

Public Document Pack

JOHN WARD

Director of Corporate Services

Contact: Graham Thrussell on 01243 534653

Email: gthrussell@chichester.gov.uk

East Pallant House

1 East Pallant

Chichester

West Sussex

PO19 1TY

Tel: 01243 785166

www.chichester.gov.uk



A meeting of the **Cabinet** will be held in Committee Room 2 at East Pallant House East Pallant Chichester West Sussex on **Tuesday 5 February 2019** at **09:30**

MEMBERS: 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

AGENDA

PRELIMINARY MATTERS

1 Chairman's Announcements

The chairman will:

- make any specific announcements for this meeting and
- advise of any late items for consideration under agenda item 14 (a) or (b)

Apologies for absence will be taken at this point.

2 Approval of Minutes (pages 1 to 22)

The Cabinet is requested to approve as a correct record the minutes of its meeting on Tuesday 8 January 2019, a copy of which is circulated with this agenda.

3 Declarations of Interests

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

4 Public Question Time

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

RECOMMENDATIONS TO COUNCIL

5 **Budget Spending Plans 2019-2020** (pages 23 to 30)

The Cabinet is requested to consider the agenda report and its four appendices in the agenda supplement and to make the recommendation to the Council and the resolution set out below:

A – RECOMMENDATION TO THE COUNCIL

That:

- (a) That a net budget requirement of £13,829,600 for 2019-20 be approved.
- (b) That Council tax be increased by £5 from £155.81 to £160.81 for a band D equivalent in 2019-2020.
- (c) That the Investment Opportunities Reserve be increased by £532,500.
- (d) 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.
- (e) The capital programme, including the asset renewal programme (appendix 1c and 1d to the agenda report) be approved.

B - RESOLUTION BY THE CABINET

That (a) the current resources position as set out in appendix 2 to the agenda report and (b) the budget variances included in the Draft Budget Spending Plan as set out in appendix 1b to the agenda report including the growth items be noted.

6 **City Centre Upgrade of CCTV** (pages 31 to 33)

The Cabinet is requested to consider the agenda report and its appendix in the agenda supplement and to make the following resolution and also the recommendations to the Council:

A – RESOLUTION BY THE CABINET

That the PID in the appendix to the agenda report to roll together six years (2017-2023) of Asset Renewal Programme (ARP) funding for CCTV to enable an upgrade of 11 city centre cameras and the reinstatement of two cameras in Avenue de Chartres be approved.

B – RECOMMENDATION TO THE COUNCIL

That the release of £165,000 from reserves be approved.

7 Draft Treasury Management Strategy 2019-2020 (pages 35 to 39)

The Cabinet is requested to consider the agenda report and its six appendices in the agenda supplement and to make the following recommendation to the Council:

RECOMMENDATION TO THE COUNCIL

That the Council approves:

- (a) The Treasury Management Policy Statement, the Treasury Management Strategy Statement and Investment Strategy for 2019-2020, incorporating the temporary limits established in appendix 6 to the agenda report.
- (b) Chichester District Council's capital strategy for 2019-20 to 2023-24.
- (c) The prudential indicators and limits for 2019-2020 included in appendix 2 of the report.
- (d) The investigation by officers whether to set an indicator to measure the proportionality of commercial income generated by Chichester District Council and, if so, to recommend a suitable indicator for inclusion in Chichester District Council's 2020-2021 treasury strategy.

KEY DECISIONS

NONE

OTHER DECISIONS

8 Authority's Monitoring Report 2017-2018 (pages 41 to 46)

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

RESOLUTION BY THE CABINET

That the publication of the Authority's Monitoring Report 2017-2018 on Chichester District Council's website be approved.

9 Award of Coastal Maintenance Contract 2019-2020 (pages 47 to 51)

The Cabinet is requested to consider the agenda report and its confidential exempt* appendix provided to members and relevant officers only and to make the following resolution:

RESOLUTION BY THE CABINET

- (1) That the contract for the maintenance and enhancement of coast protection assets for the period 1 April 2019 to 31 March 2022 is awarded to

Contractor A.

- (2) That authority be delegated to the Director of Planning and Environment, following consultation with the Cabinet Member for Environment Services, to extend the contract by mutual agreement for a further two years should the contractor performance meet Chichester District Council requirements.

