

Minutes of the Meeting of the **Council** held in the Council Chamber, East Pallant House, Chichester on Monday 22 December 2014 at 10.30 am

Members (48)

Mr M J Bell (Chairman)

Mrs C M M Apel	Mrs E P Lintill
Mr G A F Barrett	Mr G V McAra
Mr P J Budge	Mr R M J Marshall
Mrs H P Caird	Mr J A P Montyn
Mr A D Chaplin	Mr D J Myers
Mr J L Cherry	Mr S J Oakley
Mr P Clementson	Mr R T V O'Brien
Mr J C P Connor	Mr H C Potter
Mr Q J R Cox	Mrs L C Purnell
Mr A P Dignum	Mr J J L T Ransley
Mrs P M Dignum	Mr J Ridd
Mrs J E Duncton	Anne Scicluna
Mr T M E Dunn	Mr A M Shaxson
Mr J F Elliott	Mrs J A E Tassell
Mr B Finch	Mr N R D Thomas
Mr A J French	Mrs P M Tull
Mrs N D Graves	Mr B J Weekes
Mrs E Hamilton	Mr M Woolley
Mr G H Hicks	

were present (38)

Members not present

Mr S L Carr
Mr M A Cullen
Mrs P A Hardwick
Mr R J Hayes
Mr P Jarvis

Mrs G Keegan
Mr F Robertson
Mr A R H Smith
Mrs B A Tinson
Mr S Lloyd-Williams

Officers Present for All Items

Mrs D Shepherd – Chief Executive
Mr S Carvell – Executive Director
Mr P E Over – Executive Director
Mr P Coleman – Member Services Manager

273 Minutes

RESOLVED

That the minutes of the special meeting of the Council held on 24 November 2014 be signed as a correct record.

274 Urgent Items

There were no urgent items for consideration at this meeting.

275 Declarations of Interests

The Council was reminded that members who were also members of parish councils, West Sussex County Council, the South Downs National Park Authority or the Chichester Harbour Conservancy had declared that fact as a personal non-prejudicial interest when the Local Plan had been debated previously. This applied also to the further consideration of that matter (minute 278(i) below).

276 Chairman's Announcements

- (1) The Chairman apologised for convening a meeting in Christmas week, and thanked members for attending.
- (2) The Chairman reported that he and the Vice-Chairman had attended a large number of carol services, which had been enjoyable and a privilege.
- (3) The Chairman reminded the Council that the next Council meeting was on Tuesday, 27 January 2015, which was also Holocaust Memorial Day and the 70th Anniversary of the liberation of Auschwitz. With the Council's support, as Chairman, he proposed to mark the occasion with a short multi-faith service at the Council's Portfield Cemetery. The service would take place in the morning starting at 11am and last approximately 45 minutes. It would take place at the Mausoleum of John Abel Smith, who had been Member of Parliament for Midhurst and then for Chichester from 1830 to 1868. Mr Abel Smith had played a key role in obtaining political freedoms for Jews and Roman Catholics in the 1850's. He had also funded the stained glass in Chichester Cathedral's magnificent South Transept window, in memory of his wife. The Mausoleum had been designed by George Gilbert Scott, and was a Grade II Listed Building.

Small groups of students from the University of Chichester and Chichester College and school-children from across the District would be invited to attend along with members of the Abel Smith family.

After the Council meeting that afternoon, between 5.30pm and 7.00pm, the University of Chichester would be marking Holocaust Memorial Day with a special commemoration in the Chapel on the Bishop Otter Campus, which he proposed to attend formally as Chairman of the Council.

The Chairman stated that all Councillors were invited to both ceremonies, and invited members who required further information to talk to him or Mrs Clare Apel.

Mr Ridd reminded the Council that a decision had been taken previously that the Council should not formally commemorate Holocaust Memorial Day (minute 57(f) of 17 October 2006).

The Chairman explained that he did not have in mind an annual commemoration, but a special event in 2015, to mark the 70th anniversary of the liberation of Auschwitz and to draw attention to the work of Mr John Abel Smith, MP.

277 Public Question Time

No public questions had been submitted.

Decisions made by the Council

278 Recommendations of the Cabinet

Cabinet – 22 December 2014

(i) Minute 696 – Chichester Local Plan: Key Policies 2014-2029: Further Proposed Modifications Consultation

Mrs Caird (Leader of the Council), seconded by Mrs Purnell, moved the recommendations of the Cabinet. She drew attention to the list of proposed modifications to the Local Plan, set out in the appendix to the Cabinet report and the update sheet of further modifications proposed by the Development Plan Panel on Thursday 18 December 2014.

