



Minutes of the meeting of the **Cabinet** held in Committee Room 2 at East Pallant House Chichester West Sussex on Tuesday 6 February 2018 at 09:30

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

Members Absent

Officers Present Mr M Allgrove (Planning Policy Conservation and Design Service Manager), Mrs H Belenger (Accountancy Services Manager), Mr M Bradshaw (Assistant Estates Surveyor), Mr M Catlow (Group Accountant (Technical and Exchequer)), Mr D Cooper (Group Accountant), Mrs K Dower (Principal Planning Officer (Infrastructure Planning)), Mr A Frost (Head of Planning Services), Mr S Hansford (Head of Community Services), Mrs A Huggett (Business Development Manager), Mrs V McKay (Valuation and Estates Manager), Mr P E Over (Executive Director), Mrs D Shepherd (Chief Executive), Mr G Thrussell (Senior Member Services Officer), Mr J Ward (Head of Finance and Governance Services) and Mr J Mildred (Corporate Policy Advice Manager)

470 **Chairman's Announcements**

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

He drew attention to the date of this meeting marking the one hundredth anniversary of the giving of royal assent to the *Representation of the People Act 1918*, which was a significant milestone in achieving equality between the sexes. The statute granted the vote to women over the age of 30 who were householders, wives of householders, occupiers of property with an annual rent of £5 and graduates of British universities. As a result, about 8.4 million women gained the vote.

Considerable progress had been made in the ensuing years, as evidenced for example in Chichester District Council with the number of women who were Cabinet members or senior officers including the Chief Executive, each of whom were making, and would continue to make, a significant contribution to the organisation.

He explained the various sets of agenda papers for this meeting.

There were no apologies for absence and all members of the Cabinet were present.

There were no late items for consideration at this meeting.

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

[**Note** Minute paras 470 to 484 below summarises the consideration of and conclusion to agenda items 5 to 15 inclusive but for full details please refer to the audio recording facility via this link:

<http://chichester.moderngov.co.uk/ieListDocuments.aspx?CId=135&MId=979&Ver=4>]

471 **Approval of Minutes**

The Cabinet received the minutes of its meeting on Tuesday 9 January 2018, which had been circulated with the agenda.

There were no proposed changes to the minutes.

Decision

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

RESOLVED

That the minutes of the Cabinet's meeting on Tuesday 9 January 2018 be approved without amendment.

472 **Declarations of Interests**

No declarations of interests were made at this meeting by either Cabinet members or other CDC members who were present as observers.

473 **Public Question Time**

No public questions had been submitted for this meeting.

474 **Budget Spending Plans 2018-2019**

The Cabinet received and considered the agenda report and its four appendices in the agenda supplement. The third agenda supplement gave details of an amendment to note 23 to the list of major variations on page 12 of the agenda supplement (car park fees and charges – inflation increase (additional income of £273,300)).

This item was introduced by Mr Wilding.

Mrs Belenger and Mr Cooper were in attendance for this matter.

In commending the draft spending plans and the recommendations in the report, Mr Wilding explained that this was the next stage after the Council's approval on 23 January 2018 of CDC's Financial Strategy and Plan 2018-2019, leading to the Council being asked to set the budget and the council tax at its next meeting on 6 March 2018. The report focussed on the budget spending plans of each Cabinet portfolio, how they aggregated and, together with the various funding streams, underpinned the balanced budget before the Cabinet. He acknowledged the impressive collaborative effort undertaken by budget managers and CDC's finance team and overseen by the Strategic Leadership Team whereby service delivery priorities were met within the onerous constraints on public sector financial resources. The budget would be the third year in the four-year settlement agreed by CDC and the government. The funding sources in the financial strategy set out the best estimate for funding going forward beyond 2019-2020 (the last year of the four-year settlement). Final details from the government of the local government annual financial settlement were awaited and so the draft budget was based on the draft settlement released on 19 December 2017. There was one variance from CDC's earlier estimates: a slight increase in the Rural Services Delivery Grant (RSDG) of £35,000, which had brought the RSDG back to its 2017-2018 level of £152,000. The balancing of the budget was undertaken in the context of a five-year financial strategy and some of the key variables and issues affecting that model were described in the report: income from fees, charges and rents; use of reserves; and council tax. It was firmly believed that CDC should once again take up central government's offer of allowing a rise in council tax by £5 for band D properties (less than 10 pence per week) and equivalent increases for other property bands. This would help to offset the continued withdrawal of central government funding eg in 2018-2019 CDC would no longer receive any Revenue Support Grant. The modest council tax increase (assumed in the five-year financial strategy) would generate an extra £264,000 per year and assist in closing the budget deficit which would otherwise emerge in the medium term. In addition there was the continuing work on the deficit reduction plan which aimed to generate further income and savings amounting to £2.3m over the next five years. Those measures would help to minimise future council tax rises.