*[**Note** As stated in respect of this appendix in agenda item 15 below (Exclusion of the Press and Public), the ground for excluding the public and press during this item if the appendix were to be discussed is that it would be likely that there would be a disclosure to them of 'exempt information' of the description specified in Paragraph 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 Local Government Act 1972]

10 **Novium Business Plan Update** (pages 53 to 56)

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

RESOLUTION BY THE CABINET

That the Business Plan in the appendix to the agenda report for the Novium Museum and Tourist Information Services be approved.

11 **Revisions to the Section 106 and CIL Protocol** (pages 57 to 59)

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

RESOLUTION BY THE CABINET

- (1) That the revisions to the Section 106 and CIL Protocol as set out in the appendix to the agenda report be approved.
- (2) That authority be delegated to the Grants and Concessions Panel to decide how to distribute the existing and any future 'orphaned' section 106 interest by adding it to the New Homes Bonus (Parish Allocations) Scheme.

12 **Section 106 Sport and Leisure Facilities - Chichester Bowmen** (pages 61 to 63)

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

RESOLUTION BY THE CABINET

That the release of up to £65,897 of section 106 Sport and Leisure monies plus interest accrued to the date of release to Chichester Bowmen for the construction of a new clubhouse be approved.

13 **2018-19 Treasury Management Half-Year Report** (pages 65 to 73)

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

RESOLUTION BY THE CABINET

That the Treasury Management activity and performance for 2018-2019 to date and the comments made by Corporate Governance and Audit Committee set out in the agenda report be noted.

FINAL MATTERS

14 **Late Items**

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

15 **Exclusion of the Press and Public**

The Cabinet is asked in respect of agenda item 16 (Purchase of Land for Southern Gateway) to make the following resolution:

RESOLUTION BY THE CABINET

That the press and the public be excluded from the meeting during the consideration of agenda item 16 (Purchase of Land for Southern Gateway) on the following ground of exemption in Part I of Schedule 12A to the Local Government Act 1972 namely Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

[**Note** If the Cabinet wishes to discuss the exempt appendix to agenda item 9 (Award of Coastal Maintenance Contract 2019-2020), it will need first of all to pass a resolution to exclude the press and the public from the meeting on the following ground of exemption in Schedule 12A to the Local Government Act 1972 namely Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.]

16 **Purchase of Land for Southern Gateway** (pages 75 to 112)

The Cabinet is requested to consider the agenda report and its first appendix (the second appendix is to follow), which are confidential exempt* material with a restricted circulation to Chichester District Council members and relevant officers only (printed on salmon-coloured paper), and to make the following resolution:

RESOLUTION BY THE CABINET

That the decision made by the Cabinet at its meeting on 2 October 2018, as contained in minute 592 (4), be rescinded and the proposed purchase previously authorised do not proceed.

*[**Note** The ground for excluding the public and press during this item is that it is likely that there would be a disclosure to them of 'exempt information' of the description specified in Paragraph 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 Local Government Act 1972]

NOTES

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

NON-CABINET MEMBER COUNCILLORS SPEAKING AT THE CABINET

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

The Leader of the Council intends to apply this standing order at Cabinet meetings by requesting that members should *normally* seek his consent in writing by email in advance of the meeting. They should do this by noon on the day before the meeting, outlining the substance of the matter that they wish to raise. The word normally is emphasised because there may be unforeseen circumstances where a member can assist the conduct of business by his or her contribution and where the chairman would therefore retain his discretion to allow the contribution without the aforesaid notice.

This page is intentionally left blank



Minutes of the meeting of the **Cabinet** held in Committee Room 2 at East Pallant House East Pallant Chichester West Sussex on Tuesday 8 January 2019 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), Mrs H Belenger (Divisional Manager for Financial Services), Mr N Bennett (Divisional Manager for Democratic Services), Mr A Buckley (Corporate Improvement and Facilities Manager), Mrs J Dodsworth (Director of Residents' Services), Mrs T Flitcroft (Principal Planning Officer (Local Planning)), Mr A Frost (Director of Planning and Environment), Mr A Gregory (Project Manager - Estates), Mr T Guymmer (Principal Planning Officer), Mrs J Hotchkiss (Director of Growth and Place), Mr D Hyland (Community and Partnerships Support Manager), Mr P Legood (Valuation and Estates Manager), Mr J Mildred (Divisional Manager for Corporate Services), Ms H Nicol (Housing Delivery Manager), Mr P E Over (Executive Director), Mrs D Shepherd (Chief Executive), Mr G Thrussell (Legal and Democratic Services Officer), Mr J Ward (Director of Corporate Services) and Miss C Williams (Community Liaison Officer)

629 **Chairman's Announcements**

Mr A Dignum (Leader of the Council and Cabinet Member for Growth and Place) 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.

