council's consultation together with other feedback and information relating to the Wednesday market were considered by the Task and Finish Group at meetings held on 22 March 2017 and 6 May 2017.

5. Outcomes to be Achieved

5.1. The Council is seeking to promote a successful General Market and prevent closure through decline of the market. Consideration of the precinct location has

been part of the process of seeking to improve trading levels at the market as well as attracting more customers into Chichester who will also visit the city centre shops, businesses and tourist destinations. The potential licence/street trading consent fees for the North and East Street Precinct and the alternative Cattle Market Car Park location are set out in the exempt Appendix 2.

- 5.2. It is important that the appearance of any precinct market is appropriate to the historic setting and that stalls are well presented. Some control is provided through the Street Trading Consent with conditions relating to the size, form and location of stalls. The Task and Finish Group visited individual stalls with the market operator to mark quality of presentation and standard of goods and to make suggestions for further improvement where required.

6. Proposals

- 6.1. The Markets Task and Finish Group recommends that officers be authorised to renew the Street Trading Consent held by the current market operator for the running of the Wednesday market for a further period of two years and that improvements to the presentation of the market be sought in accordance with their suggestions at the meetings of the Group and following their inspection of individual market stalls.

7. Alternatives Considered.

- 7.1. The Council could seek to relocate the market back to the Cattle Market Car Park but it is likely that stall holders would not wish to trade in that location and that could lead to the closure of the market.
- 7.2. Alternatively the Saturday market could be relocated to the city precincts as well as the Wednesday market but that is not recommended by the Task and Finish Group at this time having regard to the need to achieve further improvements regarding the Wednesday market and its potential impact.

8. Resource and Legal Implications

- 8.1. The operation of the market generates work for many of the Council's teams including Licensing, Environmental Health, Legal, Estates, Economic Development and Health and Safety. These costs will however be covered by the Street Trading Consent fees and the income from a precinct traders market will be higher than from use of the Cattle Market site see appendix.
- 8.2. Provision needs to be made for the parking of traders vehicles in connection with a precinct market. A section of the Cattle Market Car Park is currently used by market stallholders and this appears to be an acceptable arrangements. This reduction in space allocated for the market traders due to the market location in North Street and East Street frees up valuable spaces for Car Parking.

9. Consultation and other Assessments of the Market

- 9.1. The Communities Team have carried out a further consultation with City Centre businesses, market traders and customers/visitors and a summary of the results is attached as Appendix 1. The results from city centre businesses were mixed with some businesses, including cafes, clearly doing more trade on a Wednesday

market day but others indicating that they felt the Market adversely affected their trade. It should be noted however that some of the negative responses came from traders who are not located in the Market precinct and were concerned that the market did not generate footfall in their specific locations i.e. South Street. Overall customers/visitors supported the continuation of the market, subject to comments about the standards and potential improvements. Market traders indicated that they want the market to continue to operate in the city centre precincts.

- 9.2. A questionnaire survey of city centre retailers carried out by the market operator indicated that the majority of respondents supported the retention of the market.

10. Community Impact and Corporate Risks

- 10.1. The General Market is providing a service to local customers and there will be an impact for those customers if it does not continue in its current location or at all. However, there are sensitivities regarding the operation of the market in the precincts and full account must be taken of the concerns of other businesses and residents.
- 10.2. The proposals for street trading and markets need to link in with other strategic initiatives for the city centre, such as the 'City Vision' work.

11. Other Implications

Crime and Disorder	None
Climate Change	None
Human Rights and Equality Impact The provision of markets has a positive impact as it provides a greater variety of trading for traders and customers.	Yes
Safeguarding	None

12. Background Papers

- 12.1. None

13. Appendices

- Appendix 1 Consultation survey summary
- Appendix 2 Income figures [Part II: exempt from publication]

Council Tax Reduction Scheme for 2018 - 2019

1. Contacts

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2. Recommendation

- 2.1. **That the Head of Finance and Governance Services be authorised, following consultation with the Cabinet Member for Finance and Governance Services, to prepare and consult upon a draft 2018-2019 council tax reduction scheme options as proposed in appendix 1, to be brought back to Cabinet in November 2017 for recommendation to the Council.**

3. Background

- 3.1. The Welfare Reform Act and Local Government Finance Acts of 2012 abolished the national council tax benefit scheme and put in place a framework for local authorities to create their own local council tax reduction (CTR) schemes from April 2013. The funding regime also changed with the introduction of localised schemes, with administration being funded by the Department of Communities and Local Government (DCLG).
- 3.2. The Government legislated that people of pensionable age would continue to receive support based on national rules so local schemes only apply to working age claimants.
- 3.3. Since its introduction Chichester District Council's local scheme has broadly followed the rules of the council tax benefit scheme that existed prior to April 2013 and the current Housing Benefit (HB) scheme. This has meant that applicants for support have been supported as much as they had been under the previous scheme arrangements. Since 2013 a significant number of Local Authorities have amended their schemes so that most CTR claimants have some council tax to pay. In general this has been achieved by restricting the amount of CTR to a maximum award or calculating entitlement based on a restricted council tax band.
- 3.4. Chichester's CTR scheme has remained unchanged since April 2013, apart from the annual uprating of applicable amounts and state benefits in line with the HB scheme, as well as mirroring any legislative changes made to HB in the preceding year. This has meant that people on the lowest incomes in the district have been

protected and are still able to claim a reduction that covers the full cost of their council tax.

- 3.5. In 2013 Universal Credit (UC) was introduced in pathfinder Local Authorities, with roll out for the first phase of Local Authorities commencing in October 2013. In the Chichester District we have rolled out with UC for single people of working age. To date this has had minimal impact as generally this group do not have housing costs. Although we currently have around 50 active claims for people in receipt of UC, compared to 40 claims active at the same point last year.
- 3.6. Full roll out of UC for Chichester District will commence in April 2018. From this date UC will apply for all working age claimants. Therefore we anticipate a significant increase in the number of claimants moving from HB to UC. As we are still responsible for CTR claims we will see a drop in HB claims but our CTR caseload will remain generally the same.
- 3.7. The nature of UC means that our CTR claimants will have regular minor changes in their income which will result in regular changes in CTR entitlement if we retain our current scheme. It is anticipated that the Council will see a significant increase in the cost of administration as a result of all these minor income changes.
- 3.8. To date the cost of administering a CTR claim has been minimised because it is processed along with the HB claim using the same computer system and documentary evidence to calculate entitlement. As HB claims migrate onto UC the average cost of administering CTR claims will increase.
- 3.9. The level of funding received from the DCLG to cover the costs of administering the scheme has fallen by 4.6% since the introduction of local CTR schemes in 2013.
- 3.10. The combination of the factors referred to above has prompted us to consider a simplified CTR scheme that keeps the cost of administration to a minimum whilst providing maximum support for those on the lowest incomes.
- 3.11. There is also the fact that the way that UC is currently calculated by our local CTR scheme is not providing consistent levels of support to our communities. There is an anomaly in the current assessment process whereby a claimant who is working with housing costs included in their UC award may get more CTR than an applicant with the same level of earnings without housing costs. This anomaly has not presented as an issue at present as the UC caseload (50 live claims) is relatively small in comparison to the CTR caseload. However as UC rolls out with full service from April 2018 this may present as more of an issue in terms of costs of the scheme. Therefore the way that UC is considered by the local CTR scheme is something that requires consideration for the 2018/19 scheme.

4. Outcomes to be Achieved

Preparation of and consultation on a CTR scheme that continues to support those that require assistance in our communities while being cost effective in terms of its administration with a view to the fact that UC will roll out in the District from April 2018.

5. Proposal

- 5.1. That officers consult on a CTR scheme options as proposed in appendix 1.
- 5.2. That the 2018-2019 scheme is reported to the November 2017 of the Cabinet for recommendation to the Council.

6. Alternatives Considered

- 6.1. Even if the Council choose to continue with the current scheme there are some amendments as a result of changes to the HB scheme that will still require consultation.

7. Resource and Legal Implications

- 7.1. The introduction of a local CTR scheme has meant a switch from a fully funded scheme to one where the funding forms part only of the central grant. The level of funding has not been protected at its previous level. In order to retain levels of support for claimants this deficit has been offset by council tax charged on second homes and empty properties.

8. Consultation

- 8.1. Consultation on the CTR scheme will be required with West Sussex County Council and Sussex Police and Crime Commissioner as our major preceptors and with other members of the community, both individuals and organisations.

9. Community Impact and Corporate Risks

- 9.1. No implications for the CTR scheme at this stage. If, following consultation, the scheme is changed then there will be a financial impact on most or all working age claimants in the district. This could be mitigated by creating a discretionary hardship fund.
- 9.2. Since April 2013 we and the precepting authorities have seen a reduction in tax base resulting from the implementation of the council tax reduction scheme. The income generated from locally defined discounts has helped to off-set this loss.

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change		X
Human Rights and Equality Impact Equalities impact assessment not required at this stage but will be required before the scheme is finalised.	X	
Safeguarding		X

11. Appendices

- 11.1 Proposed changes to the CTR scheme for the 2017-2018 financial year

Council Tax Reduction Scheme for 2018 - 19

Appendix 1: Proposed changes to the CTR scheme for the 2018 - 19 financial year

Introduction

Officers are seeking authority to consult on changes to the CTR scheme for 2018 – 19. The cost of administering the scheme particularly for those in receipt of Universal Credit is likely to increase if the scheme remains unchanged. Universal Credit is a benefit that incorporates a number of current state benefits into one monthly payment and is intended to behave like earnings. Where a claimant is in low paid work the payment of UC will change on a monthly basis in line with the claimant's earnings for the previous month. Therefore if the CTR scheme remains unchanged then the award of CTR will be subject to a monthly change (where there is a change in earnings), thus increasing the cost of administration. Therefore officers have sought to design a proposed scheme aimed at keeping the cost of administration to a minimum whilst protecting those customers on the lowest incomes.

Officers propose to consult on two options, a banded scheme for those claimants receiving UC or do nothing and retain the current scheme subject to the normal changes designed to keep our scheme reflecting the HB scheme.

Option 1: Banded Scheme for claimants in receipt of Universal Credit.

