



Minutes of the meeting of the **Cabinet** held in Committee Room 2 at East Pallant House East Pallant Chichester on Tuesday 4 September 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 (Divisional Manager for Planning Policy), Mr S Ballard (Senior Environmental Protection Officer), Mr N Bennett (Divisional Manager for Democratic Services), Mrs H Belenger (Divisional Manager for Financial Services), Ms P Bushby (Divisional Manager for Communities), Mrs J Dodsworth (Director of Residents' Services), Mrs T Flitcroft (Principal Planning Officer (Local Planning)), Mr A Frost (Director of Planning and Environment), Mrs L Grange (Divisional Manager for Housing), Mr D Henly (Senior Engineer (Coast and Water Management)), Mrs J Hotchkiss (Director of Growth and Place), Mr D Hyland (Community and Partnerships Support Manager), Mrs V McKay (Divisional Manager for Growth), Mr P E Over (Executive Director), Mrs D Shepherd (Chief Executive), Mr G Thruswell (Legal and Democratic Services Officer) and Mr J Ward (Director of Corporate Services)

#### 559 **Chairman's Announcements**

Mr Dignum greeted the members of the public and Chichester District Council (CDC) members and officers and the two press representatives who were present for this meeting.

He summarised the emergency evacuation procedure.

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

There were no late items for consideration.

He advised that agenda item 6 (Development Site – The Grange Midhurst) would be taken at the end of the meeting after agenda item 14 (2017-2018 Treasury Management Out-turn). This was in case any of the four CDC non-Cabinet members

who would be speaking during that item wished to refer to the confidential exempt appendix 2, in which case the need to exclude and then re-admit the press and the public could be avoided.

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

[**Note** Minute paras 560 to 574 below summarise the Cabinet's discussion of and decision on agenda items 2 to 14 inclusive but for full details of the items\* considered in public session please refer to the audio recording facility via this link:

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

\*[**Note** There is for technical reasons no audio recording of the first eight minutes of the meeting or of the entirety of agenda item 14]

#### 560 **Approval of Minutes**

The Cabinet received the minutes of its meeting on Tuesday 3 July 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 3 July 2018 be approved.

#### 561 **Declarations of Interests**

No declarations of interests were made at this meeting.

#### 562 **Public Question Time**

Four public questions had been submitted for this meeting, details of which appear below.

The text of the questions had been circulated to CDC members, the public and the press immediately prior to the start of this meeting. Mr Dignum invited each person or his or her representative (if present) in turn to come to the designated microphone in order to read out the question (but not the preamble) before he provided an oral response.

The questions (with the date of submission shown within [ ] at the end of the text), any supplementary questions and the answers given by Mr Dignum were as follows.

*(1) Margaret Guest – Midhurst Town Council Member*

Mrs Guest read out her question with some additional commentary but without the full preamble. The full text of the question appears below:

'I am expressing my objection, as a local Midhurst Town Councillor, to the proposed planning request for a Care Home on the former Grange site in Midhurst.

Councillors will be well aware of the South Downs National Park Local Plan which is currently coming to the end of the consultation period. This clearly states *"The South Downs Local Plan puts our nationally important landscapes first and will ensure they sit at the heart of every planning decision we make," says Margaret Paren, Chair of the National Park Authority. "Putting the landscape first means making sure we get the right growth in the right places. This will both protect our landscapes and allow our communities to flourish, providing better places to live and work for the 112,000 people who call the South Downs National Park home."*

I believe that what Midhurst requires to allow it to flourish is a better retail offer, while sustaining existing business; more local opportunities for employment; and more properly affordable housing together with good quality social housing. These objectives are also well understood and supported by the Midhurst Vision, which in turn are confirmed by Chichester District Council, as a leading partner of our Vision.

The proposed Care Home development does not, in my view, meet the requirements of the SDNP Local Plan or the aspirations of the Midhurst Vision.

1) It will not provide economic growth locally as supplies will most likely be sourced from central suppliers (catering, medical supplies and equipment etc); staff will have to come from out of area - there is already a major issue of supply of care staff around Midhurst (i.e. for care at home, care home staff and nursing staff as evidenced by the closure of the Midhurst Community Hospital).

2) Midhurst already has a number of good quality "high end" Care Homes. The demand and lack of supply for Care Home places are for those people, particularly those with dementia, requiring Council- funded places. I think it most unlikely that the current Care Home planning proposal will meet these local demands and needs.

3) The proposed site for the Care Home, at the edge of a large car park, is unsuitable in my view both for the local townscape and for future residents of any care home. Older vulnerable people with limited mobility, and particularly those with dementia, require bright natural light, open planning, plenty of space and a pleasant and relaxing outlook. The proposed site cannot offer this.

In conclusion the proposal does not offer the "right growth in the right place", "protect the landscape" for either townspeople or for future care home residents; allow for either community to flourish; or likely to provide for a better place for either community to live and work and therefore should be rejected.

The above views also reflect those of many in the community who have kindly given their time to express their concerns to me.

My question is as follows:

Does the Cabinet consider the proposed recommendation, regarding the development of a Care Home on the former Grange site, to be in the best interests of Midhurst residents and that it is a recommendation that is likely to secure the health and well-being of future residents of the proposed Care Home?’

[Monday 3 September 2018]

*Response by Tony Dignum - Leader of the Council*

‘The disposal of land by the Council must accord with section 123 of the Local Government Act 1972, whereby “a Council shall not dispose of land ...for a consideration less than the best.” The recommendation proposed to the Cabinet is considered by officers to reflect such best value. It is not for officers to suggest what individual residents may view as the ‘best interest’ as that is a subjective issue and not one that forms part of the land disposal process.’