The emergency evacuation procedure was read out.

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

There were no late items for consideration.

Mr Dignum had no specific announcements of his own to make.

At his invitation details of the following matter were announced by Mrs E Lintill (Deputy Leader of the Council and Cabinet Member for Community Services):

Beautiful South Tourism Awards 2018-2019 - Tourism Event/Festival of the Year – Bronze Award – Chichester Roman Week – The Novium Museum Chichester West Sussex

Mrs Lintill said that she had attended the Beautiful South Tourism Awards 2018-2019 ceremony at The Grand Brighton on 5 December 2018 at which The Novium Museum had received a bronze award in the Tourism Event/Festival of the Year category for the Chichester Roman Week it had arranged. She praised The Novium for this accolade, which was a telling testimony to the team's hard work in devising and displaying the exhibition. Mr Dignum concurred with those sentiments and commended The Novium.

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

[**Note** Minute paras 630 to 644 below summarise the Cabinet's discussion of and decision on agenda items 2 to 16 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&MId=979&Ver=4>]

630 **Approval of Minutes**

The Cabinet received the minutes of its meeting on Tuesday 4 December 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 4 December 2018 be approved.

631 **Declarations of Interests**

There were no declarations of interests made by members at this meeting.

Certain officers would withdraw from the room during the consideration of the following agenda items:

(1) AGENDA ITEM 6: CORPORATE PAY REVIEW

Those officers (below the level of the Senior Leadership Team) who were affected by the current comprehensive review of the jobs and salaries of CDC staff and who were present for various agenda items. However, officers who would be presenting the report or providing administrative support during the meeting would remain.

Mr J Ward (Director of Corporate Services) declared a personal and prejudicial interest in this item as his wife was a CDC employee and he would withdraw from the table to the public seating area for its duration.

(2) AGENDA ITEM 16: STAFFING MATTERS

All officers save for the Chief Executive, the Monitoring Officer, the Divisional Manager Financial Services and the Legal and Democratic Services Officer.

632 Public Question Time

Questions had been submitted by two members of the public.

The questions (with the date of submission shown within [] at the end of the text) and the answers given by Mrs S Taylor (Cabinet for Planning Services) and Mr A Dignum (Leader of the Council and Cabinet Member for Growth and Place) were as follows.

In (1) below, in view of the number of questions to be asked, it was agreed that for ease of convenience each question and response would be paired. In these minutes, however, the responses appear collectively after the questions.

(1) Questions by Mr M Dicker

'In accordance with public question time at next week's Cabinet meeting I would like to get answers to the following questions:

1. Why has Chichester District Council (CDC) agreed to accommodate the 205 houses from the SDNP unmet housing need when pressure for space is already acknowledged and it has no legal obligation to do so?
2. If CDC is not prepared to hand back this unmet need then where is the need from in terms of which communities within the SDNP (by settlement area)? This is essential to know.
3. CDC states: "The Local Plan Review will assist the creation of new jobs in a variety of ways, most obviously through the allocation of land for employment uses, ...by supporting local services in rural areas ... enhancing visitor facilities, supporting expansion of education and training, building new dwellings and facilitating improvements to transport and telecommunications."

Can CDC explain how the large element of economically inactive population from the SDNP will benefit from "land for employment uses" when it is not within easy

reach of public transport for them? Having acknowledged this omission can CDC confirm that a better solution would be to identify employment space around Goodwood or to the north of the city to meet this unmet need and enable rural communities to become more economically active?

4. There is deep concern about the provision of infrastructure (including transport) at the moment. Why then does the Local Plan Review Preferred Approach – out for consultation - state and I quote:

“For this reason an independent viability study will be carried out to inform this strategy and the IDP”?

5. The Local Plan Review Preferred Approach states:

“The landscape of the coastline is characterised by its relatively flat topography which, on occasion, serves to provide views from the water across to the South Downs National Park.”

Why then is CDC proposing employment space and housing at AL6/AP6 and a link road which will directly impact not only the views from the water of the Cathedral but perhaps the only view of the Cathedral from the water framed by long-distance views of the South Downs?

6. Why has CDC including its contractors Peter Brett Associates not worked closely with Highways England in accordance with "The strategic road network, planning for the future A guide to working with Highways England on planning matters" in the development of the transport study as part of the evidence for the Local Plan Review? I hope that that will be reflected in the forthcoming reply to my freedom of information request.