With reference to paragraph 3.4 of the Cabinet report, Mr Allgrove (Planning Policy, Conservation and Design Service Manager) reported that the Council was under a legal requirement to assess impacts on the Special Protection Areas for Pagham Harbour and Chichester Harbour. He had spoken to the Council's environmental consultants and to Natural England and a formal screening opinion would be produced. However, there were two issues and a solution was already in place to deal with the recreational disturbance issue and the nitrogen deposition issue was not likely to be significant in terms of the modest increase in housing provision.

Mrs Apel expressed concern that large portions of the Plan had been lost and would now require Supplementary Planning Documents. She suggested that a consolidated version of the revised Plan should be produced and a précis in plain English.

Mrs Caird acknowledged the complexity of the Plan, but believed that both the drafting and public examination of the Plan had been transparent processes which had enabled councillors and interested members of the community to take part. Great efforts had been made to produce a fair and honest plan that met the difficult requirements of both the Government and the community.

Mr Ransley and Mr Finch pointed to the benefits of the neighbourhood planning process in actively involving local communities and in broadening understanding of how the planning system worked.

Mr Chaplin asked about the impact of growth on the heritage of Chichester City Centre, and Mr Carvell reminded the Council that the Chichester City Council had commissioned a study of this.

Mr Oakley asked about the application of policies to horticultural development, especially in relation to the impact of such development on the road network away from the site. Mr Carvell explained that this was a good example of how a number of Plan policies would be applied to a development proposal. In the example raised by Mr Oakley, policy 39 (among others) would apply as well as policy 34.

A number of members welcomed the proposal in the update sheet to commit to a review of the Local Plan within five years, given the potential for variations in delivery of new housing, estimates of Objectively Assessed Need for housing, provision of infrastructure and quantification of housing deliverability in the South Downs National Park.

Mrs Caird thanked officers and members for their hard work on the draft Plan, and the press for balanced reporting of the issues.

RESOLVED

- (1) That the Chichester Local Plan: Key Policies Further Proposed Modifications (set out at the Appendix to the report and the update sheet) be approved for public consultation;
- (2) That appendix 7 of the *Evidence Audit – Housing Provision* (approved at the meeting on 24 November) be withdrawn.

Cabinet – 4 December 2014

(ii) Minute 683 – Financial Strategy and Plan

Mr Dignum (Cabinet Member for Finance and Governance), seconded by Mr Ransley, moved the recommendations of the Cabinet. He explained that the Financial Strategy defined the envelope within which other policy decisions with financial implications must be made; set out policies on revenue income and revenue spending; and defined capital programme funding and the allocation of available cash resources.

The Strategy was updated each year and a critical input was the expected direction of Central Government policy, in particular the funding to be made available to the Council. The table in the Cabinet report showed that Revenue Support Grant (RSG) from Government was expected to reduce in 2015/16 by £709,000. The draft settlement figure, just announced, was down a little less, by £684,000 - a massive 30%. That was equivalent to almost 10% of the Council's income from Council Tax. It was clear that austerity would continue for the foreseeable future, whatever party or parties formed the next Government, and that further reductions in grant could be expected in future years.

The future of New Homes Bonus (NHB) was in doubt and its continuation would depend on the Government in office after May 2015. The Council had not relied on the NHB to balance its budget and had instead reserved these funds for community based projects. This minimised the risk should this funding source be reduced or removed after 2015/16.

In addition to falling government funding and the risk to future receipts of New Homes Bonus, Mr Dignum drew attention to other uncertainties and risks, any of

which could impact on the Council's financial position, and made forecasting more difficult. These included:

- **Income from Fees and Charges.** The Council currently relied on around £18m of income from its fees and charges to balance its budget. This was 58% of the budget, excluding housing benefits. Over recent years there had been a reduction in income from some service areas. However, in 2014/15 there had been a slight recovery in income, primarily from car parks and planning fees of £0.2m each. Planning fees were particularly difficult to predict and no allowance for an increase had been built into the 5 year model for them. It had been assumed that car parking income would maintain the recent £200,000 improvement.
- **Price Inflation:** was now running below the 2% Bank of England target but could re-ignite during the 5 year period ahead.
- **Pay settlements:** A deal over 2 years – 2014/16 - had been concluded of a 2.2% increase with some enhancements for lower grades. But wage pressures could build after 2015-16.
- **Localisation of business rates:** this development brought various risks. A reserve of £148,000 had been set aside to meet the risk of business rate income falling. Losses on collection would largely fall on local councils in future rather than on the national pool. Historic appeal refunds would be funded 40% by this council in future.