*Supplementary Question – Margaret Guest – Midhurst Town Council*

Mrs Guest asked if the Cabinet really thought that her evidence as to the absence of a need for further care home provision in Midhurst was based on feelings rather than facts.

*Response by Tony Dignum - Leader of the Council*

‘It was a matter for private enterprise to assess the state of the market and the viability of the proposal to introduce another care home in the town.’

*(2) Harvey Tordoff – The Midhurst Society*

Mr Tordoff was unable to attend the meeting. Mr Dignum invited Mr Morley (Midhurst) to read out Mr Tordoff’s questions without the preamble or postscript. The full text of the questions appears below:

‘On behalf of The Midhurst Society I am expressing our concern that Chichester DC is considering accepting an offer to build a Care Home on the derelict site adjacent to The Grange Centre in Midhurst. I would be grateful if you could read out these comments at the Cabinet meeting on 4 September 2018.

Recent activity on social media has indicated there is strong resistance to the idea of a care home on this site. There are several care homes in and around Midhurst, and there can be no justification for using this prime location for yet another. On our own Facebook page we have seen an incredible amount of support for the idea of a swimming pool: 2,500 views; 21 shares; 162 likes; 97 comments. There have been no adverse reactions. Looking at rising national levels of obesity a swimming pool would appear to be an excellent idea and one which would complement the existing facilities in The Grange Centre.

It is admirable that CDC is seeking to maximise the financial returns for the ultimate benefit of the taxpayer, but that should not involve providing something that is not wanted or needed. I would suggest that the remit of any local authority is to provide the best services affordable that provide the best overall benefit.

I understood that in the SDNP Local Plan the site had been identified as suitable for retail development. There is no mention of a care home. I appreciate that in the current economic climate there is little appetite from retailers to invest in new developments, but if the Local Plan is to be disregarded it is important that all options are considered.

I would like to ask the following questions:

1. What statistical evidence is there to justify a care home?
2. What research has been conducted into examining alternative uses for the site if the Local Plan is to be ignored?
3. In what way is CDC financially involved in this site?
4. In what circumstances would CDC allow Midhurst to arrange redevelopment of this site?

And I would like to suggest the following course of action:

1. All decisions on the future of the site are deferred.
2. The views of the people of Midhurst are sought on alternative uses, including but not restricted to a swimming pool.
3. Midhurst Town Council and/or The Midhurst Society or similar organisation should put forward proposals based on the opinions expressed by the people.
4. Any proposals put forward should include financing options to the extent that CDC is unable or unwilling to provide funding.'

[Monday 3 September 2018]

*Response by Tony Dignum - Leader of the Council*

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- i. The offer made by the preferred bidder will have taken account of the needs and demand for a care home in this location; in cases such as this where the site is openly marketed for a non-specified use, it is not part of the Council's land disposal process to carry out research into potential uses for a site.
- ii. The SDNPA Local Plan is not yet a formally adopted document. Matters relating to planning are for the preferred bidder to make

- their own enquiries and this is separate to the land disposal process.
- iii. CDC is the freehold owner of the site and as such will receive the capital receipt on completion of a disposal.
  - iv. The site has been widely and openly marketed since Spring 2017; during that time any interested party was able to make enquiries about a proposed purchase of the site; it is for Cabinet to now discuss the report prepared by officers and decide whether to agree the recommendations made in that report.'

In the absence of Mr Tordoff, Mr Morley declined to ask a supplementary question.

*(3) Ian Buchanan*

Mr Buchannan read out his question but without the full preamble. The full text of the question appears below:

***“The overwhelming majority (90% of 560) of Midhurst residents who voted in the recent poll object to the sale of the Grange Centre site owned by Chichester District Council to a care home company.***

The approval in principle by the Cabinet of the offer submitted by the preferred bidder appears to rely, apart from the highest price offered, to the report from the Economic Development Team. **However I must ask you the question as to how this evidence was gathered and whether it is merely anecdotal?**

Economic Development Team Feedback:

1. The development will provide jobs for local people who will not need to travel out of Midhurst.

*The local Care Home Agency is already struggling to supply sufficient carers within Midhurst for the present demand - please see constant staff adverts.*

2. It is possible that wider benefits will be felt by local businesses and shops as these employees may choose to shop locally.

*Presumably if these employees are already living in Midhurst they will be shopping locally anyway. No additional benefit to Midhurst.*

3. Benefit to local shops selling products which visitors to the care home may wish to purchase when visiting.

*From personal experience visitors to care homes tend to drive to the site and leave immediately afterwards.*

4. Many care homes also encourage visits to the home by hairdressers, chiropodists etc. *Apart from charity shops, the second most common category of retailer in Midhurst is the eight hairdressing salons. The occasional visit to the care*

*home by one of these professionals is not exactly going to add to the economy of Midhurst.*

*The one business benefit not mentioned by the economic development team would be the increased business for the local funeral director.*

5. Returning the site to the market will entail additional officer time. Also there is a possible risk of prospective purchasers believing there are issues with the site which are causing the delay in disposal.

*I believe this additional officer time will be well spent. The second sentence is conjecture.*

Most care homes now utilise outside caterers such as Compass and Wiltshire Farm Foods for the provision of meals for residents rather than employing a brigade in their own kitchens. However there could be a requirement for one or two local cleaners. In short the economic benefit of this development to the economy of Midhurst is extremely minimal.

This town already has an imbalance in its age demographics with its elderly and retired residents making up a large proportion. There are further retirement flats to be built on the entrance site to the Budgens supermarket. Further accommodation for non-active citizens runs the risk of exacerbating the viability of the town centre businesses that remain.