7. The Local Plan Review Preferred Approach states:

“The impacts of development (including landscape, flooding and transport) in this location [AL6], along with the commercial attractiveness of the site, will need to be tested further as this Local Plan Review is prepared. However, based on an initial assessment of the area so far, it is considered that there is potential to deliver significant development in this area which addresses the constraints of the site and its wider environment.”

Can CDC please confirm:

- a. Why has it gone to consultation with an untested strategic site proposal?
- b. What plans has it got to re-consult on this specific site which is the only untested site in the Plan?
- c. What contingency site is available should this site prove to be unviable?
- d. What impact will this site have on the water treatment site for both flooding and effluent from the developments or proposed developments?

[Thursday 3 January 2019]

Responses by Mrs S Taylor

1. The Local Plan Review includes provision for 41 dwellings per annum to help accommodate unmet housing needs from the part of the National Park within Chichester District. One of the legal tests the Local Plan Review needs to pass at examination is the Duty to Cooperate. The National Planning Policy Framework requires local planning authorities to work together to meet identified housing needs under the Duty to Cooperate. You are welcome to make a formal representation on the Local Plan Review should you consider that CDC should adopt a different approach.
2. CDC has to follow the methodology set out by government to calculate objectively assessed housing need. This assessment of need is determined at District level and is not broken down to the level of individual settlements, for areas within or outside the National Park. The South Downs National Park Authority prepared its draft Local Plan before the government methodology came into force and commissioned its own evidence base on housing need. Similarly, this does not include analysis at settlement level.
3. The economically inactive population will not be likely to benefit from land for employment uses as this mainly consists of children and retired people. Should you consider that there are better locations for employment development than are currently identified in the Local Plan Review which would meet the needs of the economically active population of the South Downs National Park, or elsewhere, in terms of accessibility by public transport, then you are welcome to make formal representations on the Local Plan Review: Preferred Approach.
4. The Whole Plan Viability Study cannot be effectively carried out until there is a draft plan. Given the need to progress the Local Plan Review in a timely manner, this is being carried out now, following agreement of the draft plan by the Council and in parallel with the consultation. Any policy implications will be dealt with in the next iteration of the Local Plan Review which, it is anticipated, will be subject to consultation later this year.
5. CDC's evidence-based studies to support the Local Plan Review have not at this stage all been finally concluded and, for example, the conclusions of the landscape study and further on-going work in relation to the allocated sites in the Plan will help inform their suitability for development. You are welcome to make formal representations to consultation on the Local Plan Review should you consider that there are better sites for housing and employment development and an alternative solution for mitigation of the transport impacts of development that do not involve the link road.
6. Peter Brett Associates (PBA) through regular liaison with Highways England has followed the procedures set out in the document entitled *The strategic road network, Planning for the future: A guide to working with Highways*

England on planning matters, by involving Highways England in all aspects of its work and allowing it to comment at all stages, from first inception and through to the completed document. Therefore, PBA believes that it has clearly followed the advice in the document and worked closely with Highways England and its appointed consultant at all stages of the project. CDC has engaged and will continue to engage with Highways England on the proposed improvements to the strategic road network that form part of the Local Plan Review.

7. a. Consultation, including gaining the views of statutory and other consultees, is part of testing the strategic site proposal and it is expected that further evidence will be provided by the land owner prior to the submission of the Local Plan Review for examination.
- b. The whole of the Local Plan Review will be the subject of a further round of consultation before the plan is submitted for formal examination.
- c. The Local Plan Review: Preferred Approach does not include any contingency or reserve site. However, if you believe that it should you are welcome to make formal representations to the current consultation.
- d. It is not expected that there will be any impact on the Apuldram Wastewater Treatment Works in terms of flooding. Southern Water as a statutory undertaker needs to provide sufficient capacity to treat wastewater from the development, either through an upgrade to those works or transferring to an alternative works. If you have concerns about these issues you are welcome to raise them through formal representations to the current consultation.'

Mr Dicker expressed his gratitude for the informative answers which he had been given.

Mrs D Shepherd (Chief Executive) referred to the first question and response and pointed out that when the Council on 20 November 2018 approved the Chichester Local Plan Review 2035 Preferred Approach – Consultation December 2018 it had not made any decision on whether CDC should provide the 41 dwellings per annum to help accommodate the unmet housing need within the South Downs National Park (SDNP).