The 5 year financial model assumed 1% per annum growth in business rates, or £80,000 per annum. As agreed at the October Cabinet, the Council had submitted a proposal with some other West Sussex authorities to pool business rates in 2015/16 in order to maximise the amount of growth that could be retained locally. That application had been successful. However the cooling off period for a decision expired on 14 January 2015, before the Council would meet again. Before then the Chief Financial Officers of the councils in the proposed pool would meet to check that they all agreed that the pool was beneficial. Mr Dignum, therefore, requested the Council to delegate to the Cabinet Member for Finance and Governance and the Chief Financial Officer the final decision to proceed with pooling for 2015/16, without further consideration by the full Council.

- **Localisation of Council Tax Support:** if numbers receiving this benefit increased as a result of another downturn then the Council would bear the entire burden
- **Amended Waste Regulations and increased recycling targets.** New and tougher recycling targets and the need to separate out types of recycled materials might substantially increase waste costs.
- **Cultural grants to the Chichester Festival Theatre and Pallant House Gallery.** These were currently funded from earmarked reserves which would be exhausted after 2017/18.

Mr Dignum explained that, despite all these pressures, the Council had a legal duty to balance income and expenditure. The Council had approved a £2.4m deficit reduction programme in May 2013 to help achieve a balanced budget over the medium term. The savings included a substantial reduction in senior management and a host of economies in support services and front line service delivery costs.

This planning had had three substantial benefits:

- cuts in frontline services delivered to residents had been avoided.
- the New Homes Bonus funding had been preserved for community benefit.
- less well-off residents had been protected by implementing localised Council Tax Support in a way that has protected claimants; and those most affected by housing benefit changes had been protected through making Discretionary Housing Payments.

The current financial model (Appendix 1 in the Cabinet papers) showed a balanced budget over the 5 years of the model. Indeed a surplus was predicted for the first 4 years and a breakeven in 2019/20. The projection assumed: that the current level of car parking income continues; that the Barnfield Drive project and deficit reduction programme were delivered to time; and that all of the other uncertainties described above did not work against the Council. It remained essential, therefore, to keep a vigilant watch on actual income and expenditure trends.

The financial strategy would continue to adopt conservative accounting principles:

- Routine asset replacement would be funded from revenue,
- Interest on investments would be reserved for the capital programme; not used to prop up the revenue budget.
- There would be significant supports for the Revenue Budget if necessary. As a first line of defence, £1.3M had been earmarked to support the revenue budget should the grants position be worse than expected or should other adverse factors develop. There was, in addition, a £5m Revenue Reserve. The Corporate Governance and Audit Committee had agreed that these were adequate amounts.

Council Tax

Mr Dignum stated that the objective was to limit increases in Council Tax to modest and affordable levels over the next 5 years, whilst accepting that such an objective might be impacted by national government policy. The Government had been setting a cap on increases of 2% and offering short-term grants to authorities setting a freeze on council tax. In the strategy, annual increases of 2% were assumed but it would be for the Council to set a figure each year within Government limits. He would be making a proposal on council tax to the February Cabinet when the draft budget for next year had been prepared and the full and final Government guidance was available.

New Homes Bonus

The Council had agreed that New Homes Bonus (NHB) should be reserved to reward communities that had accepted growth, while being aware that this was not new funding, and in adverse circumstances might have to be used to protect services. Therefore, this funding should be allocated annually, and only committed once received.

The unallocated value of this fund, up to and including that expected in the 2015/16 financial year, would be approximately £4.7m. Many councils had already committed their NHB to help balance their revenue budget deficits. However, he believed that this Council should balance its budget without needing to rely on NHB.

In 2013/14 the Council had piloted a grants process to allocate the 2011/12 NHB of £457,000 to bids from Parish Councils. The Council had agreed in 2014/15 that an allocation of £1.6m be made from the accrued NHB to rerun this exercise each year for four years (2014/15 to 2017/18) at £400,000 per year. Any unallocated balances would be rolled forward to potentially provide funding into 2018/19. The Council had agreed a policy to govern the allocation process, incorporating lessons learned in the 2013/14

pilot. This policy had been applied in the 2014/15 round and would be applied in 2015/16.

The Council had also agreed that the existing general grants pot be supplemented from the NHB to allow awards totalling up to £250,000 pa to be made from 2014/15 up to and including 2018/19.

The remainder of the NHB, was reserved for new projects judged to be not only beneficial to the community but also financially sustainable. These might include, for example,

- top up grants to social landlords where these would bring forward additional social housing in new developments.
- Helping to meet infrastructure priorities.
- Opportunity purchases of non-domestic property and/or redevelopment of existing properties to augment rental income and foster community employment.