The site by The Grange is a precious piece of land which can make or break this town. The democratic view is that we should be thinking of the future, and not short term financial considerations. Almost any development other than a care home or retirement flats is preferable for the future well-being of Midhurst. The council has looked after its finances well. It can afford to take a longer and more pragmatic stance on this occasion.'

[Monday 3 September 2018]

*Response by Tony Dignum - Leader of the Council*

'The input to the Cabinet report from the Economic Development Team (as with comments made from other service areas) is intended to help inform the recommendation, rather than be the basis on which the recommendation is made. In this case, the comments made by the Economic Development Team were based on the officers' knowledge of the Midhurst area with other comments qualified as 'possible' or 'likely', indicating these are not definitive statements but views on what wider benefits might be seen.'

Mr Buchanan did not have a supplementary question.

*(4) Carol Lintoff – Midhurst Town Council Member*

Mrs Lintoff was unable to attend the meeting and so Mrs Guest (who was also a member of Midhurst Town Council) asked her question on her behalf without the preamble. The full text of the question appears below:

'I am unable to appear in person at the Cabinet's meeting on Tuesday 4 September 2018 due to work commitments but I wish members to be made aware of my thoughts and comments regarding the officers' recommendation of a preferred bid for the sale of land at The Grange Midhurst. I am happy for my comments to be read out on my behalf.

I really feel very strongly about the use of this prime site in central Midhurst. I understand this land has to be sold to recompense CDC for the building of our new Grange Centre and I note that one of the 13 bids is from a food store. In my opinion this is the bid the officers should be actively pursuing and recommending to the Cabinet. Unfortunately there appears to be an element of contempt about the way in which CDC officers are looking at this in that they are not taking any account of what is best for the community for this prime location, instead focusing on achieving the 'highest bid' regardless of the impact to our town.

Point 2.3 states that one of the offers is for a food store, in my opinion for the economy of the town to prosper Cabinet should ask the Officers to pursue this bid or hold out for another retail bid in the future. The value of the land is not likely to decrease after all. The report states that non-residential is the Cabinet's preferred use of the site but in effect a care home is indeed 'residential'.

The medical infrastructure of Midhurst cannot sustain more elderly accommodation, whether independent accommodation or a care home, ambulance response times are dreadful and the surgery is full to capacity. Retirement homes are due to be built across the road on the Dundee House site (formerly Fraser Nash), that is more than enough new retirement accommodation provision for a small 'market' town.

The most appropriate development for the town would actually be a community facility to compliment The Grange, such as a swimming pool. However, given that funding for a pool is unlikely, a new supermarket has to be more beneficial to the town than any of the other bids currently being considered.

A new food store would reduce car journeys as the majority of Midhurstians travel for the bulk of their shopping, only using Tesco Express and Budgens for top-up shopping. A care home development may bring new employment to the town, but they are unlikely to come from the town, and if they do, they will still have to leave the town to do their shopping.

The wider benefits to economy quoted by the Economic Development team are in my opinion flawed and a nonsense to anybody actually living in Midhurst and in my opinion have been added purely to sway the cabinet towards acceptance of the 'highest bid' regardless of actual benefit to the town.

Whether a food store bid be detrimental to the value of the land or not, in terms of value to the town as a whole, a 'roper' supermarket is of paramount importance to the area and this is the last parcel of land within the 'town' that could be considered for this purpose, it would benefit:

- *The community in terms of competition in food store offering*

- Economy in terms of the sustainability of the businesses in West Street and the Old Town
- Employment in terms of new non skilled job openings
- The Grange in terms of footfall
- Environment in terms of less traffic travelling away from the town to shop

I am unsure whether it is really up to CDC's officers to determine whether a food store is 'viable' on the site, surely it is up to the bidder to determine if a business opportunity is viable, not the vendor of the land. One only has to see how successful the recently opened M&S Simply store at Easebourne is to see how viable a new food store would be in the town. In my opinion CDC is taking the view that the highest bidder wins without thinking through the longer term impact on a small market town which is desperate for competition in its food store offering and for that reason the Cabinet should reject the offer from the care home developer and pursue the bidder who wishes to provide a food store or hold out for a better retail offer.

Another privately run care facility in this area isn't good for anyone apart from the developer and the new owner and Chichester District Council's bottom line, it is certainly no good for Midhurst.

My question is as follows:

The Community Hospital has struggled to find appropriate staff to keep the Bailey Unit open, how will this care home be different in attracting staff with similar skills and experience who can afford to live in Midhurst...?'

[Sunday 2 September 2018]

*Response by Tony Dignum - Leader of the Council*

'The offer made by the preferred bidder will have taken such matters into account when identifying an operator for the care home. The Bailey Unit referred to provides patient rehabilitation, which is a different service area to that provided by a care home; care homes generally will require a range of staff with different skills and qualifications and the detail of that will be a matter for the operator to consider should the Cabinet decide to proceed with the recommendations of the report.'

Mrs Guest asked on behalf of Mrs Lintoff a supplementary question, namely whether the Cabinet was aware of how the preferred provider had reached its conclusion.

*Response by Tony Dignum - Leader of the Council*

Mr Dignum replied that the Cabinet did not have that evidence as it was not required; all that was needed was the receipt of a bid from a prospective purchaser.

There were no further questions or responses.

## 563 **Award of Contract for East Beach Outfall Replacement**

The Cabinet received and considered the agenda report and its confidential appendix, which was circulated to members and officers only.

This item was presented by Mr Connor.

Mr Henly was in attendance for this matter.