A banded scheme is easy to administer and easy for the customer to understand. A customer is awarded a discount on the Council Tax that they are liable to pay based on the level of their income. An example scheme is detailed below:

100% discount for incomes of £0.00 to £99.99 per week
90% discount for incomes of £100 to £199.99 per week
80% discount for incomes of £200 to £299.99 per week
70% discount for incomes of £300 to £349.99 per week
50% discount for incomes of £350 to £399.99 per week
0% discount for incomes of £400 per week and above

In order to reflect the additional needs of multi person households and families, the upper tier of bands is increased as follows:

£25 for couples with no children
£50 for households where there is one child
£100 for households where there are two or more children

By making such additions the level of benefit awarded to families, particularly those in work is maintained.

The final scheme bandings for consultation will be based on the modelling of our caseload so that we are able to do to ensure that the income bands deliver a similar level of support to the scheme in its present form. The intention of this proposal is to maintain the level of support provided to our communities but to reduce the cost of administration.

Council Tax Reduction Scheme for 2018 - 19

Appendix 1: Proposed changes to the CTR scheme for the 2018 - 19 financial year

It is acknowledged that in having a banded scheme there is the risk that the scheme will not protect those in vulnerable circumstances. Officers are exploring the idea of setting up a discretionary hardship fund which is more flexible to those in difficult circumstances as well as having an amended recovery cycle for CTR claimants who fall into arrears.

Administration costs have reduced by 4.67% since the introduction of local CTR in 2013. The table below shows the change in funding and caseload distribution. The number of working age employed (WA employed) cases has also fallen. However this group presents a higher volume of change events per caseload, which means that they are more expensive to administer than say a working age other (WA other). This group tend to be passported claims (claims based on job seekers allowance or employment and support allowance) which are more static in terms of administration. Therefore by introducing a banded scheme for UC claims we will simplify the scheme for those cases that are the most expensive to administer, which will reduce the cost of administration.

Table 1: CTR funding, expenditure and caseload since the introduction of local schemes.

Fund year	Amount	Expenditure	Estimated Tax Base Deduction	Caseload	WA employed	WA other	Pensioner Claims
2014/2015	113,819	6,989,178.11		7,505	1,271	2,408	3,833
2015/2016	106,611	6,725,186.22	7,078,508.15	7,169	1,258	2,341	3,570
2016/2017	121,860	6,662,778.30	6,919,731.47	6,921	1,097	2,413	3,411
2017/2018	115,800		7073984.64				
% Change *		-4.67%		-7.78%	-13.69%	-0.21%	-11.01%

*percentage change from 2014/15 to 2016/17

Option 2: Make no changes to the existing CTR scheme.

Officers would also like to consult on the option of making no changes to the scheme other than bringing the scheme up to date with the changes to the Housing Benefit scheme that have been introduced since April 2016. This alternative will remain in line with preceding CTR schemes which will minimise the impact on claimants but will not address the increase cost of administration expected as a result of the roll-out of UC.

In previous years consultations have also included various alternative options such as restricting to a particular band or restricting to a percentage liability. Modelling of these options did not show a significant saving to the overall cost of the scheme to CDC but they will impact on some individuals on low incomes. Additionally these changes will not represent a saving in the cost of administration. Therefore it is proposed that we consult on Option1: a banded scheme for UC claims, with the scheme remaining unchanged for those not in receipt of UC and Option 2 that the scheme remains unchanged for all working age claims. However if it is decided that

Council Tax Reduction Scheme for 2018 - 19

Appendix 1: Proposed changes to the CTR scheme for the 2018 - 19 financial year

this would add value to the consultation these alternative options can be added to the consultation.

Chichester District Council

THE CABINET

11 July 2017

Delivery of the Tangmere Strategic Development Location

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2. Executive Summary

The purpose of this report is to provide information on the progress made in bringing the Tangmere Strategic Development Location (SDL) forward for its allocated development on a co-operative basis, as well as to seek approval for exploring proposals for a Compulsory Purchase Order (CPO) to ensure its delivery and to set out a preliminary timetable for 'making' any CPO. It recommends the principle of CPO land acquisition using a development partner approach. The report seeks approval to commence the process for the selection of a development partner and outlines the need to prepare for compulsory purchase of relevant interests in the Tangmere SDL and the next steps in the process. It also recommends the retention of the legal adviser, the CPO advisor and surveyor (for non-legal advice).

3. Recommendation

3.1. **The Cabinet approves:**

- I. **That the use of the Council's compulsory purchase and associated powers (which at this stage are anticipated as likely to include but not be limited to those under the Town and Country Planning Act 1990 and the Local Government Act 1972) to facilitate comprehensive development at Tangmere SDL be supported in principle, subject to the Council being satisfied that the acquisition of each interest or right to be acquired is justified in the public interest;**
- II. **That in conjunction with the appointed CPO advisors, work commences on the selection process to identify a suitable development partner (master developer) to deliver a masterplan for the Tangmere SDL and a subsequent scheme that delivers the comprehensive development of the Tangmere SDL in accordance with the adopted Chichester Local Plan and 'made' Tangmere Neighbourhood Development Plan;**
- III. **That retention of Knight Frank (CPO Advisor), Citicentric (CPO Surveyor/non-legal advice) and Davitt Jones Bould (legal advice) to**

assist the Council in carrying out the above steps, subject to remaining within the overall approved budget provision for the project, be approved; and

IV. That the authorisation of officers to undertake the next steps as set out in section 6 of the agenda report be approved.

4. Background

- 4.1. This purpose of this report is to help facilitate the delivery of the Tangmere SDL by seeking authorisation to commence the necessary processes to select a development partner in association with the compulsory purchase of the site.
- 4.2. **Policy Background** The site at Tangmere is identified in the Chichester Local Plan: Key Policies (the Local Plan) as a Strategic Development Location (SDL) for the provision of 1,000 homes and associated infrastructure including a school, open space and community facilities. The site is fundamental to the delivery of the housing proposed in the Local Plan and for the Council to be able to continue to demonstrate housing land supply. The site is also identified for development in the Tangmere Neighbourhood Plan. The Neighbourhood Plan provides development and design guidance which will provide the context for masterplanning.
- 4.3. **Land Ownership and Site Promoters** Throughout the formulation of the Local Plan, the Council was assured by the landowners and site promoters that there was a commitment to jointly deliver the scheme and requisite infrastructure in a coordinated way through the production of a masterplan and subsequent planning applications. However, since the Local Plan has been adopted and unlike the other strategic development locations there has been slow progress in producing a masterplan which, in turn was expected to lead to the submission of a comprehensive planning application for the strategic development location as a whole.
- 4.4. At this point in time the ability of the landowners and site promoters to work together to deliver the scheme has not been demonstrated and it appears unlikely that the site will be delivered without public intervention. It is considered that it is now necessary to take steps to examine other methods to bring forward development of the site, including the use of a compulsory purchase order by the Council.
- 4.5. **Evaluation of the Council's position and delivery of the SDL** At its meeting on 7 June 2016, Cabinet resolved that a valuation of the site be undertaken prior to further consideration of the potential to use CPO powers to facilitate development. This has been completed by the Council's CPO advisors, Knight Frank.
- 4.6. Despite discussions taking place over the past few years, the landowners / site promoters have not submitted a masterplan or planning application for the comprehensive development of the Tangmere SDL. Whilst recent correspondence from the developers' consortium has indicated that a masterplan is being prepared and should be available in time for the Cabinet meeting, it is unclear at this stage whether it is being prepared and is supported by all interested parties.

- 4.7. Since the Local Plan examination, the Council has yet to receive any firm evidence that the landowners/promoters are willing and able to work together to deliver the site. Officers have, on numerous occasions, requested to be advised of any collaboration agreement or timetable for bringing the site forward for delivery of housing and infrastructure in accordance with the Local Plan. No such information has been received.
- 4.8. Initial legal and valuation advice from the Council's specialist advisors (Knight Frank and Citicentric) indicates that a potential CPO of the Tangmere SDL is viable. They have advised that the Council should commence a process to select a development partner (a master developer) for the whole site, with the intention that they be appointed before the Council commits to making a CPO, in order for the Council to minimise its risk. The Council would expect the master developer to underwrite the costs of the CPO.

5. Outcomes to be Achieved

- 5.1. The single outcome to be achieved from the recommendations contained in this report is appropriate development of the Tangmere SDL in accordance with the policies set out in the Chichester Local Plan and the Tangmere Neighbourhood Plan.

6. Proposal

- 6.1. It is proposed that officers take all the necessary steps to facilitate the delivery of the Tangmere SDL, including relevant preparatory work with a view to the Council pursuing a CPO for the whole site.
- 6.2. Advice received from the specialist advisers is that the Council should consider selecting a master developer for the whole site, with the intent that they are appointed before the Council finally makes a CPO. The Council would look to the master developer to underwrite the costs of the CPO.
- 6.3. There are a number of significant steps required to be taken in relation to the CPO process to achieve the delivery of the housing and associated infrastructure at the Tangmere SDL. These are:
 - i. Selection process of a development partner (as indicated above) culminating in the Council and the development partner entering into a development agreement;
 - ii. Preparation and submission of a masterplan by the development partner prior to a planning application that the Council (as the local planning authority) will determine;
 - iii. The development partner will seek to acquire the land by private treaty, but, failing that the Council will need to exercise its compulsory purchase powers. and
 - iv. If using compulsory purchase powers, the CPO would be used to acquire the land and/or necessary interests.
- 6.4. Given the complexity of the CPO process, it is proposed that a member briefing session is arranged, to be delivered by the Council's specialist legal/CPO advisors.