Reserves

The Resources Statement (Appendix 2 to the Cabinet report) reflected the current level of reserves, anticipated receipts, and commitments over the coming 5 years. This currently indicated a surplus of resource of £3.3m, in addition to the NHB. Further projects, particularly projects that would produce a useful revenue income, might be funded from the remaining balance of this fund.

In sum, Mr Dignum concluded, the principles included in the Financial Strategy were:

- Balancing the budget while
- Preserving front line services
- Protecting the less well-off residents
- Maximizing the efficiency of Council services
- Minimising the requirement for Council tax
- Reserving New Homes Bonus for direct community benefit
- Careful husbandry of cash resources.

Mr Dignum agreed to circulate his speech to all members.

Mr Ransley expressed disappointment that there was no provision for support for the Chichester Festival Theatre and Pallant House Gallery after 2017/18, but Mr Dignum explained that this issue would be decided by the new Council elected in May 2015.

Mr French expressed support for the proposed financial strategy. He asked whether historic appeals relating to business rates were likely to be significant for the Council. Mr Dignum agreed to produce a written reply.

Mr Chaplin asked what use had been made of Discretionary Housing Payments to assist residents affected by changes in housing benefit. Mr Dignum replied that payments had

been contained within the budget provided by central Government, some families had been awarded transitional relief, and no hard cases were unresolved.

RESOLVED

- (1) That the key financial principles and actions of the 5 year financial strategy set out in paragraph 6 of the Cabinet report be approved.
- (2) That the Head of Finance and Governance, in consultation with the Cabinet Member for Finance and Governance, be authorised to make the final decision to proceed with business rates pooling for 2015/16, without further consideration by the full Council.
- (3) That the current 5 year Financial Model at Appendix 1 is noted.
- (4) That a minimum level of general fund reserves of £5m, together with £1.3m revenue budget support be set, as supported by the Corporate Governance & Audit Committee.
- (5) That the New Homes Bonus should be allocated annually, taking into account both the legal requirement to set a balanced budget and also the Council's policy to reward communities that have accepted housing growth and as set out in paragraph 6.10.
- (6) That the current resources position, as set out in Appendix 2, is noted.
- (7) That it be noted that the Council will require in due course to choose either a Council tax freeze or a Council Tax increase for 2015/16.

(iii) Minute 684 – Determination of the Council Tax Reduction Scheme for 2015/16

Mr Dignum (Cabinet Member for Finance and Governance), seconded by Mrs Caird, moved the recommendation of the Cabinet. He reminded the Council of the previous history of the scheme and explained that no significant variations from the scheme that had been applied in the current year were proposed.

RESOLVED

That the council tax reduction scheme for 2015/16 be approved, subject to any new regulatory changes required by the Department for Communities and Local Government.

Corporate Governance and Audit Committee – 4 December 2014

(iv) Minute 203 – Report of the Corporate Governance and Audit Committee: Annual Report on Corporate Governance

Mrs Tull (Chairman of the Corporate Governance and Audit Committee), introduced the Committee's annual report on corporate governance. She reminded the Council that it was responsible for ensuring that its business was conducted in accordance with the law and proper standards and that public money was safeguarded and properly accounted for and used economically, efficiently and effectively. The Corporate Governance and Audit Committee had considered the strategic and organisational risk registers to ensure the adequacy of the Council's actions to control and manage risks, and the Committee's report described the eight highest risks and the action being taken to mitigate them.

With regard to the sixth listed risk, Mr Shaxson stated that there was no current intention on the part of the South Downs National Park Authority to curtail the agency agreement with the Council for the provision of planning services.

RESOLVED

That the Corporate Governance and Audit Committee's report on the governance arrangements be approved.

279 Questions to the Executive

Questions to members of the Cabinet and responses given were as follows:

(a) Question: Food Information Regulations 2013 - Food information for consumers

Mr Connor stated that it was now widely recognised that people suffering from coeliac disease need a gluten-free diet. Other people suffered from nut and cereal allergies. The new Food Information Regulations required the provision of food information to consumers. He asked what steps the Council's Environmental Health Department was taking to ensure all food manufacturers and suppliers are aware of the requirements and to inform the public.

Response:

Mrs Lintill (Cabinet Member for Wellbeing and Community Services) replied that the new law requires greater clarity in how 14 different allergens are identified to the public. It covers packaged foods as well as loose food, food eaten out in restaurants, take-aways, in fact anywhere where somebody may buy or be served food. The list of allergens includes those that most people would recognise such as nuts and gluten, but also lesser known ingredients such as mustard, celery and lupin.