Mr Connor summarised the report with particular reference to sections 3 and 5. He outlined the history, nature and purpose of the existing outfall at East Beach Selsey, CDC's legal liability to maintain it, the clear case for replacement rather than repair of the asset in terms of the benefits it would bring to Selsey and the area, and the tender process which had resulted in the recommendation of contractor B, in whose capability he expressed confidence.

Mr Henly did not add to Mr Connor's introduction.

Mr A Moss (Fishbourne) addressed the Cabinet with the permission of Mr Dignum. He asked two questions: (a) did the recommendation in para 2.2 of the report to approve a variation of the capital programme for 2018-2019 imply that the replacement of the outfall had been an unexpected event? and (b) in view of the mention in para 3.1 of the report that surface water and sewage overflows were conveyed to the sea, had the issue of sewage contamination been discussed with Surfers Against Sewage to ensure everything could and would be done to ensure that the sea would remain safe for surfers, swimmers and sailors? Sailing clubs had advised sailors from time to time not to use Chichester Harbour because of sewage contamination and it was vital for CDC to ensure that the situation continued to be kept under careful control.

In reply to Mr Moss, Mr Connor and Mr Henly explained that (a) the need to replace the outfall was an anticipated event which had been carefully monitored and the decision to proceed had awaited the outcome of negotiations with Southern Water to see if it would assume responsibility and (b) there were two separate discharge pipes for conveying surface water and sewage and these functioned correctly (this was the only method for dealing with overflows in the absence of additional storage capacity) and in addition the Selsey Bathing Water Enhancement Programme, with which Southern Water was involved, would help to ensure that the number of overflows would be reduced and carefully monitored.

Mr Connor and Mr Henly also answered questions by Cabinet members about the contractor and tender process and the prospect of a financial contribution by Southern Water to the cost of the outfall replacement.

### *Decision*

The Cabinet voted unanimously on a show of hands to make the resolutions below.

## RESOLVED

- (1) That the contract for the East Beach outfall replacement be awarded to Contractor B, the details of which are set out in the exempt appendix to the agenda report.
- (2) That a variation to the capital programme for 2018-2019 be approved by including the replacement of East Beach surface water outfall at a cost of £149,000.
- (3) That the cost of replacing this asset in future years be added to the Asset Replacement Programme.
- (4) That the proposed expenditure be funded from Community Infrastructure Levy funds of £100,000 already approved in the Infrastructure Business Plan 2018-2019 and the balance be funded from revenue resources to the extent that it is not otherwise met from external grant from Southern Water.
- (5) That authority be delegated to the Divisional Manager for Environmental Protection to approve the funding conditions and the detailed spend of any grant funding awarded by Southern Water for the project.

### 564 Development Site - The Grange Midhurst

[**Note** As stated in minute 559, this item was considered at the end of the meeting after agenda item 14 but is recorded here in accordance with the published order of business]

The Cabinet received and considered the agenda report and its three appendices in the agenda supplement, the second and third of which were confidential exempt material and circulated to members and officers only.

This item was presented by Mr Dignum.

Mrs Hotchkiss and Mrs McKay were in attendance for this matter.

Mr Dignum commented as follows:

In 2015 CDC invested over £6.7 m into the new Grange sports facility in Midhurst. At the same time it was hopeful that a well-known retail brand, namely Waitrose, would like to take on the area of land on which the original sports facility stood. The local community was particularly keen on such an outcome as it would naturally promote Midhurst into a more substantial retail centre. The current grocery shops were Budgens, Tesco Express, two garages with retail facilities, the Cowdray shop complex and an independent baker and butcher. Clearly the arrival of Waitrose would have increased the range of options for local residents, particularly those with limited transport means.

The site of the former Grange leisure facilities had been marketed three times:

- In 2015 on the completion of the new Leisure Centre and Library facilities. A proposed purchaser was identified, Kimberley Developments working with Waitrose, but sadly the retail economic climate turned downward very quickly in late 2015 at the wrong moment. As a result Kimberley acting for Waitrose withdrew. Waitrose scrapped plans to open new stores anywhere in the UK in September 2016 and had since then even announced some store closures.
- The site was remarketed in 2016. However this exercise was terminated by the Cabinet in November 2016 as none of the offers presented was adequate.
- The site was recently re-marketed extensively yet again and all options considered on an 'open ended' basis, including going back to previously interested parties which had expressed an interest in the site. A large retail outlet had always been the preferred option but given the economic challenges facing the food industry CDC had to consider a range of other uses, which included offices, start-up accommodation, non-food retail, residential property, sheltered housing and care home facilities.

Thirteen offers had been received: ten were for residential, of which two were for retirement homes; one was for a food store; and one was for either residential or retail depending on planning. The remaining offer was for a care home. There had been no interest submitted for new office accommodation. This was a strong indicator that there was no current demand. Indeed recently some office accommodation in the town had been converted to residential units. As for retail, the industry was clearly going through a difficult phase for an as yet indeterminate period. In contrast a care home would provide much-needed facilities in the area with an ageing population and increasing demand for care. The over-85s in England needing 24-hour care were increasing every year and were expected to double by 2035. The over-65s needing care would increase by only a little less, by 86%.

Conscious of its need to generate best value for the community as a whole, CDC officers had concluded that a care home was the most viable long-term solution. There could be no doubt at present that the commercial value to CDC of a modern care home was significantly greater than all the alternatives, would meet a genuine community need and offer good local employment opportunities with the potential for over 60 jobs being created.

There was general acceptance that care homes needed to be of significant size to be economically viable. There was also a trend towards residents preferring modern purpose-built facilities rather than converted period properties. Officers therefore expected the new accommodation to bring substantial benefit to older residents wishing to live in the centre of Midhurst. The care home would provide wider benefits for local business, as local employees or visitors would shop locally and many care homes also organised visits to their premises by local hairdressers, chiropodists etc for the residents.