He alluded to and summarised the following from the papers: the net revenue requirement in the income and expenditure statement; the effect any increase or decrease of the final government settlement on the amount of transfer into the Investment Opportunities Reserve; the major variances by department and service area between the 2017-2018 and 2018-2019 budgets (the service efficiency savings would more than fund the growth items); the portfolio budget summaries; the Capital and Projects Programme and Asset Replacement Programme; the Statement of Reserves (which was consistent with the Financial Strategy, remained robust and healthy and showed that the Capital Programme and Asset Replacement Programme were fully funded); and the section 151 officer's statutory report in para 14.2 of the report, in which Mr Ward advised that financial estimates were sound, the resultant estimates robust and reserves adequate.

Mrs Belenger and Mr Cooper did not wish to add to Mr Wilding's introduction. Mr Frost replied to a question about the correlation between the decrease in planning income (item 19) and the 20% increase in planning fees additional income (item 27) in the major variations listed on page 8 of the agenda supplement.

Mr Dignum commended this very well prepared budget, which continued CDC's well-established practice of producing a balanced budget.

Decision

The Cabinet supported the budget spending plans for 2018-2019 and voted unanimously on a show of hands to make the recommendations to the Council and also the resolution which are set out below.

RECOMMENDED TO THE COUNCIL

- (1) That a net budget requirement of £12,988,300 for 2018-2019 be approved.
- (2) That council tax be increased by £5 from £150.81 to £155.81 for a band D equivalent in 2018-2019.
- (3) That the Investment Opportunities Reserve be increased by £820,200.
- (4) That, should the final settlement differ from the provisional settlement, any increase or decrease be dealt with by adjusting the transfer to the Investment Opportunities Reserve above.
- (5) The capital programme including the asset renewal programme (appendix 1c and 1d) be approved.

RESOLVED

That the current resources position in appendix 2 and the budget variances included in the Draft Budget Spending Plan in appendix 1b including growth items be noted.

475 Consideration of Consultation Responses and Modifications to Chichester District Council's Infrastructure Business Plan 2018-2023

The Cabinet received and considered the agenda report and its two appendices, the first of which and an extract (the CIL spending plan) of the second were circulated in the agenda supplement. The full version of the second appendix was available for online viewing only in the second agenda supplement and also as a hard copy in the Members Room at East Pallant House.

This item was introduced by Mrs Taylor.

Mr Allgrove and Mrs Dower were in attendance for this matter.

Mrs Taylor referred to the nature and purpose of CDC's Infrastructure Business Plan (appendix 2) and the consultation process undertaken in autumn 2017, the details of which were set out in sections 3 and 8 of and in appendix 1 to the report. She summarised the new projects proposed by Sussex Police and West Sussex County Council and the responses thereto in the report (paras 3.9 and 3.11 respectively). She emphasised the excellent CIL collection rate to date (para 3.4) and the amount passed to parishes as at October 2017 demonstrated their active involvement in the delivery of infrastructure in their areas.

Mr Allgrove and Mrs Dower did not wish to add to Mrs Taylor's introduction.

Mr Dignum pointed out that the CIL collection figures had made a substantial difference to the parishes' ability to plan for projects.

Decision

The Cabinet voted unanimously on a show of hands to make the recommendations to the Council which are set out below.

RECOMMENDED TO THE COUNCIL

- (1) That the proposed responses to the representations received and subsequent modifications to the Infrastructure Business Plan as set out in appendix 1 be approved.
- (2) That the amended Infrastructure Business Plan including the CIL Spending Plan attached as appendix 2 be approved.

476 Draft Treasury Management Strategy 2018-2019

The Cabinet received and considered the agenda report and its four appendices in the agenda supplement. The third agenda supplement gave details of an amendment to Table 1: Investment Portfolio Position – 31 December 2017 in appendix 2 on page 84 of the agenda supplement.

This item was introduced by Mr Wilding.

Mr Catlow was in attendance for this matter.