Mr Dicker remarked that his second question asked where within the SDNP's settlements the unmet housing need existed if CDC was not prepared to accommodate it.

Mr Dignum said that Mr Dicker had received answers to all his questions and no decision had yet been made on the SDNP unmet need of 41 houses in Chichester District.

(2) Question by Mr P Robinson – Chairman of the Friends of Priory Park

'As Chairman of the Friends of Priory Park I would like to ask the following question:

I note that at its meeting on June 2018 the Cabinet agreed to an expenditure of £17,000 for the restoration of the eponymous Coade Stone in Priory Park*. An officer from Chichester District Council (CDC) failed to attend a meeting with Mr Tomason, a recognised authority in the restoration of coade, in the autumn. It seemed that there had been a discourtesy and that CDC was dragging its feet on restoration work of the statue which required a specialist skill to restore rather than repair. Has CDC sent an apology to Mr Tomason and when is it envisaged that restoration work will begin on the statue, a significant artefact in the history of the city?'

[***Note** Although not part of the immediately foregoing question, Mr Robinson appended as a point of interest the following historical background, which demonstrated in his view that 'there was certainly a vibrancy in the city at the end of the end of the eighteenth century.'

'The statue is almost certainly the work of John Bacon (1740 – 1799) the chief designer and manager of the Coade Artificial Stone Company from 1771. Eleanor Coade, born in Lyme Regis, was the elder daughter of Eleanor and George Coade. In 1769, following her father's second bankruptcy, Eleanor and her mother went into business with Daniel Pincot, a manufacturer of artificial stone in Lambeth. Significant to the restoration, the artificial stone included, glass, clay, silicates and quartz and restoration needs to understand this composition.

For me, an importance of the statue is its celebration of the intellectual life of the city. The City Corporation had initially bought the statue to adorn the civic water supply in South Street and sold it to Dr Guy in 1800. Dr William Guy, a pupil of John Hunter, the founder of scientific surgery, practised in Chichester. He was a close friend of the poet William Hayley, who lived at Eartham House, and the sculptor John Flaxman, responsible for several monuments within the Cathedral. John Marsh, the diarist, who moved to Chichester in 1787 would have known of Guy, Hayley and Flaxman.

When William Guy died in 1825 the statue was entombed with him in his mausoleum, under the north-west tower of the Cathedral. It was his grandson, William Augustus Guy, also a medical doctor and FRS, who presented the statue to Priory Park in 1873.']

[Friday 4 January 2019]

Response by Mr A Dignum

'The Coade Stone's importance was recognised, hence the decision to approve funds for its restoration. Officers have not been able to locate the diary appointment for the meeting that was scheduled with Mr Tomason. If a CDC officer was expected at the meeting you to which you refer and did not attend then officers would like to extend their apologies to the attendees of the meeting, including Mr Tomason.

The resolution made by the Cabinet in June 2018 agreed an overall budget of £57,000 for the approved works in Priory Park. The project team is exploring the

opportunity to work with local conservation specialists on the Coade Stone's repair alongside the alternative specialist restoration approach. As yet there is not a set date for the repair works to be carried out but once this is programmed officers will share that information with all stakeholders and I hope that this will progress as soon as possible.'

The immediately foregoing response concluded public question time.

633 **Adoption of the Chichester Local Plan Site Allocation Development Plan Document**

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

This item was presented by Mrs S Taylor (Cabinet Member for Planning Services).

Mrs T Flitcroft (Principal Planning Officer (Local Planning)) and Mr M Allgrove (Planning Policy Manager) were attendance for this matter.

Mrs Taylor said that the main purpose of the *Site Allocation Development Plan Document 2014-2029* (SA DPD) (appendix 1) was to deliver non-strategic residential and employment sites as set out in the *Chichester Local Plan: Key Policies 2014-2029* (CLP) adopted in July 2015 and provide guidance for the development of those sites. Once adopted it would form part of CDC's Development Plan. The SA DPD applied only to those parishes which either did not have an adopted neighbourhood development plan (NDP) or which had a NDP that had not reached pre-submission stage by April 2017. The SA DPD also (a) reviewed settlement boundaries and, where appropriate, recommended changes thereto and (b) identified (in accordance with the CLP) a local centre for East Wittering. The SA DPD had been submitted to a rigorous process including a number of formal consultations, culminating in an examination by a planning inspector. The SA DPD was pronounced to be sound in the inspector's report (appendix 2) subject to the inclusion of the main modifications recommended by and more minor modifications agreed with the inspector (appendix 3). The SA DPD related to the CLP and not the emerging *Chichester Local Plan Review*.