CDC was committed to helping Midhurst with its ongoing Vision activities and seeking innovative ways to improve the town's sense of place and its attractiveness as a visitor destination. CDC welcomed the South Downs National Park

headquarters, the growing Cowdray Estate activities and a multitude of smaller projects. It remained committed to the development of Midhurst as a delightful rural town in a beautiful Downs-land setting.

There were four options presented by officers and residents:

- (1) Some residents sought the selection of a food retailer. However after three marketing efforts no financially acceptable retail bid had emerged. CDC was bound by statute in that the disposal of land by CDC had to accord with section 123 of the Local Government Act 1972 (LGA 1972), whereby 'a Council shall not dispose of land ...for a consideration less than the best.'
- (2) Some residents suggested selecting housing for the site. The residential bids CDC had received had all failed the legal best value test.
- (3) The Cabinet could reject all the bids and go through a consultation exercise with residents followed by a remarketing exercise. It had to be questioned whether it would be likely after a consultation that residents would suggest anything other than the ideas they had already submitted ie housing, retail, a swimming pool or an enterprise hub. The result of a fourth marketing exercise undertaken in the future could not be predicted.
- (4) The Cabinet could accept the officers' recommendation for a care home as offering best value. If it chose this option it would inevitably cause disappointment to some but in laying out the options it was hoped that residents would see that there was no simple solution which could satisfy every consideration.

Mrs Hotchkiss commented on the outcome of the latest marketing exercise, which had attracted more interest than the previous one in 2016, and emphasised that the recommendation reflected the legal duty to obtain best value for the sale of real property. This was a land disposal issue and the development proposal would be subject to obtaining planning consent.

Mrs McKay endorsed Mrs Hotchkiss: the offer by the preferred bidder would be subject to contract and planning permission.

Mr Dignum invited at their prior request four CDC non-Cabinet members to address the Cabinet.

Mr S Morley (Midhurst) asked if the Cabinet believed it was currently in a position to make this decision which concerned the social and economic viability of Midhurst. The town needed a flagship retailer but there was little evidence in the papers that this had been fully researched eg by looking into whether part of the car park which was owned by CDC could be utilised to make the site more attractive to a retailer. Section 8 of the report showed that there were unresolved issues which needed to be addressed and more time should be allowed to do this and consider all the options thoroughly and ensure that the best possible opportunity for Midhurst was not lost. Moreover the site should be included in the Midhurst Vision. An innovative and inspirational approach should be adopted in place of choosing mediocrity. He suggested the formation of a member task and finish group to help achieve the

optimal outcome. He had not received a briefing on the latest position and advocated a deferral to arrange a meeting with the people of Midhurst to discuss the best solution for the use of this site.

Mrs Hotchkiss and Mrs McKay responded to Mr Morley's points. They said that the requisite evidence to make an informed decision was available and had been taken into account. It had to be borne in mind that the land had been marketed on three occasions since 2014 and the outcome of that process reflected the reality of the market. Officers were well aware of local people's views but there could be no gainsaying of the results of the latest open-ended marketing exercise. The issue here was land disposal and thereafter there would be work to do with the preferred bidder and it would be subject to contract and planning permission. Regard had to be paid to statute and state aid regulations. The reconfiguration of the car park to alter the layout of the site had been accepted by officers as a possibility. Officer had been working with the Midhurst Vision steering group in recent months on other matters and an action plan would be prepared.

Mr Shaxson (Harting) contended that there was insufficient information in the agenda papers to enable the Cabinet to reach a fully informed decision based on all the relevant facts eg it did not know enough about the scope for changing the shape and size of the development site area to make it more attractive to other types of use. The development of the site should take into account Midhurst's wide hinterland. Best value should not be only for CDC but also Midhurst and its surrounding area.

In reply, Mrs McKay stated that interested parties had been made aware of the potential to alter the shape and size of the site to accommodate their development aspirations.

Mr Moss (Fishbourne) said he spoke as a member from the south of Chichester District who wished to look at what was right for the District as a whole. He understood the constraints and rules but nevertheless he had hoped to have seen and wished now to see more work being done in the community to ascertain what it would like to happen and the best long-term solution for Midhurst, its surrounding area and Chichester District as a whole. He felt that there was a clear need for more discreet soundings of the community, the Vision steering group, the CDC local members (who had not been as involved as they should have been) and Midhurst Town Council.

Mrs Hotchkiss emphasised in reply the work which had been and would continue to be done with the Midhurst Vision steering group.

Dr K O'Kelly (Rogate) said that the Cabinet was faced with a very important matter and needed more time to make an informed decision. She addressed three points: engagement with the community; exploring all options; and the viability of having a care home in the town. There was significant disappointment across the community at the lack of engagement. The Midhurst Vision steering group was doing considerable work and would be producing a report in spring 2019. It was vital for CDC to bring the community with it. There were many different ideas for how the land could and should be used and all options needed to be explored carefully eg

the case for an enterprise hub in view of West Sussex County Council's (WSSC) decision to locate its Gigabit project in the Grange. The care home option gave rise to real reservations about the setting, space and especially staffing - it was likely that most staff would travel from the coastal strip and the feasibility of that had to be questioned.

In reply, Mrs Hotchkiss pointed out that (a) the Gigabit project was WSSC's responsibility and local businesses would have the opportunity to link into it and (b) the current evidence was that there was limited business demand in the town with voids in the local commercial sector and the conversion of business sites into residential use, but this could change if Gigabit were available.