- 6.5. **Selection of a development partner** Approval is sought to formalise the commissioning of Knight Frank as CPO Advisor and Citicentric as CPO Surveyor. To assist in providing advice for this report, Knight Frank has already started 'soft marketing' to gauge interest in developing the Tangmere SDL via the Office Journal of the European Union (OJEU) and non-OJEU (development agreement) routes. This has confirmed their view that there are strategic developers and infrastructure specialists with the appropriate capacity and skills who will be interested in the scheme where the focus is on delivering a start on site as soon as possible. The advice is that the non-OJEU route will achieve the Council's aims, broaden the market appeal, save six to eight months in the selection process together with associated costs of a more prescriptive process. It is necessary to commence work now to prepare for and commence an appropriate selection process for a development partner before the end of this year.
- 6.6. This selection work will involve amongst other things assessing the infrastructure requirements, the costs and the viability of a potential scheme, and preparing a specification and the objectives, milestones and deliverables that would be required from the development partner.
- 6.7. The selection process is expected to take approximately 4 months, resulting in a development partner entering into a development agreement with the Council. The selection process will enable the Council to appoint a developer with a proven track record with appropriate financial backing to support the costs of development. It will also enable the Council to ensure any scheme is masterplanned and delivered in line with the requirements of the Local and Neighbourhood Plans.
- 6.8. Contracting with a development partner, following a suitable selection process, will ensure that the Council is best positioned to oversee the delivery of the Tangmere SDL, with less risk to itself. This will send a clear signal of the Council's over-riding ambition and commitment to the development of the Tangmere SDL to all interested parties including landowners, site promoters, developers, investors, service providers and the local community.
- 6.9. There are a number of benefits to this approach which are outlined in appendix 1.
- 6.10. Members will be aware that land ownership and site promoters can change and officers will keep the strategy under review with the objective of delivery of homes remaining the key point. If any circumstances change which warrant a change in or reconsideration of the CPO strategy, the Cabinet will be updated accordingly.
- 6.11. With this strategy in mind officers will continue with the process of dialogue with the landowners and site promoters. It is expected that dialogue with the landowners and promoters will be maintained during the course of procurement activity and the formulation period of the CPO process in an effort to reach an agreement and potentially work collaboratively through to delivery. This is consistent with Government guidance on the compulsory purchase process. This twin-track approach is considered the best means of the Council taking the delivery forward.

- 6.12. It should be noted that further Cabinet and Council approval will be sought for the making of a CPO and selecting development partners at the appropriate time.
- 6.13. **Preparation of planning application** In order to achieve comprehensive development, officers envisage an application for planning permission (prepared and submitted by the Council's selected development partner) to seek comprehensive development of the Tangmere SDL in line with the Local Plan and Neighbourhood Plan being submitted in Summer 2019.

Progression of CPO

- 6.14. **Extent of Land Subject to the CPO** The boundary of the land which will be subject to any Compulsory Purchase order will continue to be refined as detailed plans are drawn up and land is acquired by agreement. At this stage, it should be considered as that area of land which is required to deliver the objectives of the Local and Neighbourhood Plans (plan attached at appendix 2).
- 6.15. **Justification for the CPO** The Council has a range of compulsory purchase powers at its disposal. The exact power that may be relied upon will be confirmed prior to making any CPO, however, at the present time it is envisaged that the appropriate power is that under section 226 of the Town and Country Planning Act 1990 (as amended). This power is designed to facilitate development projects and to apply, the Council must be satisfied that the development is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area.
- 6.16. Recent Government Guidance (October 2015) updates and replaces previous guidance from 2004 and sets out the stages and process for making a CPO. The guidance sets out that a CPO should only be made where there is a compelling case in the public interest and the purpose for which the CPO is made justifies the interference with the human rights of those affected.
- 6.17. The guidance also advises that resource implications for the proposed scheme need to be addressed, as well as a programme for delivery of infrastructure and remedial works and obtaining consents such as planning permission. The ability to deliver a comprehensive scheme, on the scale needed at the Tangmere SDL, will be at the forefront of the process of seeking a development partner.
- 6.18. In the circumstances and for the reasons set out above, (subject to confirmation of the proposed CPO power and the case behind it) it is considered that the Council will be able to demonstrate a compelling case that the acquisition of land at the Tangmere SDL will be in the public interest.
- 6.19. **Timescale to delivery** As set out above, the process for selecting a development partner is expected to take approximately four months. One of the aims relating to the selection process will be to ensure that a planning application is made within a reasonably short period after the development partner is selected, ultimately progressing to a target start on site in the first quarter of 2020). The determination of a planning application of this scale is envisaged to take up to six months.

- 6.20. The CPO process from the point at which the Council makes the Order to the Secretary of State confirming the Order could take in the region of 12 to 18 months.
- 6.21. The three main elements to delivering the Tangmere SDL are the selection of a development partner, planning and compulsory purchase (if necessary). These should not be considered as separate and distinct from each other as each are interrelated and processes will overlap where appropriate and feasible. However, an approximate indicative timescale is outlined below, which is a cautious programme that does not allow for significant time savings:

Q4 2017	Commence marketing / selection of a master developer
Q1 2018	Procure master developer / commence CPO and masterplanning work
Q1 2019	Make CPO / Submit planning application
Q3 2019	CPO Inquiry (if required)
Q4 2019	Inspector decision on CPO
Q1 2020	Target start on site
Q3 2020	Long-stop date for start on site

7. Alternatives Considered

- 7.1. Officers have considered what alternative options are available to the Council in order to achieve a comprehensive development of the Tangmere SDL. The options are:
1. To continue as at present to encourage and support the submission of a comprehensive masterplan and planning application by the landowners and site promoters. As compulsory purchase remains a last resort, officers will therefore continue in their dialogue with all the relevant landowners and site promoters to seek development of the site as a whole through co-operation with the landowners and site promoters. If this does not prove possible, a CPO will be pursued.
 2. There is potential for the Council to pursue a CPO, financing the cost itself. However underwriting a CPO is costly. This option is the most risky to the Council and a potential risk to public funds.

8. Resource and Legal Implications

- 8.1. The Council has broad powers, (subject to any restriction or condition contained in any other enactment) to promote and secure the comprehensive development of the Tangmere SDL in accordance with section 1 of the *Localism Act 2011* (the general power of competence), the *Town and Country Planning Act 1990*, the *Local Government Act 1972* and a variety of ancillary and subordinate legislation relating to the functions of the Council.
- 8.2. More detailed implication of a CPO on Human Rights, Equalities and making a CPO are included in appendix 2.
- 8.3. **Financial Implications** There are significant financial and resourcing implications arising from the proposals in this report, and it will be necessary to prepare a detailed programme of work and resourcing plan to take the process forward.

8.4. At the Cabinet meeting on 7 June 2016 a sum of up to £100,000 was allocated from the Planning Delivery Grant and General Reserve to fund a registered valuer and specialist solicitor. So far approximately £22,700 has been spent on valuation and legal advice.

9. Consultation

9.1. The Council's Legal Service and external advisors including the CPO Solicitor have been consulted about this complex matter.

9.2. The local member has been made aware of the work being undertaken in relation to the use of CPO powers.

10. Community Impact and Corporate Risks

10.1. The primary intention of the Tangmere Neighbourhood Plan is to shape how and where the allocated 1000 new homes and associated infrastructure are delivered. The identification of the site for development is fundamental to the delivery of the Local Plan and Neighbourhood Plans.

10.2. There may be a negative impact if the Tangmere SDL is not delivered in line with the Local Plan strategy in terms of the Council's five-year housing land supply. If there is not a five year housing land supply the Council will be at risk of an increase in speculative planning applications and appeals.

10.3. There are potential strategic risks arising from the CPO process to deliver the Tangmere SDL, such as negative publicity. However, these have been weighed against the reputational risks to the Council of being perceived as failing to deliver the housing identified in the adopted Local Plan.

11. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder The proposals in the masterplan and planning applications should ensure that at the very least there is no negative impact on the potential for crime and disorder and that there should be a positive impact in reducing the potential for crime and disorder.	x	
Climate Change Any masterplan or planning application should ensure that at the very least there should be no negative impact for climate change and that there should be a positive impact by including mitigation or adaption measures.	x	
Human Rights and Equality Impact An equalities impact assessment will need to be undertaken on the proposals in any CPO process and masterplan.	x	
Safeguarding and Early Help		x
Other		x