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

The Cabinet proceeded immediately to vote on the recommendation in the report.

Decision

The Cabinet voted unanimously to make the recommendation set out below.

RECOMMENDATION TO THE COUNCIL

That the submitted Local Plan Site Allocation Development Plan Document 2014-2029, amended to include all the main modifications recommended by the planning inspector to make the Plan sound, together with other more minor modifications already agreed with the inspector, be adopted and published (including any

consequential and other appropriate minor amendments) in accordance with regulation 26 of the Town and Country Planning (Local Planning) Regulations 2012.

634 **Corporate Pay Review**

[**Note** Immediately prior to the commencement of this item various CDC officers present for items on the agenda withdrew from the room for its duration, as intimated in para (1) in minute 631 above. The Senior Leadership Team, the Monitoring Officer, the two advisory officers mentioned below, and the two Democratic Services representatives remained.]

[**Note** In accordance with his previous declaration of interest (minute 630), at the outset of this item Mr J Ward (Director of Corporate Services) withdrew from the table to the public seating area for the duration of this item]

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

This item was presented by Mr P Wilding (Cabinet Member for Corporate Services).

Mrs J Dodsworth (Director of Residents Services) was in attendance for this matter.

Mr Wilding said that CDC had used the current pay and grading structure for nearly 30 years. Over that time jobs and the wider employment market had evolved significantly, which had created staff recruitment and retention difficulties in certain areas or at certain pay grades. There was also the legal requirement to ensure equal jobs were rewarded with equal pay and this review would ensure CDC's compliance therewith. Since the Cabinet had first considered a report setting out the available options in September 2016, a comprehensive review of all job roles had been undertaken. All job profiles (excluding Chichester Contract Services, which was on local terms and conditions) had now been rewritten and subsequently re-evaluated to ensure that CDC maintained a fair and consistent pay structure. The current pay and grading structure had also been reviewed, using independent benchmarking (taking into account local recruitment and retention factors) to highlight specific areas requiring attention. CDC officers and the external consultants had created a new proposed pay structure (appendix 1) which addressed all of the issues identified.

The impact on staff as a result of the proposed changes was as follows:

- (a) 46% of staff would see an increase in total pay
- (b) 42% of staff would see no change in total pay
- (c) 12% of staff would see a reduction in total pay

Any members of staff who were negatively affected would be covered by CDC's pay protection scheme, whereby any salary reduction would be phased in over a three-year period. During November 2018 formal consultation took place with staff representatives and Unison. A detailed statistical analysis of the proposal had been undertaken by Unison, which demonstrated that the revised pay and grading

structure was well-balanced and complied with equalities standards. Unison had confirmed it would support the corporate pay review scheme.

The Cabinet had previously agreed to set aside £300,000 per year to support the new pay structure; this estimate had been revised to £303,500 per year on CDC's annual revenue budget. The release of up to £360,600 from previously earmarked reserves, covering the periods 2019-2020 to 2021-2022, was also being recommended to fund salary protection costs for staff who would receive a reduced salary, although this might not need to be fully utilised since if any of those staff left CDC during the pay protection period, their successors would immediately assume the new salary grade.

Mrs Dodsworth advised that Unison had stated both orally and in writing that it endorsed the new corporate pay scheme but its signed collective agreement was awaited. For that reason the recommendation in para 2.1 of the report would be amended by the addition after '1 April 2019' of the words 'subject to receipt of the signed collective agreement from Unison'.

Mrs Dodsworth responded to members' questions with respect to (a) the use of earmarked reserves to fund salary protection costs; (b) the continued use of market supplements where appropriate; and (c) the appeal procedure for staff whose salary would be reduced.

Mrs D Shepherd (Chief Executive) pointed out that under the New Reward Scheme all CDC staff would at least receive the minimum living wage.

Decision

The Cabinet voted unanimously to make the recommendations (as amended in the case of (1)) set out below.

RECOMMENDATION TO THE COUNCIL

- (1) That the proposed New Reward Scheme (NRS) be adopted with effect from 1 April 2019 subject to receipt of the signed collective agreement from Unison.
- (2) That the budget allocation of £303,500 per annum to support the NRS, funded by the £300,000 annual budget that has previously been set aside to support the pay review, with the £3,500 shortfall added to the revenue base budget 2019-2020, be approved.
- (3) That the release of up to £360,600 from previously earmarked reserves to fund salary protection costs during the three-year period 2019-2020 to 2021-2022 be approved.