Mrs Shepherd acknowledged the views and concerns of the ward and local members, which were fully understood. CDC was required to adhere to its legal obligations. It was always intended that the cost of the redevelopment of the Grange site would be offset by the capital receipt of the disposal of the land the subject of this item. The issue before the Cabinet now was land disposal and not planning considerations. CDC had to comply with state aid regulations and secure best value for the land disposal, acting in CDC's best interests; public money could not in effect be used to subsidise the private sector acquiring the land to fulfil local expectations or wishes however understandable. There was no evidence to support the use of the site for an enterprise centre. There was a significant risk of CDC losing credibility as a vendor if it delayed further when it had a preferred bidder and sought to remarket later.

Mr Bennett gave the Cabinet legal advice with respect to s 123 LGA 1972 and the terms of a 2003 government circular as to (a) the time of valuation and (b) the need for a direct policy reason (which did not apply in CDC's case) for departing from the obligation to dispose of surplus land at best value eg a provision in a masterplan. The state aid regulations prohibited CDC from acting in an anti-competitive way.

During the Cabinet's debate some members acknowledged that this was a challenging decision to make having regard to the views of the local community as expressed in e-mails and during public question time earlier in this meeting and also the representations made by local members. Members had considerable sympathy with those concerns and opinions. However they were ultimately persuaded to support the recommendation because of the legal duty on local authorities to achieve best value and the remarketing exercises which confirmed for example the evidence of the current state of the retail sector. To delay the proposed sale in order to repeat the tender process was likely to result in the same outcome and so could not be justified. The risk of damage to CDC's credibility by a fourth remarketing exercise could not be ignored. The reality was that there was no viable alternative to the preferred tender. Although the local community might be disappointed about the proposed land disposal, the proceeds of sale could be used by CDC to benefit Chichester District as whole and that important fact should not be overlooked. Although local people contended that there was no need for another care home in the town, it had to be assumed that the bidder had duly considered the economic efficacy of its proposal and concluded that it was viable. The public could make representations during the planning process in due course.

Mr Dignum summarised the foregoing contributions and the debate. He expressed his pleasure at the progress being made with the Visions for Selsey, Petworth, Midhurst and Chichester. He said that the Midhurst community's aspirations could and (for legal reasons) would have to be met in other ways such as the local Vision project. He intimated therefore his intention to seek an increase in the 2019-2020 budget for the four Visions from the current £50,000 to £150,000.

### *Decision*

The Cabinet voted unanimously on a show of hands to make the resolutions below.

### **RESOLVED**

- (1) That the offer submitted by the preferred bidder for the Grange disposal land be approved in principle, the details of which are set out in the confidential exempt appendix 2 to the agenda report.
- (2) That the Director Growth and Place be authorised, after consultation with the Cabinet Member for Growth and Place, to conclude a freehold sale, initially through a contract subject to planning, at not less than the figure stated in the confidential exempt appendix 2 to the agenda report.

### **565 Future Funding for the Community Warden Service**

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

This item was presented by Mrs Lintill.

Mrs Bushby was in attendance for this matter.

Mrs Lintill summarised the report with particular reference to sections 3, 4, 5, 7 and 8.

Mrs Bushby remarked that the consultation (section 8 of the report) reflected, with its appreciably higher number of respondents compared with the previous one in 2015, very clearly the public's support for what they regarded as an invaluable service.

During the discussion members commended the community wardens for their sterling service within Chichester District, which was a self-evident and well-proven success story in dealing promptly and professionally with a variety of issues such as deprivation and organising community events such as beach-cleaning days. The prospect of the wardens being conferred with limited enforcement powers (para 8.4 of the report) was noted with interest.

Mrs Bushby answered questions about (a) the reach of the community warden service in Chichester District and how parish councils could initiate an approach to CDC for their areas to be considered for inclusion but they would need to fund the full cost of the extra community warden and (b) the understandable concern felt by residents at the removal of police community support officers (PCSO) within

Chichester District, which was well recognised but the hope that community wardens could directly fulfil the PCSOs' role could not be met since the wardens were not a substitute and could only report on low-level crime and work with the police as appropriate in dealing with such issues.

*Decision*

The Cabinet voted unanimously on a show of hands to make the resolutions below.

**RESOLVED**

- (1) That the Community Warden Service continue to be funded at 50% for three years (as set out in para 5 of the agenda report) subject to match funding being secured by partners.
- (2) That the Senior Community Warden post continue to be funded at 100% for three years (as set out in para 5 of the agenda report) subject to a review should more than one warden patrol fail to be funded.

566 **'Breathing Better' - West Sussex County Council's Partnership Approach to Improving Air Quality**

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

This item was presented by Mr Connor.

Mr Ballard was in attendance for this matter.

Mr Connor summarised the report, emphasising the high profile air pollution had gained in the political and judicial spheres and giving examples of its adverse impact on the quality and longevity of human life. He outlined the action taken by CDC to fulfil its statutory obligations with respect to air quality, notably the declaration of three air quality management areas (AQMA) in Chichester District, the need for which being due principally to vehicle emissions. He emphasised the vital importance of partnership working in tackling air pollution, exemplified in the *Breathing Better* plan produced by West Sussex County Council as a partnership approach to improving air quality in West Sussex. One of its proposals was the establishment of an Inter-Authority Air Quality Group (I-AAQG) to achieve the implementation and governance of the plan.

Mr Ballard emphasised that each of the AQMAs in Chichester District were created for transport-related reasons. He said that a fourth air quality monitoring station would be established in Westhampnett Road in Chichester.