12. Appendices

12.1. Appendix 1: Benefits of the Council contracting with a development partner

12.2. Appendix 2: Plan of the Site

12.3. Appendix 3: Further information as part of Section 8 Resource and legal implications

13. Background Papers

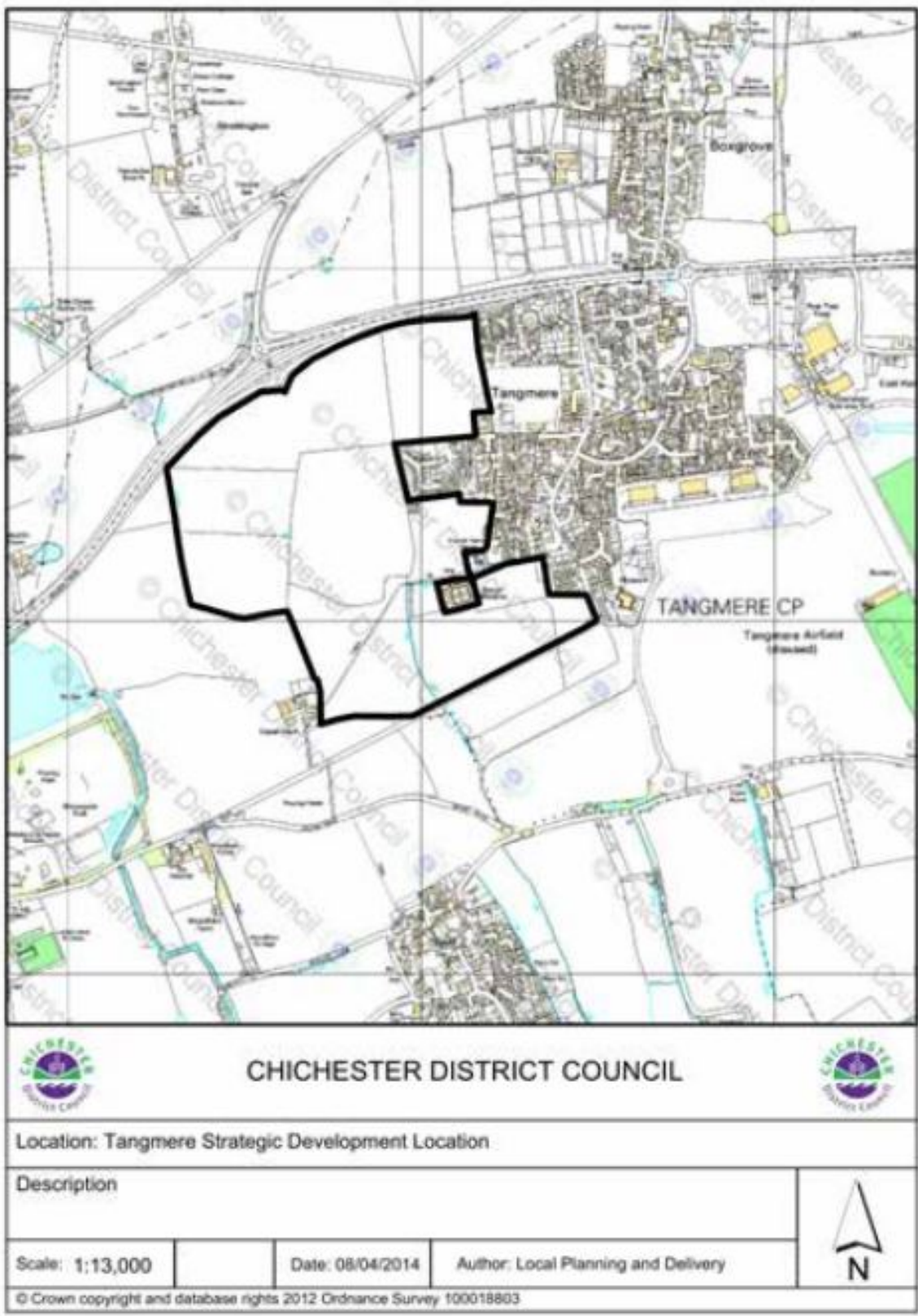
None

Appendix 1: Benefits of the Council contracting with a development partner

- The development partner would enter into a development agreement with the primary focus being on delivering homes and associated infrastructure. This would be achieved by the master developer having capital outlay on the land price and the costs of securing planning thus being incentivised to meet the target start on site date and no later than a long-stop date. If a start on site has not been achieved by the long-stop date the Council would have the remedy to exercise a buy-back at an agreed price. This provides a strong incentive to deliver infrastructure and serviced sites to house builders for housing delivery. In contrast, even if a developer obtains planning permission, delivery is not capable of being enforced by the Council and there is limited ability through planning to compel delivery and thereby contribute to the 5 year housing land supply;
- It would secure comprehensive development and allow the Council to drive forward delivery to secure the delivery of the Tangmere SDL which is compliant with the policies of both the Local and Neighbourhood Plan;
- The selection process would test a development partner's credentials, its experience and ability both to raise the necessary finance as well as to promote a masterplan and planning application acceptable to the Council. By using the proposed selection process, the Council can have some control over the development partner through a development agreement to meet certain milestones. If this process is not followed the Council may find itself with a development partner who has the potential to 'land bank' the site, thereby not delivering it in a timely manner;
- With numerous landowners and site promoters within the SDL, if negotiations are ultimately unsuccessful, exercising the Council's compulsory purchase powers would overcome the problems of land assembly to secure comprehensive development;
- The Council's costs relating to the Compulsory Purchase Order (CPO) would be met by the development partner under the terms of the development agreement.

Appendix 2: Plan of the Site

Map 12.8 Tangmere Strategic Development Location



Appendix 3: Further information as part of Section 8 Resource and legal implications

- 1.1. **Human Rights and Equalities:** A comprehensive process will be undertaken to secure the delivery of the development together with compliance with the appropriate statutory land acquisition and planning powers and duties. The process will be subject to compliance with the Equalities Act 2010 both in terms of accessibility to the procurement processes themselves and of the implementation and delivery of the Tangmere SDL. Proposals will be thoroughly impact assessed at each stage of the development and compliance built into the obligations required of any development partner selected to deliver the proposals.
- 1.2. Article 1 of the First Protocol of the European Convention on Human Rights protects the peaceful enjoyment of possessions (including land). The Convention states that no one shall be deprived of their possessions except in the public interest and otherwise as provided for by law. The Compulsory Purchase process enshrined in UK legislation has been found to be Human Rights Act - and Convention - compliant where the powers are exercised reasonably and where necessary to secure the control and use of property in the public interest.
- 1.3. It is considered necessary to secure the comprehensive redevelopment of the Tangmere SDL in order to secure social, environmental and economic benefits for the wider community of Tangmere and the District as a whole that would not otherwise be possible by piecemeal acquisition and development, and to achieve delivery of the site within the timescales necessary to secure the delivery of comprehensive levels of affordable housing in the local area.
- 1.4. Wherever possible, the Council will seek to acquire land by agreement or through the Council's development partner, however, the ability to compulsorily purchase land to secure development of the Tangmere SDL remains a lawful and appropriate/necessary option in the circumstances.
- 1.5. **Development Partner Selection Process:** The selection of a preferred developer will be procured in accordance with all prevailing UK and EU public procurement law and the Council's own Constitutional requirements in this regard.
- 1.6. It should be noted that up until April 2019 whatever EU processes are in place will remain.
- 1.7. **Compulsory Purchase Order – Making the Order:** The making of a Compulsory Purchase Order is a function which the Council may exercise.
- 1.8. Initial research points to the powers under Section 226 of the Town and Country Planning Act 1990 of most relevance in this case, although the specific power relied upon will be determined as part of the CPO preparation process. However, assuming the purpose of this Report the chosen CPO power, the power enables a Local Authority to exercise its compulsory purchase powers:
 - I. if it considers that acquiring the land in question will facilitate the carrying out of development, redevelopment, or improvement on, or in relation to, the land being acquired (s.226(1)(a)); and
 - II. provided that it considers that the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or

improvement of the economic, social or environmental well-being of its area (s.226(1A)); and

III. in respect of any land adjoining the primary land which is required for the purpose of executing works for facilitating its development or use (s.226(3))

- 1.9. The Council must therefore be satisfied on counts (i) and (ii) above when, and if, in due course it comes to make a resolution to make an Order.
- 1.10. **Compulsory Purchase Order – Confirmation of Order and Acquisition of the land:** If, following consideration of a further detailed report, the Council resolves to make a Compulsory Purchase Order (CPO), the Order must be submitted to the Secretary of State for confirmation, notified to those persons affected by it and advertised in the local press.
- 1.11. Any party who wishes to object to the making of a CPO at that point would have 21 days within which to do so from the date of notification. All statutory objectors have a right to be heard at a Public Inquiry although it is possible for the Secretary of State to deal with objections in writing. Although any Inquiry will be held on the earliest possible date, typically this could be 6 months after submission of the Order to the Secretary of State.
- 1.12. The Council cannot exercise its compulsory purchase powers until such time as the Compulsory Purchase Order has been confirmed by the Secretary of State or the Secretary of State permits the Council itself to confirm the Compulsory Purchase Order.
- 1.13. Following confirmation of a Compulsory Purchase Order the Council has 3 years within which to exercise the CPO powers. Qualifying interest owners will be entitled to compensation, the quantum of which will be assessed in accordance with the compensation code – established by the relevant Acts of Parliament, Statutory Instruments and decided case law.
- 1.14. Once the interests included in the CPO have been acquired, the site will benefit from the operation of Section 237 of the Town and Country Planning Act 1990, which (subject to the payment of compensation) overrides all existing third party rights that could prevent the development or use of the land from proceeding. The costs of compensation will be limited to the statutory basis as provided by section 237 of the 1990 Act (as amended).

Chichester District Council

THE CABINET

11 July 2017

Pallant House Gallery – Revised Articles of Association

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2. Recommendation

- 2.1. That the Cabinet approves the revised Articles of Association for Pallant House Gallery in the appendix to this report.**

3. Background

- 3.1. The Pallant House Gallery is a registered charity and company limited by guarantee, which operates independently of the Council. The Council set up the charity in 2004, enshrined within Articles of Association which define how the Gallery would operate. The Council owns Pallant House, which is leased to the charity. The Gallery houses the Hussey Bequest art collection which belongs to the Council, amongst work within their collection.
- 3.2. At its meeting of 8 September 2015, Cabinet indicated that the Council's representation on the Board of Directors of Pallant House Gallery would, depending on the outcome of the Governance Review being undertaken by them, reduce to one member of the Council. Cabinet also agreed to receive a further report in respect of the approval of revised articles of association and the outcome of the Gallery's Governance Review.
- 3.3. Pallant House Gallery appointed Egeria to undertake a governance review, and their report was approved by the Board of Trustees in late 2015. A small Task and Finish Group was established to implement its proposals, and a significant focus has been on reorganisation of the Gallery's governance structure.
- 3.4. The existing Management Committee has now ceased to function and has been replaced by three new Committees of the Board: Finance and Investment Committee, Audit and Risk Committee, and Nominations Committee. Trustees and non-trustees have been appointed to all three Committees and terms of reference agreed.
- 3.5. In addition, three informal working and support groups have also been formed: Collections and Exhibitions, Learning and Community, and Commercial and

Marketing. Terms of reference for these three groups has also been agreed by the Board.

- 3.6. The most time consuming element of the Egeria recommendations is the amalgamation of the Gallery with its sister organisation, the Friends of Pallant House Gallery. Both organisations are in agreement, and the Friends have passed a resolution that will allow Pallant House Gallery to be the Sole Trustee, which will proceed subject to HM Revenues and Customs approval and the adoption of new Articles of Association (see below). The function of the Friends group will remain, and a new Friends Committee of the Gallery will be established (terms of reference for which have already been agreed by the Charity).
- 3.7. Finally, the Governance report recommended that the changes would require updating the various documents that incorporate the Gallery, including the Articles of Association. While the Board is empowered to make those decisions, it is recognised that Chichester District Council set up the Gallery and therefore the Council's approval is sought to the changes to the Articles. The Board of Pallant House Gallery have approved Articles for this Council's consideration.

4. Outcomes to be Achieved

- 4.1. Chichester District has a rich and varied heritage as a renowned cultural and arts destination. The contribution that the Arts make to the Health and Wellbeing of District residents is recognised in the Chichester in Partnership Community Strategy. The arts and the area's heritage are key economic drivers within the District, and Pallant House Gallery have recently completed an Economic Impact Study (see the Exempt report to Cabinet at their meeting on 6 December 2016).
- 4.2. These outcomes will be sustained through an effective and efficient board of directors of the Pallant House Gallery, as an important element of this heritage, and through an appropriate relationship with the District Council.
- 4.3. The purpose of the Council's representation should be clarified as being a non-executive monitoring role in what should be a more self-sustaining independent organisation. The representative would provide a strategic linkage between Gallery direction and Council objectives, democratic representation of community voice, governance and monitoring and ensure the Council's interests are considered and financial contribution protected.