[Note The collective agreement was signed and received on 17 January 2019]

[Note At the end of this item Mr Ward returned to the table from the public seating area and officers who had withdrawn from the room re-joined the meeting]

635 Initial Project Proposals 2019-2020 and Corporate Plan

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

This item was initially presented by Mr A Dignum (Leader of the Council and Cabinet Member for Growth and Place) before each appendix containing one of the initial project proposal documents (IPPDs) was introduced by the relevant Cabinet member.

Mr A Buckley (Corporate Improvement and Facilities Manager) was in attendance for this matter together with the officers who had written the various IPPDs.

Mr Dignum explained that whilst it was proposed that the Corporate Plan 2018-2021, approved by the Council in January 2018, should remain unchanged for 2019-2020, there were several new IPPDs being recommended together with the release of funds to enable the requisite feasibility work in respect thereof to be undertaken.

The nine IPPDs were each considered in turn with an introduction, proposed amendments and officers' responses to members' questions as summarised below:

- (1) *Resurfacing and Improved Drainage at Westhampnett Depot* (Appendix 1): introduced by Mr R Barrow (Cabinet Member for Residents Services); no amendments; no questions.
- (2) *East Beach Selsey Land/Asset Opportunities* (Appendix 2): introduced by Mr Dignum; **amendment** to section 2, Project Description, by the addition of a second para to say that a task and finish group would be established, jointly chaired by Mr R Barrow and Mr J Connor (Cabinet Member for Environment Services), to oversee the IPPD process on behalf of the Cabinet; no questions.
- (3) *East Wittering and Bracklesham Vision* (Appendix 3): introduced by Mr Dignum; the IPPD would be **amended** (a) to state in section 2, Project Description, that the task and finish group already established for the Bracklesham Bay project should oversee this IPPD on behalf of the Cabinet and (b) at the request of Mrs S Taylor (Cabinet Member for Planning Services), insert in the fifth and sixth lines in section 7, Benefit vs. Cost, the words 'an options appraisal as to whether' in place of 'a specific proposal'; no questions.
- (4) *Review of Chichester District Parking Strategy* (Appendix 4): introduced by Mr Dignum and Mrs T Murphy (Divisional Manager Place), who said that this review, which was held every ten years, was not concerned with charges/tariffs but parking infrastructure to ensure that the latest advances in parking were adopted for the benefit of residents and visitors to ensure that Chichester District's car parks were fit for the future; no amendments; no questions.

- (5) *Priory Park – Phase Two Option Appraisal* (Appendix 5): introduced by Mr Dignum; **amendments**: (a) deletion of the current café site in the scoping list in section 2 and addition of a second sentence in the second para that the café would be considered as a separate matter outside this IPPD; (b) insertion of a third para in section 2 stating that the portfolio holder would be kept in close touch with the IPPD's progress; (c) addition of a second sentence in the third para in section 3, Background, stating that the café would be considered as a separate matter to this IPPD; (d) deletion of the third bullet point in section 3, Background, relating to the café; (e) deletion in fourth bullet point in section 3 of 'open' after 'community' in the first line and 'function' in the second line and insertion of 'using the Brick Pavilion' in the first line after 'park'; and (f) deletion in the table in section 5, Timescales, of (i) the second row in its entirety and (ii) 'open community space' in the third row; no questions.

Mr Dignum allowed Mr R Plowman (Chichester West) to address the Cabinet about this IPPD. Mr Plowman referred to the five priority areas listed in para 3.1 of the report. Overall he was very supportive of the changes to improve Priory Park, which was one of the city's notable historic and recreational assets. He endorsed refurbishment of the White Pavilion. Having regard to the Brick Pavilion's plausible credentials for being regarded as the birthplace of International Test Cricket, its fabric should be maintained and the building made available for community use; grants might be available to achieve this and there was an architect who was interested to work on that aspect of the project. He suggested renaming the building as the W G Grace Pavilion. The public conveniences clearly needed refurbishment. He advocated the establishing of a task and finish group to help achieve the IPPD's objectives, on which he would be willing to serve. The Coade Stone, which was a very important statue, would require very careful restoration (not repair) by a specialist.

Mr Dignum thanked Mr Plowman for the useful points and suggestions which he had made. He was sure that officers would seek to secure grants and also the appropriate specialist advice and skills for Priory Park's prized assets. He and Mr Plowman would work closely together with Mrs V McKay (Divisional Manager Property and Growth) and Mrs J Hotchkiss (Director of Growth and Place).