Mr Connor and Mr Ballard responded to members' questions and comments with respect to (a) the principal cause of air pollution being vehicle emissions, especially from diesel engines; (b) the active steps currently being taken by CDC to procure electric vehicles for its public services and to provide more charging points and bays in its car parks throughout Chichester District; and (c) the input (without additional

cost to CDC) from officers and the Cabinet Member for Environment Services to the I-AAQG.

*Decision*

The Cabinet voted unanimously on a show of hands to make the resolutions below.

**RESOLVED**

- (1) That West Sussex County Council's air quality plan 'Breathing Better' be endorsed.
- (2) That the draft terms of reference for the West Sussex County Council proposed Inter-Authority Air Quality Group be endorsed.
- (3) That Chichester District Council's participation in the proposed West Sussex County Council Inter-Authority Air Quality Group be supported.

**567 Corporate Plan Projects 2018-2019**

The Cabinet received and considered the agenda report.

This item was presented by Mr Dignum.

Mrs McKay was in attendance for this matter.

Mr Dignum summarised sections 3 and 4 of the report.

Mrs McKay said that the recently appointed temporary project officer would begin work in September 2018 in leading on implementation of The Old Bakery Petworth and Bracklesham Bay projects (section 7 of the report).

Several members expressed their strong support for these two projects and the benefits they would bring to their respective communities.

Mrs Purnell (Selsey North), who was present as an observer, asked if a task and finish group could be established to enable local members to be involved in the outcomes of the two projects. Mr Connor supported her proposal. Mr Dignum agreed with this request and undertook to appoint a small group of members and he would ask Mrs Hotchkiss (Director of Growth and Place) and Mrs McKay to make the necessary arrangements.

*Decision*

The Cabinet voted unanimously on a show of hands to make the resolution below.

**RESOLVED**

That the release of £17,500 allocated by the Cabinet at its meeting on 9 January 2018 to progress the options appraisals identified in the Corporate Plan 2018-2019 for The Old Bakery Petworth and land at Bracklesham Bay be approved.

568 **Housing Strategy - Proposed Revised Timetable**

The Cabinet received and considered the agenda report.

This item was presented by Mrs Kilby.

Mrs Grange was in attendance for this matter.

Mrs Kilby summarised sections 3, 4 and 5 of the report.

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

It was noted that a date required correcting in para 5.2 of the report: the fourth bullet point should state 'January 2020' and not 'January 2019'.

Mrs Kilby agreed with Mr Dignum that an interim report on progress with implementing the new Housing Strategy should be presented to the Cabinet and she suggested this could be done at its November 2018 meeting.

*Decision*

The Cabinet voted unanimously on a show of hands to make the resolution below.

**RESOLVED**

That (a) the life of the existing Housing Strategy be extended to 2020 and (b) a new overarching strategy be developed in accordance with the revised timetable (as amended) set out in paragraph 5 of the agenda report.

569 **Provision of Vehicle Wash Facility at Westhampnett Depot**

The Cabinet received and considered the agenda report.

This item was presented by Mr Barrow.

Mrs Dodsworth was in attendance for this matter.

Mr Barrow summarised sections 3, 4 and 5 of the report and emphasised the several benefits and opportunities this project would secure in terms of services and savings.

Mrs Dodsworth did not add to Mr Barrow's introduction but answered a member's question about the cost of engaging a consultant civil engineer.

With Mr Dignum's permission, Mr Oakley (Tangmere), who was present as an observer, sought and obtained confirmation from Mrs Dodsworth that prior to engaging the consultant CDC would ascertain from Southern Water that there would be sufficient foul water capacity in the existing system to take the additional flows from the proposed vehicle wash facility without the need for an upgrade (which would add to the cost of the project).

In the light of the foregoing, the Cabinet agreed that the recommendation in para 2.1 of the report should be amended to be made subject to Southern Water's confirmation that there was sufficient capacity to accept the additional flow from the vehicle wash facility.

*Decision*

The Cabinet voted unanimously on a show of hands to make the resolutions below.

**RESOLVED**

- (1) That £20,000 be released from capital reserves to fund the appointment of a civil engineering consultant to develop a costed design solution for a new vehicle wash facility and associated works at Westhampnett depot, subject to Southern Water's confirmation that there is sufficient capacity to accept the additional flow.
- (2) That officers be authorised to appoint the design consultant and to present a project initiation document to the Cabinet at its meeting on 4 January 2019.

**570 Section 106 Community Facilities - 5th Chichester Scout Group**

The Cabinet received and considered the agenda report and its confidential exempt appendix circulated only to members and officers.

This item was presented by Mrs Lintill.

Mr Hyland was in attendance for this matter.

Mrs Lintill summarised the report with reference to paras 3.1 to 3.4 inclusive, 4.2 and 5.1.

Mr Hyland did not add to Mrs Lintill's introduction.

Mr Hyland answered a question on a point of detail about an alternative nearby community facility at a local public house.

*Decision*

The Cabinet voted unanimously on a show of hands to make the resolution below.

**RESOLVED**

That the release of £62,724.73 Section 106 Community Facilities monies plus interest accrued to the date of release to the 5th Chichester Scout Group for enhancement of the Scout Hut at Whyke Road Chichester be approved.

571 **Tangmere Strategic Development Location - Selection of a Development Partner**

The Cabinet received and considered the agenda report and its six confidential exempt appendices in the agenda supplement, the last of which had been revised and circulated in the second agenda supplement.

This item was presented by Mrs Taylor.