5. Proposal

- 5.1. The proposed changes to the Articles of Association (see Appendix 1) have been reviewed by officers, and are considered to both modernise the language used and also to integrate certain clauses from the standard "model" articles suggested by the Charities Commission.
- 5.2. Officers have proposed several amendments to earlier drafts shared with the Council, to ensure that the interests of the Council (and the collection items set out above) are clearly protected as was always the intention of the parties and to remove any potential conflict between clauses.

- 5.3. In respect of the Council's representation, the previous indication that one representative would be required has been confirmed, but with flexibility to appoint a second representative where appropriate (for example if the size of the Board increased significantly). This is considered unlikely at this time, but is included to protect the Council's outcomes to be achieved.

6. Alternatives Considered

- 6.1. The Cabinet could propose a different number of appointments to the Board, but this would be inconsistent with recommendations made in September 2015.
- 6.2. The articles could have been agreed without amendment but this would have weakened the clarity required by the Council as to the future relationship with the Gallery.

7. Resource and Legal Implications

- 7.1. There are no resource implications, as the work to update the relevant documentation is being undertaken on behalf of the Gallery (and the Friends of Pallant House Gallery) by appointed Charity Solicitors.

8. Consultation

- 8.1. The development of the Review involved full consultation with the existing Boards of both the Gallery and the Friends and the formal transfer of the Friends of Pallant House Gallery will require the support of their membership, at a General Meeting.
- 8.2. The Articles of Association had previously been submitted to the Council for comment, and have been reviewed by Paul Over, Executive Director, the Communities Team and the Legal Services Team. The version approved by the Pallant House Gallery Board on 16 June 2017 has been confirmed by the Legal Services Team as addressing all points raised.

9. Community Impact and Corporate Risks

- 9.1. The role of the Gallery in the community has changed and developed since it was formed as a separate charity in 2004. The principal thrust of the recommendations contained within the Gallery's Governance Review is to form a smaller, yet more effective, Board, within which all of the many areas of competence and support that the Gallery requires are represented.
- 9.2. The reduction in appointments still allows the Council to have a key interest in the operation of the Gallery. The Gallery leases a Council-owned building and houses a Council-owned art collection, and is currently in receipt of significant funding from this Council, which will end in 2018. The funding, post 2018, has been reviewed and the recommendation to continue funding at a revised level for a four year period was approved by Council in January 2017. However, it is recognised that there is some benefit in a more arms-length relationship.

10. Other Implications

Crime and Disorder	None
Climate Change	None
Human Rights and Equality Impact	None
Safeguarding	None
Other	None

11. Appendices

11.1 Revised Articles of Association

12. Background Papers

12.1 None

Chichester District Council

THE CABINET

11 July 2017

Pay Policy

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2. Recommendation

- 2.1. **That the Cabinet approves the proposed Pay Policy Statement as outlined in appendix 1.**
- 2.2. **That the Cabinet authorises a comprehensive review of posts based on the Pay Policy Statement to ensure a consistent and fair pay structure.**
- 2.3. **That the Cabinet authorises the release of £25,000 from reserves to fund temporary staffing within the Human Resources service to support the implementation of this project.**

3. Background

- 3.1. At their meeting on 6 September 2016 Cabinet considered a report setting out options available to the Council in response to an analysis of the Council's pay grading structure, benchmarking of salaries and recruitment and retention trends in recent years.
- 3.2 Cabinet approved the option of undertaking a job re-design approach to be applied on a service by service basis. This option will provide an opportunity to update job roles and the grading structure, reviewing the number of grades and job types. It would however be a longer-term option, taking time to implement and would need to be aligned with other corporate initiatives, such as other service reviews and the senior management restructure due to take effect in April 2018.

4. Outcomes to be Achieved

- 4.1. A comprehensive review will provide the opportunity to review the existing pay structure and to ensure a fair and consistent approach is taken in evaluating job

roles and their appropriate pay grade going forward to enable the Council to retain existing professional staff and to continue to be an attractive employer.

5. Proposal

- 5.1. The proposed job re-design is aimed at updating the existing pay grading structure and ensuring a fair and consistent approach. It is not intended as a savings exercise.
- 5.2. The Council has used the Hay job evaluation system since 1990 and it is proposed to continue to use this system. Officers have worked closely with the Hay Group on a consultancy basis in considering implementation of the proposed re-design.
- 5.3. To provide clarity and consistency, it is proposed that a Pay Policy be adopted by Cabinet. This policy sets out the Council's commitment to staff, legal and statutory obligations relating to pay and an overview of the job evaluation process and is attached as Appendix A for approval.
- 5.4. The re-design would consist of two phases. The first phase will be to undertake a job evaluation process for each separate job role. This will require significant support from the Human Resources (HR) Service and involvement from service managers. Each job role will need to be evaluated by a Panel of staff who have been trained in applying the evaluation criteria process. The Council currently has 12 staff trained who will be supported by HR and the Corporate Improvement Team. In addition to this it is recommended that advice, facilitation and some validation is sought from Hay Group to provide external quality assurance on a consultancy basis.
- 5.5. On completion of the job evaluation, the second phase will be undertaken by the Hay Group who will analyse the evaluations and work with Officers to provide a revised grading model with individual and overall cost implications within the limitations of existing budgets. This phase is designed to obtain a clear picture of relativities, provide equity between similar job roles and address any particular issues. It is therefore expected that the salary grading for a significant number of job roles will be broadly similar to their current level.

6. Alternatives Considered

- 6.1. At their meeting on 6 September 2016 the Cabinet considered a number of alternative options:-
 - (a) Do the minimum. To make no structural changes other than to respond to legislative changes. This option was not supported as it did not address the findings of the pay analysis undertaken.
 - (b) Continue to apply market supplements to posts as recruitment issues arise. This option was not supported as a method of addressing the pay analysis in isolation. However, it is accepted that there does need to be provision to apply temporary market supplements to posts where necessary and this is incorporated within the revised Pay Policy.

- (c) Apply a tier of market supplement performance related pay on an individual basis. This option is a variation on option (b) with the supplement being annually reviewed to reflect an individual's performance and market forces. This option was not supported as the enhancement would be a temporary uplift and would not therefore address recruitment issues as it would not form part of the substantive salary.
- (d) To review the mid pay grades demonstrating a salary shortfall when benchmarked against the south-east local government sector. This option was unaffordable when costed.
- (e) To apply the median public sector salary to all posts. Again, this option was unaffordable
- (f) To undertake a comprehensive review of all posts. This is the preferred option proposed.
- (g) Review the benefits package. This option was also approved by the Cabinet. All staff are now offered the opportunity to take part in the Council's car loan scheme and a discounted scheme is offered to staff purchasing a car parking season ticket.

7. Resource and Legal Implications

- 7.1. At their meeting on 6 September 2016 the Cabinet allocated £25,000 to fund advice and consultancy. To date £10,000 has been spent on Hay training and consultancy. The remaining £15,000 will fund the support required from the Hay Group during the first job evaluation phase of the re-design and the delivery of the revised grading model.
- 7.2. As mentioned in paragraph 5.4, a significant amount of additional work will be required from the HR service during the evaluation and implementation stages. This will require additional resources within the service area for a temporary period. Cabinet is requested to release additional funding to provide this support at a cost of £25,000.
- 7.3. Any changes associated with this project will be carried out in accordance with employment legislation and existing approved Council policies.

8. Consultation

The Joint Employee Consultative Panel (JECF) received a report at their meeting on 22 August 2016, setting out the benchmarking data and options appraisal. The Panel has received regular updates at each of their meetings since this time and considered the proposed Pay Policy and proposals at their meeting on 26 June 2017. Minor changes were incorporated into the Pay Policy Statement as a result of this consultation. The Staff Side requested at this Panel meeting that there should be no reductions in staff salaries as a result of the Pay Review and that the Council's longer term aspiration should be to achieve the median public sector pay level for all

posts. These points were put forward by the Staff Side and they were not agreed by the councillors on JECF.

9. Community Impact and Corporate Risks

- 9.1. This project will not have a community impact. The Council does have a corporate risk (CRR8) concerning staff skills, capacity and capability. A number of initiatives have been introduced to develop the workforce and ensure staff are appropriately trained. This project has been identified as one initiative that will further reduce this risk in ensuring the Council are a fair and attractive employer and are therefore able to recruit and retain the calibre of staff required to provide a good quality service to our customers. Cabinet will, however, be aware of the uncertainty this review may have upon staff and this will need to be carefully managed during implementation with clear and regular staff communications.

10. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder		X
Climate Change		X
Human Rights and Equality Impact The implementation of this project and any associated changes will be undertaken in accordance with Human Rights, Equality and employment law legislation.	X	
Safeguarding and Early Help		X
Other (please specify) eg biodiversity		X

11. Appendices

- 11.1. Appendix 1 Pay Policy Statement
 11.2. Appendix 2 Job Profile

12. Background Papers

- 12.1. None



EMPLOYMENT POLICY STATEMENT

Policy Title: PAY POLICY

Date: July 2017

Scope

This policy applies to all staff and divisions across Chichester District Council.

Policy Statement

Corporate objectives

This policy supports the guiding principle set out in the Corporate Plan to keep our staff skilled, motivated and flexible. It is also designed to help ensure that the organisation can continue to recruit and retain high quality staff as well as supporting the objective to prudently manage the Council's finances.

Statutory legal responsibilities & commitment to national pay framework

The foundation of this policy is to ensure that there is fairness and consistency across the organisation in how employment is rewarded and that the Council comply with legislative requirements such as equal pay, the national living wage and gender pay gap reporting. It should be noted however that there were no existing significant concerns about this. This process will however comprehensively check that equal pay for work of equal value continues to apply across the organisation.

Gender Pay Gap Reporting

This is also timely in view of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 <https://www.gov.uk/guidance/gender-pay-gap-reporting-overview> that apply from 2017-18 requiring CDC to publish on our website and submit to government the following data;

- CDC's mean gender pay gap in hourly pay
- CDC's median gender pay gap in hourly pay
- CDC's mean bonus gender pay gap

- CDC's median bonus gender pay gap
- CDC's proportion of male and female staff receiving a bonus payment
- CDC's proportion of male and female staff in each pay quartile

Incremental pay: progression subject to high performance

All staff in the Council are paid in line with National Joint Council for Local Government Services (NJC) pay awards with the exception of the Chief Executive and Executive Directors whose pay is determined by the Joint Negotiating Committee (JNC) for Chief Executives and JNC for Chief Officers of Local Authorities as applicable and apprentices on an official government sponsored apprenticeship who are paid in line with the National Minimum Wage for apprentices or above. With the exception of these staff groups plus Directors and Chichester Contract Services (CCS) staff, the salary of most other employees is linked to a specific NJC salary point.