In commending the recommendations in para 2.1 of the report, which were supported by CDC's Corporate Governance and Audit Committee (CGAC) at its meeting on 25 January 2018, Mr Wilding explained that the Council was required each year to approve a Treasury Management Strategy (TMS). The main regulatory reforms which affected the TMS were (a) the new Code of Treasury Management Practice issued by CIPFA early in 2018 and which updated government guidance on investments (expected imminently and in the light of which the TMS would be reviewed and brought back to the Cabinet and the Council later in 2018 if required); (b) CIPFA's recent adoption of IFRS9 into the 2018-2019 Accounting Code of Practice (this had been before the Council on 23 January 2018) - unless the government was persuaded to issue a statutory override in relation to certain accounting aspects of IFRS9, changes in the market value of CDC's external pooled fund investments could affect the General Fund and this 'Fair value risk' was probably the most significant change in risk faced if CDC's risk appetite statement remained appropriate; and (c) European Money Market Fund reform. Notwithstanding the aforementioned changes in particular, the recommended risk appetite statement was unchanged ie CDC remained fundamentally risk adverse but accepted a modest degree of risk. He highlighted the following key updates to the TMS in appendix 1 as being of particular importance: (i) Treasury Management Practices (TMP1) (appendix 3 on page 104); (ii) the increase in the lowest credit

rating proposed for CDC from BBB+ to A- (table 5 in appendix 2 on page 89); (iii) the proposed increase in the maximum that could be invested in non-property fund pooled investments from £10m to £15m (table 7 in appendix 2 on page 93).

Mr Catlow responded to comments by Mr Dignum with respect to (a) CDC applying the appropriate risk criteria to position itself on the right side of prudent while seeking an appropriate return on its investments; (b) the increase in the lowest credit rating; and (c) CDC's external fund investments were of a kind which could be realised if suddenly required.

Decision

The Cabinet voted unanimously on a show of hands to make the recommendations to the Council which are set out below.

RECOMMENDED TO THE COUNCIL

- (1) That the Treasury Management Policy and Treasury Management Strategy Statement for 2018-2019 as contained in appendix 2 (as amended) of the agenda report be approved.
- (2) That the Investment Strategy 2018-2019 as detailed in the Treasury Management Strategy Statement be approved.
- (3) That the Prudential Indicators and Limits for 2018-2019 included in appendix 2 of the agenda report be approved.

477 Disposal of 2 The Gardens College Lane Chichester

The Cabinet received and considered the agenda report and its two appendices, the second of which was Part II confidential exempt material.

This item was briefly introduced by Mr Dignum before he deferred to the officers to present this item.

Mr Bradshaw and Mrs McKay were in attendance for this matter.

Mr Bradshaw summarised sections 3 and 5 of the report and Mrs McKay referred to section 6.

Mrs Kilby said that she had spoken with CDC's housing team and she was able to confirm the position as set out in section 6.2 of the report.

In reply to a member's question, Mr Bradshaw explained why the property would be sold by auction rather than by private treaty and Mrs McKay confirmed that on legal advice CDC's position would be appropriately protected by, for example, an overage clause.

Decision

The Cabinet voted unanimously on a show of hands to make the resolution which is set out below.

RESOLVED

That the property be declared surplus to requirements and the Head of Commercial Services be authorised to proceed with the disposal of the land and property at 2 The Gardens College Lane Chichester by auction as set out in section 5 of the report.

478 East Pallant House Options Appraisal

[**Note** The audio recording for this meeting reveals that for officer availability reasons this item was in fact taken after agenda item 10 but it appears in these minutes (as well as in the audio recording) in accordance with the published order of business in the agenda]

The Cabinet received and considered the agenda report and its Part II confidential exempt appendix.

This item was introduced by Mr Wilding.

Mr Mildred was in attendance for this matter.

Mr Wilding summarised the previously approved initial project proposal document (IPPD) for the East Pallant House (EPH) Options Appraisal of CDC's future office accommodation needs and potential alternative uses for EPH (excluding both the East Pallant car parks and the leased north wing). Of the three options considered, 1 and 2 involved remaining in EPH (respectively no change and seeking more efficient use by an incremental reduction in the footprint through more flexible working and shared use). Option 3 (complete vacation and relocation) was the subject of a consultant's report but since this would leave CDC in a worse financial position it was not being recommended. At its meeting on 16 January 2018 the Overview and Scrutiny Committee supported Option 2, which was now proposed to the Cabinet, namely for CDC to retain EPH and for officers to continue to identify opportunities to provide office accommodation for partners, voluntary sector or commercial organisations as they arose. This would ensure that office space was fully and efficiently utilised and operating costs kept to a minimum. Mr Wilding concluded by saying that it was important to be mindful of staff welfare in any re-planning.

In view of Mr Wilding's final remark about staff welfare, Mr Dignum said that with the support of the Cabinet the resolution responding to recommendation 3.2 would include the addition of the following words at the end of the sentence after the word 'minimum': 'while being mindful of staff welfare in any re-planning'.