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

Mrs Taylor summarised the report with particular reference to sections 3, 4, 6 and 7. She outlined the process to select a development partner, the appointment of which was one of the recommendations in the report. She emphasised (as stated in sections 6 and 7) that while progressing the compulsory purchase order (CPO) option, CDC would continue to seek a negotiated solution if reasonably and timeously feasible with all the landowners. She drew attention to the revised timetable in section 6.5.

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

Mrs Lintill enquired why the two lower scoring shortlisted bidders had been informed of the outcome prior to the Cabinet deciding at this meeting whether to approve the appointment of Countryside Properties (UK) Ltd (Countryside) and whether it was in fact necessary to make an appointment. Mr Allgrove explained that the Cabinet had previously authorised officers to seek a development partner and that bidders had at this stage been informed of the outcome of the scoring process. Mr Dignum felt that further clarification was necessary and so directed a short adjournment for officers to check the position.

**[Note** The Cabinet meeting was adjourned between 10:47 and 10:54]

Mrs Shepherd confirmed that the Cabinet was required to approve at this meeting the appointment of the proposed development partner. No contract had been signed with Countryside and it was open to the Cabinet if it wished to decline to make the appointment and leave officers to pursue one of the other bidders.

Mrs Taylor said that she had been present at the selection meeting in early August 2018 as an observer. The process had been conducted in a very thorough and robust manner. In her view Countryside had given the strongest, most well-prepared and detailed presentation. All three bidders had been informed that the appointment would require the Cabinet's approval.

Mr Wilding commented that it had not been easy to interpret the ownership details in the plan in exempt appendix 1.

*Decision*

The Cabinet voted unanimously on a show of hands to make the resolutions below.

## RESOLVED

- (1) That Countryside Properties (UK) Limited be appointed as the Council's development partner to take forward the development of the Tangmere SDL.
- (2) That authority be delegated to the Director of Planning and the Environment following consultation with the Cabinet Member for Planning Services to agree and sign the finalised Development Agreement.
- (3) That officers and the development partner be instructed to continue dialogue with the landowners/site promoters to facilitate development of the site without the need for a compulsory purchase order if possible.
- (4) That the revised timetable be agreed for making the compulsory purchase order, if required, set out at paragraph 6.5 of the agenda report.

## 572 2017-2018 Treasury Management Out-turn

[**Note** For technical reasons there is no audio recording for this item and accordingly a fuller summary of the Cabinet member's introduction is provided]

The Cabinet received and considered the agenda report and its three appendices.

This item was presented by Mr Wilding.

Mrs Belenger was in attendance for this matter.

Mr Wilding said that the report (previously considered by the Corporate Governance and Audit Committee) summarised CDC's treasury activities during the last financial year. Performance was summarised against a benchmark of other district councils (appendix B) and a compliance report of performance against CDC's own treasury limits (appendix C).

CDC's treasury portfolio ranged between £50 and £70 m over 2017-2018. At the year-end just under £54 m of funds were under management (table 1). The £54 m figure comprised Capital Grants received in advance of spending £7.8 m (including the Community Infrastructure Levy and Housing Grants), Earmarked Reserves £24.3 m (set aside for planned future expenditure and which included the Asset Replacement Programme fund, New Homes Bonus and other funds), General Fund Reserve £14.8 m, section 106 receipts of £5.5 m to be spent in connection with new housing, and Cash Flow £1.6 m.

The most significant decision taken during the year was to invest a further £7.9 m in external pooled multi-asset and corporate bond funds - a summary of the CDC's external pooled investments was shown in table 2. Appendix A showed a graphical summary of the return and changes in capital values for these funds over the financial year. Whilst revenue returns on these investments remained between 3 and 4%, since the end of 2017 external pooled funds had declined in value by around 2% - the main reason was the upfront cost of purchasing Local Authority

Property Fund due to stamp duty and other related costs. However, the decline in value of external pooled funds was much less than the income received.

The most pressing issue relating to these funds was the imposition of IFRS9 in 2018-2019 – without a suitable statutory override any unrealised gains or losses on those investments were likely to be chargeable to CDC's General Fund at 31 March 2019.

With that in mind, it was encouraging that the Ministry of Housing, Communities and Local Government (MHCLG) was currently consulting on issuing a statutory override for a time limited period of three years for this issue. The consultation would close at the end of September 2018 and officers would respond on behalf of CDC. In short, their view was that CDC should support the issue of this statutory override for all external pooled funds, but they did not understand why the override should be time-limited and so would ask MHCLG to review this aspect when finalising the statutory guidance.

There were revised Codes of Treasury Management Practice to comply with going forward, together with updated statutory guidance from the MHCLG. A key theme of those documents related to greater consideration and disclosure of non-treasury investments (mainly CDC's investment properties). As a first step, this information was now incorporated into section 5 of the report. Officers were working through these new requirements and would incorporate them into the 2019-2020 strategy that the Cabinet was due to consider early in 2019.

Mr Wilding clarified that the reference in para 4.2 to appendix '2' should in fact say 'B'.

Mrs Belenger did not wish to add to Mr Wilding's introduction.

There was no discussion of this item.

Mr Dignum commented briefly on the nature and purpose of the Local Authority Property Fund (table 2 on page 52 and para 5.2), pointing out that the income derived from the purchase of assets would in the long term far exceed the initial capital costs of acquisition.

Mr Ward explained the technical aspects of retained business rates.

### *Decision*

The Cabinet voted unanimously on a show of hands to make the resolution below.

### **RESOLVED**

The summary of treasury management activities and performance for 2017-2018 be noted.

### **573 Late Items**

There were no late items for consideration at this meeting.

574 **Exclusion of the Press and Public**

The press and public were not excluded from any part of this meeting.

**[Note** The meeting ended at 12:00]

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CHAIRMAN

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DATE