As stated below, each post is job evaluated and scored in Hay points with the actual salary being part of a pay grade made up of a number of NJC salary points or increments. Once appointed no increment will be given unless the post holder can demonstrate, as documented by the appraisal process, a consistently good standard of job performance. No increments can be awarded until the staff member has passed their probationary period.

National Minimum / Living Wage

The NJC approach to the National Minimum / National Living Wages has been to increase the lowest NJC salary point each year to above the National Living Wage amount (£7.50 per hour compared to SP6 at £7.78 per hour - April 2017). CCS staff are also all paid above the National Living Wage (NLW). Whilst this meets legal obligations it has meant that pay differentials at the lower end of the NJC pay scale have been squeezed and this process is due to continue. This is another contributory factor towards why the Council's pay grading structure needs to be reviewed as the existing grade 1/2 is likely to continue shrinking in size in monetary terms and in the future no longer be usable. During 2017 the national pay spinal points are being reviewed by the National Employers and Trade Unions that make up NJC to further address the challenges presented by the NLW through to 2020 and beyond.

Senior Staff

Remuneration for the Council's senior staff, defined as statutory and non-statutory Chief Officers and senior staff immediately reporting to them, is addressed in a separate Senior Staff Pay Policy Statement which is reviewed annually in line with the requirements of the Localism Act 2011 and is subject to approval by Cabinet and Council. This policy statement and associated documents are published on the authority's website <http://www.chichester.gov.uk/transparencyofseniorsalaries>

Other CDC salary enhancements

Market supplements

Market supplements (Premia payments) are paid when necessary to ensure that the Council's remuneration package for particular hard to fill posts remains attractive and competitive. The basis for payment of these is where there is evidence that the salary for the post in question is currently not sufficient for the Council to recruit and / or retain staff to that post i.e. too few quality candidates applying and /or high turnover. This should also be supported by clear pay bench marking data that the Council is paying below the market rate. These payments are subject to periodic review to reflect market conditions and as such are temporary. Market supplements are fully pensionable but do not increase in line with pay awards. They are paid monthly as part of salary payments and are pro rata for part time staff.

See Market Supplements NJC Technical Note 15 (January 2016) section 10, *Duration of the market supplement and review arrangements*;
[http://www.emcouncils.gov.uk/write/Tech_Note_15_Market_Supplements_Jan16_\(003\).pdf](http://www.emcouncils.gov.uk/write/Tech_Note_15_Market_Supplements_Jan16_(003).pdf)

Responsibility Allowances

Any additional responsibilities should be absorbed into the Job Profile and contribute towards a post's job evaluation outcome, with the exception of the Responsibility Allowances for Section 151 Officer and Monitoring Officer and their deputies which are viewed as additional statutory officer posts.

The Job Evaluation process

The Council's staffing structure was subject to complete job evaluation using the Hay system in 1990. Since this time Hay job evaluation has been used for all CDC divisions except Chichester Contract Services (CCS).

Summary of Hay Job Evaluation system

Factors and Dimensions:

In the Hay Guide Charts, the key requirements of any job are regarded as universal, and are termed factors.

The three Hay universal factors are:

- Know How (technical knowledge, management of breadth, human relation skills)
- Problem Solving (thinking environment and thinking challenge)
- Accountability (the freedom to act, the magnitude of accountability and the impact of actions)

The effectiveness of the Guide Charts lies in the scoring system and the relationship between the factors within the overall job profile.

Points:

Each of the Guide Charts for the three factors includes a points system so that after the job evaluation has been carried out the factors can be scored. The overall score is then translated into a pay point or pay grade.

Continued commitment to Hay Job Evaluation

Since the original job evaluation process, Hay Group have periodically been asked to carry out job evaluation audits of the Council's pay and grading structure. In view of the new policy and the large cross organisation project that implementing it will involve, the Council has worked closely with the Hay Group on a consultancy basis on all the main aspects of this. Specific outcomes from this work are set out below:-

Job Profiles

In order to ensure consistent evaluation and to focus authors of job documentation to consider the three factors required to evaluate a post, a new Job Profile template has been developed (see Appendix 1 Job Profile template). This combines the job description and person specification into one document and is also used where necessary for recruitment advertising and contracts of employment. This new Job Profile will be used by future Hay panels when evaluating posts. Each council post will have a Job Profile written for it by the service manager and this will be used to commence the evaluation process. Service managers should refer to the re-evaluation process managers guide and will receive support as necessary from the HR or Corporate Improvement teams.

Job Evaluations

The evaluation of a post uses the information provided within the Job Profile to apply the three factors which translate into points. All posts are evaluated by a panel of 3 to 5 staff who are trained in applying the Hay Evaluation Process. In view of the number of evaluations that would be required for a complete re-evaluation of all posts, Hay were invited to train a larger number of Hay job evaluators including officers from a number of corporate support services. Future Hay panels will be drawn from this larger corporate resource.

Right of review

If the post relates to an existing post holder who is not happy with the resultant grade then he or she is entitled to have the outcome reviewed. This request must be in writing and be within 30 calendar days of notification of the outcome. The review panel will be composed of different Hay job evaluators to the original one and will be asked to evaluate the job a second time. The review panel will take into account any additional information provided by the service manager.

A Staff Side or recognized CDC union representative can attend the review panel as an observer and contribute towards discussion.

Salary Protection

In circumstances where a staff member's salary is reduced as a result of the job evaluation process he or she will be entitled to have their salary protected for a period of 3 years, as shown below.

Salary protection will be for a period of 3 years and will be paid based on the actual salary at the outset (i.e. with no pay awards applied). This will be at 100% of the difference between the new grade and old grade in year one, 75% in year two and 50% in year three.

The 3 years' salary protection period is a maximum and this may be amended in response to changing legislation and / or case law.

Please see Employment Stability Policy section 8;

<http://intranet.chichester.gov.uk/index.cfm?articleid=17682&detailid=17739&startat=E>

Appendices

Appendix 1: Job Profile template

July 2017

JOB PROFILE

This form is to be completed for all Hay job evaluations and when recruiting to vacant posts

WHEN COMPLETING THE JOB PROFILE, PLEASE FOCUS ON THE FOLLOWING:

- The main purpose of the job (what the role does most of the time, not in exceptional circumstances)
- Role not the individual

Assume role is carried out to a 3 out of 5 standard – not best performing or poorly performing scenario

RECRUITMENT INFORMATION:

THIS INFORMATION WILL BE USED WHEN ADVERTISING YOUR POST. PLEASE ENSURE THAT YOU INCLUDE ALL THE INFORMATION ABOUT THE JOB ROLE AND COMPETENCIES YOU WISH TO BE VIEWED BY THE CANDIDATES

JOB PROFILE SUMMARY

Job Title

Reports to Job title of Manager/Supervisor and Department Name

Date

Please attach an organisation chart and any additional information to help explain the context of the job.

MAIN PURPOSE OF JOB

Summarise explaining:

- **WHY** the job exists?
- **WHAT** it has to achieve?

*This should describe the **ultimate aim of the job** rather than its component parts e.g. **WHAT** is done, to **WHAT/WHOM**, to **WHAT** end.*

KEY DUTIES/ACCOUNTABILITIES:

Identify the six to eight main things the job holder must do to make sure that the main purpose is met. These should be the things that need to be done, the services that need to be provided. You should describe, "what you do" and "why you do it", rather than "how". It is helpful to ensure that each accountability states what is done, to what/whom and with what outcome (e.g. Prepare, monitor and control the annual departmental budget to ensure expenditure is in line with the business plan.) Include key challenges of the role.

1. **Heading**
2. **Heading**
3. **Heading**
4. **Heading**
5. **Heading**
6. **Heading**

ADDITIONAL DUTIES & ACCOUNTABILITIES *(add additional rows as necessary)*

- 1.
- 2.
- 3.

KNOWLEDGE, SKILLS & EXPERIENCE

This section is to define/qualify the expertise/capability which is ESSENTIAL to meet job demands.

Business Knowledge

- summarise areas of business knowledge required to perform the role EFFECTIVELY

Essential Functional / Technical Skills

- *summarise essential skills / experience/ specialised knowledge required to perform the role EFFECTIVELY*

Qualifications

- *What qualifications are **essential** to do the job?*

Personal Attributes / Competencies

- *summarise essential personal characteristics required to perform the role EFFECTIVELY*

END OF THE RECRUITMENT PROFILE

FURTHER INFORMATION: (FOR JOB EVALUATIONS PURPOSES)

KEY CONTACTS

Typical Reason for Contact	Type of Contact	Job Title of	Frequenc
e.g. obtain information give advice / sell / influence	telephone / face to face / e-mail / meetings	Job Title	Daily / weekly / monthly etc.

Use the above table to identify the other jobs the job holder interacts with in order to fulfill their role (e.g. superiors, peers, subordinates, clients/customers, suppliers). We are looking to understand in what way the job holder interacts with others and why. Include who the role line manages and / or supervises.

- What people skills including influencing and negotiating are required to perform the role?

PROBLEM SOLVING AND CHALLENGES

- What are main challenges for this role?
- What levels of Planning & Organising are required (include timescales for action)?
- What job related policies, procedures & committees does the post-holder need to adhere to?
- What are the main problem solving areas that are required in this role?
- What are the main constraints to getting the job completed satisfactorily?

IMPACT

Types of Jobs Managed by Jobholder	No of staff	Direct/Indirect
e.g. specify the job titles of any internal jobs or contractor /agency workers managed by the job holder.		e.g. indirect if there is "dotted line" responsibility

ACCOUNTABILITY

BUDGETS/FINANCIAL RESPONSIBILITIES/PROJECTS

- Please state the key financial responsibilities required for this role:

- What is the estimated value?

- What level of control do they have?

- Key Activities / Projects Managed (Identify impact, effort, cost, time invested).