Mr Mildred said that he noted, understood and respected the point made about taking into account staff welfare. The new ways of working (NWOW) project would continue but in an evolutionary and not a revolutionary manner, with the potential for

third parties to occupy parts of EPH being examined on a case by case basis. He pointed out that the current office moves within EPH were as a result of the management restructuring which would come into effect on 1 April 2018 and not part of NWO. He said that members would be issued in due course with an EPH map showing the reconfigured locations.

Mrs Lintill and Mrs Kilby spoke in support of option 2, mentioning the evident advantages for staff and the public of CDC having a central city location.

Decision

The Cabinet voted unanimously on a show of hands to make the resolutions, with the aforementioned amendment, which are set out below.

RESOLVED

- (1) That Chichester District Council continues to use East Pallant House as the primary office accommodation for the organisation.
- (2) That officers continue to identify opportunities to provide office accommodation for partners, voluntary sector or commercial organisations as those opportunities arise to ensure office space is fully utilised and operating costs are kept to a minimum, while being mindful of staff welfare in any re-planning.

479 **Article 4 Directions for Chichester Conservation Area**

[Note The audio recording for this meeting reveals that for officer availability reasons this item was in fact taken before agenda item 9 but it appears in these minutes (as well as in the audio recording) in accordance with the published order of business in the agenda]

The Cabinet received and considered the agenda report and its appendix.

This item was introduced by Mrs Taylor.

Mr Allgrove was in attendance for this matter.

Mrs Taylor explained the nature and effect of an Article 4 Direction and the circumstances (para 3.3 of the report) which had necessitated an amendment to the Article 4 Directions approved in 2016. The procedure, which would not require a further public consultation, for publishing the revised Article 4 Directions was set out in sections 5 and 8 of the report.

Mr Allgrove did not wish to add to Mrs Taylor's introduction.

Decision

The Cabinet voted unanimously on a show of hands to make the resolutions which are set out below.

RESOLVED

- (1) That the implementation of an 'immediate' Article 4 direction to cover minor alterations as set out in appendix 1 to the agenda report to dwellings within the Chichester Conservation Area be approved.
- (2) That the implementation of a 'non-immediate' Article 4 direction to cover installation of solar panels on buildings within the Chichester Conservation Area be approved.
- (3) That decisions to confirm and implement the directions referred to in (1) and (2) above be taken by the Head of Planning Services following consultation with the Cabinet Member for Planning Services and the ward members for the Chichester Conservation Area within six months of the Directions being made.

480 Contaminated Recycling Bin Policy

[**Note** The audio recording for this meeting reveals that for officer availability reasons this item was in fact taken after agenda item 12 but it appears in these minutes (as well as in the audio recording) in accordance with the published order of business in the agenda]

The Cabinet received and considered the agenda report and its appendix.

This item was introduced by Mr Barrow.

Mrs Huggett was in attendance for this matter.

Mr Barrow highlighted first of all the very pleasing news that during the last two quarters CDC had achieved a 45% recycling rate, which constituted a significant improvement in the ongoing drive to achieve the 50% target to be met by 2020 (when its recycling campaign began the rate was 38%). This increase in the rate was the result of (a) the time and money invested by CDC in education about recycling and (b) the very conscientious, diligent efforts by the residents of Chichester District. There was, however, a very small minority of residents who continued to contaminate the contents of the burgundy recycling bins. It took only one household's contaminated bin to cause the entire street's recycling load to be rejected and taken to landfill instead. This was using up the increasingly limited availability of landfill space and deprived CDC of the much-needed recycling credits. There was an obvious need for CDC to have a clear policy for dealing with the persistent contamination of recycling bins. The proposed policy for adoption, utilising a two-stage and measured approach to this problem, was set out in the appendix. The views of the Waste and Recycling Panel were set out in paras 5.4 and 7.1 of the report. It was felt to be most unlikely that CDC would need to move to or, if it did, have to apply all parts of the second stage. The emphasis would continue to be first and foremost on education not enforcement.

In her supplementary remarks and answering members' questions, Mrs Huggett said that officers expected the focus to be on the informal first stage in the proposed

policy and the need to invoke the second stage would be a last resort. CDC was performing very well compared with many local authorities but this did not negate the need for a robust enforcement policy. The second recommendation (para 2.2) would require an amendment to CDC's *Constitution*. The target was no more than 6% contamination in a full load; if over 10%, the load would be rejected at the transit site. Where possible, CDC crews would complete a visual inspection of each bin for any immediately obvious contaminants, which would be followed by an advisory letter sent to the household. The crews endeavoured to engage with residents as much as possible. There was always a risk that a passer-by could put a contaminant in a burgundy bin left on the roadside out for collection but this was much more likely to occur in communal bins, hence the additional measures provided for such bins. On a monthly basis, approximately 500 initial letters were currently being sent out to householders. Had the proposed new policy been in place, only the informal stage would have been deployed.