The new law will primarily be enforced by County Trading Standards officers who have a duty to enforce. However as Environmental Health Officers (EHOs) are more frequently in food premises than Trading Standards officers, a power to enforce had also been given to District and Borough Councils.

There had been much discussion between County Trading Standards, the Food Standards Agency and District and Borough Councils about liaison protocols and the drawing up of a Memorandum of Understanding (MOU). An MOU for use across Sussex had been drafted but it still required more work before it is adopted.

Although the Council's EHO's had received some training on this there is still a great deal of confusion as to what exactly this will mean for businesses. For instance, a take-away must provide allergen information when an order is taken and also when a delivery is made. It is not clear how, in practice, they will choose to do this. It is likely that menus will have allergen information on them or that separate menus just with allergen information on them will be used. It would not be permissible for a business just to have a blanket statement saying that their foods may contain allergens.

This Council's role at present was to advise businesses and also to signpost those met during food hygiene inspections towards information that explains what they have to do. An email had been sent with information to all food businesses for which EHOs have an email address. EHOs will also act as "eyes and ears" for Trading Standards, drawing their attention to situations where serious non-compliances exist. They will also look out

for situations where cross contamination of allergens is occurring, for instance a man in an ice-cream van sprinkling nuts onto one ice-cream then picking up the next customer's cone with the same unwashed hand.

(b) Question: Solar Farms

Mrs Apel asked what proportion of fields were covered by solar panels. Given that the country was being encouraged to grow its own food, if landowners could get a better income from solar panels than from food growing, should the Government be asked to redress the balance.

Response:

Mr Connor (Cabinet Member for Environment) agreed with the sentiment, but undertook to give a written answer. Mr Oakley commented that solar farms were not removed from agriculture, but could still be used for grazing. He suggested that planning conditions should be imposed that required restoration to agricultural use, if the economic case changed in the future.

(c) Question: Street trading in Chichester City Centre

Mr McAra asked whether a report could be made on the possible use of by-laws to control undesirable street trading activities that were detracting from the Christmas Market in Chichester City Centre.

Response:

Mr Ransley (Cabinet Member for Support Services) replied that the issue was being addressed. Mr Carvell added that advice had been received from the Department for Communities and Local Government (DCLG) that by-laws were not suitable to control these activities. Officers were monitoring the activities of street traders and would liaise with the police to see whether a workable solution could be found. Mr Clementson added that these activities brought the standard of the city centre down, but this was a national problem that required legislation, and Mrs Scicluna pointed out that pedlars could obtain a certificate from the police enabling them to trade anywhere in the UK, although they were supposed to keep on the move, pausing only to make sales.

(d) Question: Shared services

Mr Shaxson drew attention to examples of councils sharing management structures but remaining separate councils, some of which crossed county boundaries. He asked whether, in contemplating sharing of services with other councils, the Council would look westwards as well as eastwards.

Response:

Mrs Caird (Leader of the Council) replied that there were examples to both the east and west of Chichester of councils sharing services and/or management teams. The Council was considering the services of all neighbouring authorities to see whether there were opportunities for sharing. The Council already shared a number of services with Arun District Council, and she had recently had a meeting with Havant Borough and East Hampshire District Councils on this topic.

(e) Question: The Lickfold Inn

Mrs Hamilton referred to previous questions she had asked about the Lickfold Inn and stated that she now had good news. Lodsworth Parish Council had successfully registered the Lickfold Inn as a community asset. It had since been sold and the new owners had re-opened the inn at noon on 12 December. She thanked officers, especially Mr Hansford and Dr Whiteman, and the Cabinet Members for Wellbeing and Community Services and for Housing and Planning for their help, and encouraged members to pay a visit to the re-opened Lickfold Inn.

(f) Question: Shop temperatures

Mrs Tassell asked whether the council could exert any control over the temperature inside shops, which were often much too hot for customers dressed for outdoors.

Response:

Mr Connor (Cabinet Member for Environment) replied that the Council had no means of control. The City Centre Manager could visit the shops in question, but it would be better for concerned shoppers to write to the Head Offices of the companies concerned as such matters were often derived from Head Office policy.

280 Calendar of meetings 2015/16

The Council considered the report and draft calendar of meetings 2015/16 circulated with the agenda (copy attached to the official minutes).

Mr O'Brien referred to the difficulties experienced by employed members in attending day-time meetings. An email discussion among members had evinced no support for evening meetings. However, he asked that officers should investigate the possibility of using tele-conferencing to enable working councillors to participate, and report back.

RESOLVED

That the calendar of meetings for the council year 2015/16 be approved.

[Note The meeting ended at 12.33 pm]

CHAIRMAN

Date _____