DECISION MAKING

- Outline the most important decisions typically expected to be taken on a daily/monthly/annual basis

- Outline the most important recommendations expected to be made for others to decide on including the level of supervision the role requires

Chichester District Council

THE CABINET

11 July 2017

Public Spaces Protection Order - Dog Control

1. Contacts

Report Author:

Alison Stevens - Environment Manager

Telephone: 01243 534742 E-mail: astevens@chichester.gov.uk

John Connor - Cabinet Member for Environment Services

Telephone: 01243 604243 E-mail: jconnor@chichester.gov.uk

2. Recommendations

- 2.1 That the Cabinet authorises the making of the attached Public Spaces Protection Order - Dog Control relating to the behaviours and geographical areas set out in appendices 1 and 2 to the agenda report.**

3. Background

- 3.1. The legal and procedural background to the Public Spaces Protection Order (PSPO) Dog Control was set out in the previous Cabinet report dated 7 February 2017.
- 3.2 Dog Control Orders (DCO) are being repealed on 1 October 2017 and Public Space Protection Orders (PSPOs) may be used to replace these orders. The power to make a PSPO rests with local authorities, in consultation with the police and other interested stakeholders that may be affected, and once made, can be in force for any period up to a maximum of three years and then reviewed.
- 3.3 A local authority can make a PSPO in respect of any public space within its administrative boundary. The definition of public space is wide and includes any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission.
- 3.4 The restrictions and requirements included in a PSPO may be wide ranging or targeted on specific behaviours by particular groups and/or at specified times, and may either prohibit an activity or place restrictions on it. In bringing in an order the Council must be satisfied that the activity or behaviours have been or are likely to be detrimental to the quality of life of those in the locality, persistent and unreasonable in nature.
- 3.5 The delegated powers to authorise the use of Fixed Penalty Notices for breaches of a PSPO was approved by the Cabinet in July 2016.

4 Outcomes to be Achieved

- 4.1 That members consider the PSPO which has been amended as a result of the consultation responses (see appendices 3 and 4) and decide which behaviours relating to dog ownership require control by way of a PSPO, including its geographical area, so that the public benefit from a safe, protected environment, free of nuisance behaviour. The amendments to the Order made following consultation are attached at appendix 5.

5 Proposal

- 5.1 That the PSPO be approved to control behaviour associated with irresponsible dog ownership as set out in the draft PSPO attached at appendix 1. That the Cabinet confirm the areas detailed in the draft PSPO shown in appendix 2 that should be covered by the PSPO.

6 Alternatives Considered

- 6.1 The Council is not required to replace the DCO with a PSPO and may determine, in light of the consultation responses, that there is no need for a PSPO to control behaviours relating to irresponsible dog ownership.
- 6.2 That the draft PSPO is further amended to reflect consultation responses and the available evidence to support the proposed PSPO.

7 Resource and Legal Implications

- 7.1 The Council already has the resources to enforce the recommended PSPO in the form of the Dog Wardens, to enforce the current DCO that this PSPO is replacing. In addition, the Foreshores Officers will also enforce the PSPO on the beach.
- 7.2 In terms of publishing and enforcing the Order, the Council will need to remove existing signs that refer to old byelaws and Dog Control Orders and replace with new signs referring to the PSPO. The cost of this work will be met from existing budgets and where possible, pictorial signs will be used to represent the controls and which hopefully will eliminate the need for replacing signs as and when the legislation changes. The details of the PSPO will also be publicised both in writing via various outlets and via social media.

8 Consultation

- 8.1 In conjunction with the Council's Corporate Information Team, a full public consultation was carried out between 15 February 2017 and 15 March 2017. This consultation was also brought to the attention of various partner agencies and other local stakeholders including parish councils and major land owners. A summary of the comments received is provided in appendices three, four and five. Officers have subsequently made additional enquiries with stakeholders regarding proposed amendments to the PSPO and these are detailed also in appendix 5.

9 Community Impact and Corporate Risks

- 9.1 The PSPO Dog Control enables the Council to deal with dog-related nuisance in the District.
- 9.2 The primary operational risk of not having a PSPO is that nuisance behaviours are dealt with less effectively by the Council and that operational activities are therefore hampered by out of date practices. The consultation gives a breakdown of public views on whether the behaviours which the draft PSPO covered should be seen by the Council as being so serious as to require those additional powers. The risk of proceeding with powers which are beyond those which the public considers are required are that those powers are seen to be unfair or unreasonable to the detriment of the reputation and effectiveness of the Council.

10 Other Implications

	Yes	No
Crime and Disorder If supported a PSPO will directly address aspects of antisocial behaviour.	x	
Climate Change		X
Human Rights and Equality Impact see background papers	x	
Safeguarding		X
Other (please specify) eg biodiversity		X

11 Appendices

- Appendix 1 – Draft PSPO Dog Control 2017 and Schedules
- Appendix 2 – Draft PSPO Dog Control 2017 Maps for Dog Fouling
- Appendix 3 – Public Consultation
- Appendix 4 – Other Consultation Responses
- Appendix 5 - Amendments to Draft PSPO Dog Control

12 Background Papers

- 12.1 Equality Impact Assessment – PSPO Dog Control

Chichester District Council

THE CABINET

11 July 2017

Treasury Management – 2016-17 Out-turn Report

1. Contacts

Report Author:

Mark Catlow - Group Accountant

Telephone: 01243 521076 E-mail: mcatlow@chichester.gov.uk

Cabinet Member:

Philippa Hardwick - Cabinet Member for Finance and Governance Services

Telephone: 01428 642464 E-mail: phardwick@chichester.gov.uk

2. Recommendations

- 2.1. That the Cabinet (a) considers this review of Treasury Management activity and performance for 2016-2017 and (b) notes the final Prudential Indicators for 2016-2017 to 2021-2022 as detailed in appendix 2 to the agenda report.**

3. Outcomes to be achieved

- 3.1. The Chartered Institute of Public Finance and Accountancy’s Treasury Management Code (CIPFA’s TM Code) requires at least bi-annual reporting of Treasury Management performance. The first report for 2016-2017 was considered by the Cabinet on 6 September 2016.
- 3.2. This report also summarises:
- Capital activity and how it was financed
 - The Council’s prudential indicators as at 31 March 2017.
- 3.3. This report was considered by the Corporate Governance and Audit Committee on 29 June 2017 and an oral update will be provided of any key comments made.

4. Treasury Management

- 4.1. The Council continues to manage in excess of £50m of cash within its Treasury Management Strategy. For 2016-2017 an overall return of 1.25% was achieved, as shown below.

Investments	Average £k	Total income return	%
Internal	46,864	358	0.76

External	7,500	319	4.25
Total	54,364	677	1.25

4.2. Significant developments during the year included:

- The purchase of short-term corporate bonds where returns have exceeded available money market rates and where they met our counterparty lending criteria
- a second investment of £5m was made in the local authority property fund
- Treasury benchmarking indicators were agreed and performance against these is reported via the Council's Covalent reporting system. A copy of the indicators for 2016-17 is included at appendix 1

5. Borrowing

5.1 The Authority did not undertake and borrowing in 2016-2017.

6. Exceptions

6.1. During 2016-2017 one investment during the period was made for a period that exceeded the maximum allowable period by one day. This was approved by the Head of Finance and Governance as no other suitable investment opportunities existed and the Council's money market funds was at the maximum available balance.

6.2. The Council's change of banker on 1 April 2016 created some issues which Treasury staff have now resolved. The reportable events occurred during the year were:

- 11 April to 17 May 2016 the Council's Nat-West current account was overdrawn on six occasions between £150k and £612k. These instances arose as the Council's new arrangements to automatically move money between its current and investment accounts at the Nat-West did not operate as initially expected.
- A number of investments were repaid to the Council's old HSBC account during the year, despite all counterparties being advised of the change to the Council's banker prior to 1 April 2016. This resulted in the following short term overdrafts whilst the funds were redirected to the Council's new bank account:

Date	Overnight balance
23 May 2016	(£1.7m)
08 Dec 2016	(£0.9m)
19 Dec 2016	(£2.5m)
27 Mar 2017	(£2.8m)

For each instance, officers took action to recover any direct costs (interest or charges) that resulted from these counterparty's errors.

- 2 September 2016: Balance 'sweeping' arrangements between the Council's accounts did not operate, leading to the Council's creditors account being overdrawn by £6.3m overnight. National Westminster acknowledged this was due to a failure of their systems and refunded any costs incurred.

6.3. All these events were reported to the Corporate Governance and Audit Committee during 2016-2017.

7. Investment Briefings

7.1. Briefings to help Members exercise proper oversight of treasury management activities are offered each year to all members. The last event took place on 13 January 2017.

8. Estates portfolio

8.1. The Estates Team continues to manage a substantial portfolio of properties producing rental and licence fee income. This includes industrial premises, industrial ground leases, retail and commercial premises, offices, sports and community facilities and various licence agreements.

8.2. In 2014-2015 and 2015-2016 the Council acquired three properties principally as investment purchases and has just completed the purchase of another property, comprising prime retail premises in the centre of Chichester. The investment purchases are all within the Chichester District and the acquisitions have an associated community/economic development benefit by supporting the provision of business accommodation. Overall these properties produce an income in excess of £2.5 million per annum.

9. Capital Expenditure and Financing 2016-2017

9.1. Under the Prudential Code, the Council is required to take into account the following:

- Affordability;
- Prudence and sustainability;
- Professional good practice;
- Transparency; and
- The Council's treasury management framework.

9.2. Capital expenditure in 2016-2017 and financing is shown in appendix 2. Total expenditure, including the asset replacement programme, was £6.3m, some £1.6M less than the revised estimate of £7.9m due largely to the following variations and capital budget underspends which will slip into FY2017-2018.

Variation £m	Project
0.297	Vehicle replacements
0.125	New telephone system
0.400	Refurbishment of ADC car park

0.135	Beach management works
0.135	Affordable Housing Grant

- 9.3. £1.06m of total project spend was considered to be revenue in nature and was therefore funded from a combination of revenue reserves and revenue grants and contributions.
- 9.4. The balance of £5.24m was funded by capital receipts, the capital projects fund and capital grants and contributions thereby negating the need to borrow funds from external bodies.
- 9.5. The credit agreement in respect of the Council's multi-function devices leased in 2014-15 continues to require a small Minimum Revenue Provision (MRP) charge (£31,000) to be made against the Council's General Fund.