During the discussion members expressed their support for the proposed policy and recognised the vital and principal role education must continue to play to avoid both accidental and specifically, in the context of this policy, deliberate contamination, thereby improving the CDC recycling rate and so attaining the 50% target by 2020.

Mrs Shepherd advised that the second recommendation in the report (para 2.2) should be a recommendation to the Council rather than a resolution by the Cabinet. Mr Dignum re-worded the recommendation in para 2.2 accordingly.

Decision

The Cabinet voted unanimously on a show of hands to make the resolution and the recommendation which are set out below.

RESOLVED

That the Contaminated Recycling Bin Policy as endorsed by the Waste and Recycling Panel be approved.

RECOMMENDED TO THE COUNCIL

That delegated authority be granted to the Chichester Contract Services Manager to issue fixed penalties or other notices for waste and waste-receptacle related offences including (but not limited to) powers under the *Clean Neighbourhoods and Environment Act 2005* and sections 46A to 46D of the *Environmental Protection Act 1990* (as amended).

481 **Local Strategic Statement 3 and Statement of Common Ground**

[Note The audio recording for this meeting reveals that for officer availability reasons this item was in fact taken before agenda item 11 but it appears in these minutes (as well as in the audio recording) in accordance with the published order of business in the agenda]

The Cabinet received and considered the agenda report and its appendix in the agenda supplement.

This item was introduced by Mrs Taylor.

Mr Allgrove was in attendance for this matter.

Mrs Taylor said that the nature of the duty to co-operate (DTC), with which CDC must comply if the Local Plan Review were to be pronounced sound, was the subject of proposed changes in a recent government consultation (paras 3.2 and 3.3 of the report) which would lead to the revision of the *National Planning Policy Framework* and the requirement to prepare a Statement of Common Ground (SCG). Accordingly and in view of the proposed approach to strategic planning (Local Strategic Statement 3 (LSS3)) set out in the West Sussex and Greater Brighton Strategic Planning Board (WSGB) document appended to the report, there was now a need for the WSGB authorities to agree a SCG. Sections 4, 5 and 6 of the report addressed how to achieve LSS3 and satisfy the DTC.

Mr Allgrove emphasised that the process of preparing LSS3 would assist CDC in meeting the DTC in relation to the current Local Plan Review.

Decision

The Cabinet voted unanimously on a show of hands to make the resolution which is set out below.

RESOLVED

That the approach to addressing strategic planning issues within West Sussex and Greater Brighton through the production of Local Strategic Statement 3 and a Statement of Common Ground be endorsed, as set out in the report to the West Sussex and Greater Brighton Strategic Planning Board (attached as an appendix to the agenda report).

482 **Late Items**

There were no late items for consideration at this meeting.

483 **Exclusion of the Press and Public**

In order to consider the Part II confidential exempt matter listed as agenda item 15 Mr Dignum read out the resolution set out below, which was proposed by Mrs Taylor and seconded by Mr Barrow.

Decision

On a vote by a show of hands the Cabinet approved unanimously the following resolution.

RESOLVED

That in accordance with section 100A of the *Local Government Act 1972* (the Act) the public and the press be excluded from the meeting during the consideration of agenda item 15 (Amendment to Scope of Negotiations for Concessions Contract) for

the reason that it is likely in view of the nature of the business to be transacted that there would be disclosure to the public of 'exempt information' being information of the nature described in Paragraphs 1 (information relating to any individual) and 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A to the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

484 Amendment to Scope of Negotiations for Concessions Contract

The Cabinet considered the confidential Part II agenda report which had been circulated to members and relevant officers only.

The report was presented by Mrs Lintill.

Mr Hansford was in attendance for this item.

After Mrs Lintill's introduction, Mr Hansford made brief comments.

Mr Dignum emphasised the confidentiality of this item and Mrs Lintill said that she would e-mail all CDC members to reinforce the strictly exempt status of the subject matter.

Decision

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

RESOLVED

That an extension to the scope of the negotiations previously authorised be approved in accordance with the proposal contained within section 5 of the agenda report.

[Note The meeting ended at 10:39]

CHAIRMAN

DATE