10. Resource and Legal Implications

- 10.1. Any investment interest received in the year is currently not used to help balance the revenue budget, but used to fund one off costs or towards funding capital projects. Any underperformance may therefore have an impact on the Council's overall funding position, but this is kept under review and reported to members as part of the budget process. Currently the approved capital programme remains fully funded.
- 10.2. The Council has complied with all the relevant statutory and regulatory requirements that limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management, means that, its capital expenditure is prudent, affordable and sustainable, and demonstrates a low risk approach.

11. Other Implications

Crime and Disorder	None
Climate Change	None
Human Rights and Equality Impact	None
Safeguarding and Early Help	None

12. Appendices

- 12.1. Appendix 1 - Investment indicators
- 12.2. Appendix 2 - Prudential indicators
- 12.3. Appendix 2 - Economic and credit commentary prepared by Arlingclose
- 12.4. Appendix 3 - Benchmarking definitions

Appendix 1: Treasury Management Indicators – 2016-17 benchmarks

Internal indicators

1. Security

Measure	CDC Actuals				Non-met District Q4 average	Rating
	Qtr 1 16-17	Qtr 2 16-17	Qtr 3 16-17	Qtr 4 16-17		
Average Credit Score (time-weighted)	2.85	3.56	3.44	3.40	4.01	GREEN
Average Credit Rating (time weighted)	AA	AA-	AA	AA	AA-	GREEN
Proportion Exposed to Bail-in (%)	19	41	40	48	58	GREEN

2. Liquidity

Measure	CDC Actuals				Non-met districts Q4 average	Rating
	Qtr 1 16-17	Qtr 2 16-17	Qtr 3 16-17	Qtr 4		
Proportion available within 7 days (%)	7	18	21	24	31	GREEN
Proportion available within 100 days (%)	49	44	52	47	57	GREEN
Average days to maturity	246	213	176	174	137	AMBER

3. Return

Measure	CDC Actuals				Non-met districts Q4 average	Rating
	Qtr 1 16-17	Qtr2 16-17	Qtr 3 16-17	Qtr4 16-17		
Internal investment return %	0.82	0.82	0.73	0.68	0.62	GREEN
External funds – income return %	4.55	4.42	4.31	4.50	3.66	GREEN
External funds – capital gains/losses %	(10.13)	(9.16)	(8.00)	(3.77)	0.29	AMBER

Total treasury Investments – income return %	1.16	1.38	1.29	1.37	1.31	GREEN
Property – income return (investment Purchases only) % ¹	8.28 (full year)					GREEN

Other Treasury indicators required by CIPFA’s Code or adopted voluntarily

4. **Interest Rate Exposure:** This indicator is set to control the authority’s exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount and proportion of net principal invested during the year were:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	£28m/40%	£24m/40%	£22m/40%
Actual (30 September 2016)	£10m/17%		
Upper limit on variable interest rate exposure	£70m/100%	£60m/100%	£55m/100%
Actual	£57.42m/82%		

- 5 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. The actual principal sum invested to final maturities beyond 31 march 2017 was:

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£35m	£30m	£25m
Actual @ 31 March 2017	£15m	£15m	£13m

5. **Liquidity:** The authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target	Actual
Total cash available within three months (30 September 2016)	£10m	Met – minimum maintained throughout year

Appendix 2: CAPITAL EXPENDITURE OUT TURN AND PRUDENTIAL INDICATORS 2016-17

Actual Spend compared to Original and Revised Estimate

2016-17				
Original Estimate £000's	Revised Estimate £000's	Out-turn £000's	Out-turn Variance to Original £000's	Out-turn Variance to Revised £000's
9,239	7,885	6,320	(2,919)	(1,565)

The overall spend on projects was £6.32m, of which £5.26m met the definition of capital expenditure as determined by the Local Government Act 2003. The balance of £1.06m of project spend was deemed to be more of a revenue nature, and charged to the income and expenditure account and funded from the revenue reserves or income. Due to the tighter definition of capital expenditure the current "capital" programme contains a number of schemes that are strictly revenue.

The sources of funding for the capital expenditure incurred in 2016-17 were:

	£m
Capital Receipts	1.30
Capital Projects Fund	1.30
Asset Replacement Fund	1.59
Capital Grants and Contributions	0.63
General Fund	0.45
Minimum revenue provision	0.03
TOTAL FUNDING	5.30

Prudential Indicators 2016-17

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.

To demonstrate that the authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year. The future period estimates reported here are the most recent estimates produced and approved as part of the 2017-18 budget process.

Adoption of the CIPFA Treasury Management Code: The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition in February 2012.

Estimates of Capital Financing Requirement:

The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Actual £m	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m	31.03.22 Estimate £m
CFR	(1.37)	(1.41)	(1.44)	(1.47)	(1.48)	(1.48)

The CFR is forecast to remain negative over the next three years as the Council expects to remain debt-free over this period.

In principle the CFR should equal zero, as the Council has fully funded its capital investment programme since becoming debt free following its Large Scale Voluntary Transfer (LSVT) of its housing stock in 2001, however a negative balance post LSVT is relatively common. To bring the CFR back to a more meaningful figure i.e. zero, there is the option to leave part of capital expenditure unfinanced or effectively financed from internal borrowing which will increase the CFR to zero.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.17 Actual £m	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m	31.03.22 Estimate £m
Borrowing (Operational Boundary only)	0	0	0	0	0	0
Finance leases	0.1	0.1	0.1	0.05	0	0
Total Debt	0.1	0.1	0.1	0.05	0	0

The actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt, below.

Operational Boundary for External Debt: The operational boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt.

Operational Boundary	2016/17 Approved £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	5	5	5	5	5	5
Other long-term liabilities	0	0	0	0	0	0
Total Debt - authorised	5	5	5	5	5	5
Actual Debt	0	0	0	0	0	0

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2016/17 Approved £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	10	10	10	10	10	10
Other long-term liabilities	0	0	0	0	0	0
Total Debt	10	10	10	10	10	10
Actual Debt	0	0	0	0	0	0

No borrowing was undertaken other than the short-term use of the Council's overdraft facility for short term liquidity and an ongoing credit arrangement of £123k for multi-function devices acquired in 2014-15. The authorised limit or operational boundaries were not exceeded at any point during 2016-17.

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Actual %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
General Fund	(6.57)	(5.75)	(1.00)	(1.60)	(1.65)	(1.59)

The estimates of financing costs reflect the Budget Spending Plans for 2017-18 to be reported to Cabinet on 7 February 2017 and considered by Council on 7 March 2017. These indicators have been updated to reflect the current phasing of the capital programme and the effect on the cash flow forecasts for investments, but do not reflect the potential for additional income from the investment made in May 2017 in pooled investment funds. The estimates for 2018-19 onwards will be updated as part of the 2018-19 budget process.

The fact that the percentages remain negative shows that the investment interest remains an income source to the Council. To date investment interest has been used to fund one off projects/capital spending rather than balance the revenue budget. With effect from 2017-18 the investment return earned on the council's property investments (projected at circa £400,000 per annum) will be applied as part of the deficit reduction plan considered by Cabinet in December 2016 and recommended for approval by full Council.

Incremental Impact of Capital Investment Decisions:

This is an indicator of affordability that shows the theoretical impact of capital investment decisions on Council Tax levels.

Incremental Impact of Capital Investment Decisions	2016/17 Actual £	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £

General Fund - increase in annual band D Council Tax	3.44	(2.88)	5.85	1.86	(3.63)	N/A
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The 2016-17 figure is the net effect on revenue resources of the actual difference between budget and out-turn for 2016-17. The figures for 2017-18 onwards are calculated as the net effect on expected future revenue budgets of the decisions taken in 2016-17 in respect of capital financing and investment.

The main variable affecting future year forecasts is the extent to which the capital programme will be financed from capital receipts and grant contributions rather than from general fund resources.

Interest Rate Exposures - see main report section 10.7

Total Principal Sums Invested for Periods Longer than 364 days – see main report section 10.9

Appendix 3: Economic and credit commentary prepared by Arlingclose

Date of analysis: 21 April 2017

Economic background

Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.

In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.

Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the ILO unemployment rate dropping to 4.7% in February, its lowest level in 11 years.

Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.

Financial markets

Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23rd June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.

After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31st March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.

Credit background

Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.

Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.

None of the banks on the Authority's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, the Authority's treasury advisor Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

On the advice of Arlingclose, new investments with Deutsche Bank and Standard Chartered Bank were suspended in March 2016 due to the banks' relatively higher credit default swap (CDS) levels and disappointing 2015 financial results. Standard Chartered was reintroduced to the counterparty list in March 2017 following its strengthening financial position, but Deutsche Bank was removed altogether from the list.

In July, following a review of unrated building societies' annual financial statements, Cumberland, Harpenden and Vernon building societies were removed from the Authority's list due to a deterioration in credit indicators. The maximum advised maturity was also lowered for eleven other societies from 6 months to 100 days due to the uncertainty facing the UK housing market following the EU referendum.

Appendix 4 – Benchmarking definitions

The benchmarking compares various measures of risk and return, which are calculated as follows:

Investment Value

For internal investments, the value is the sum initially invested. For external funds, the value is the fund's bid price on the quarter end date multiplied by the number of units held.

Rate of Return

For internal investments, the return is the effective interest rate, which is also the yield to maturity for bonds. For external funds (LAPF) this is measured on an offer-bid basis less transaction fees. For external funds the income only return excludes capital gains and losses.

Average returns are calculated by weighting the return of each investment by its value. All interest rates are quoted per annum.

Duration

This measure applies to internal investments only. This is the number of days to final maturity. For instant access money market funds, the number of days to final maturity is one.

Average duration is calculated by weighting the duration of each investment by its value. Higher numbers indicate higher risk.

Credit Risk

Each investment is assigned a credit score, based where possible on its average long-term credit rating from Fitch, Moody's and Standard & Poor's. This is converted to a number, so that AAA=1, AA+=2, etc. Higher numbers therefore indicate higher risk. Unrated local authorities are assigned a score equal to the average score of all rated local authorities.

Average credit risk is measured in two ways. The value-weighted average is calculated by weighting the credit score of each investment by its value. The time-weighted average is calculated by weighting the credit score of each investment by both its value and its time to final maturity. Higher numbers indicate higher risk.