- (6) *Novium – Business Plan Feasibility Work* (Appendix 6): introduced by Mrs E Lintill (Deputy Leader of the Council and Cabinet Member for Community Services); no amendments; no questions.
- (7) *Expanding the Gigabit project to achieve a 'lit up' city* (Appendix 7): introduction by Mr P Wilding (Cabinet Member for Corporate Services) – with the first phase of this county-wide Gigabit project due to be completed in summer 2019 to connect over 300 public sector sites across the county to superfast Gigabit service, attention had turned to looking at the potential to extend Gigabit to more sites in Chichester and also more widely in Midhurst; if for example some 50 sites could be connected in Chichester for a very approximate cost of £800,000, the contractor could be in a position to

connect all homes and businesses across the whole city and achieve a 'lit up' city; discussions and details were at an early stage eg cost-sharing, other funding sources and the number and distribution of further sites across the city or in a town (relevant to the project's feasibility); accordingly CDC would develop a joint business case with West Sussex County Council; **amendment:** insert at the end of the second para the following sentence: 'A further phase will look at the potential to extend the service in the two towns in the north of the district.'; Mr J Mildred (Divisional Manager Business Support) said that some fundamental infrastructure provision would be required before Gigabit could be extended to more rural areas; Mr Dignum gave examples of some of the three sites in Midhurst which were due to be connected to Gigabit in 2019; no questions.

(8) *Working with Hyde on Asset Management* (Appendix 8): introduction by Mrs J Kilby (Cabinet Member for Housing Services); no comments by Miss N Nicol (Housing Delivery Manager); no amendments; no questions; the importance of this IPPD was emphasised by Mr Dignum.

(9) *Emerging Vision Projects and Resources* (Appendix 9): introduction by Mr Dignum; **amendment:** delete the branding project and the funding source for it from the table in section 6, Project Costs and Resources and add source funding for wayfinding project; Mr Dignum noted a suggestion by Mr J Connor that the saving of £40,000 in respect of branding for this IPPD could perhaps instead be used to implement wayfinding in other areas.

At the end of the discussion Mr Buckley said that as these were only IPPDs the full project initiation documents (PID) in each case would be brought to the Cabinet at a later date.

Decision

The Cabinet voted unanimously to make the recommendations (in the case of (1) subject to the foregoing amendments) set out below.

RESOLVED BY THE CABINET

- (1) That the new project proposals for 2019-2020 as set out in appendices 1 to 9 (as amended) to the agenda report be agreed.
- (2) That it be noted that the Gigabit and the Depot resurfacing and Drainage projects will be subject to full Project Initiation Document approval.

RECOMMENDATION TO THE COUNCIL

- (1) That it be agreed that the Corporate Plan approved in January 2018 shall remain unchanged for the year 2019-2020.
- (2) That the release of £206,000 from Chichester District Council's General Fund Reserve to fund the feasibility work and small projects identified in para 5.2 (as amended) of the agenda report for 2019-2020 be approved and that

£30,000 of this funding be released with immediate effect to allow for the Novium business plan feasibility work.

636 Gatwick Airport Draft Master Plan 2018

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

This item was presented by Mrs S Taylor (Cabinet Member for Planning Services).

Mr T Guymer (Principal Planning Officer (Strategic Planning)) and Mr M Allgrove (Planning Policy Manager) were in attendance for this matter.

Mrs Taylor described Gatwick Airport's status as the second busiest airport in the UK in terms of the number of passengers (45.7 million in 2018, expected to rise to 53 million by 2023) and as a major employer and economic influence in the south east of England. Its impact on Chichester District was in both economic and environmental terms, particularly for the north of the area due to noise disturbance from overhead aircraft. Since it would take a long time to construct a new runway at Heathrow (a decision confirmed by the government in October 2016), it was acknowledged that in the meantime better use should be made of existing runways. In the case of Gatwick, this meant its standby runway, the deployment of which was currently restricted by a legal agreement. The owners of Gatwick had prepared a draft master plan which set out the immediate priorities and considered three growth strategies: scenarios 1 to 3 in para 3.19 of the report. Those scenarios were not mutually exclusive and all of them could be pursued if the requisite consents were obtained. She referred to an analysis by officers of the potential impacts (appendix 1) and the proposed consultation response (appendix 2). Clearly further evidence was required to justify many of the aspirations and objectives in the draft document and thus officers advised that (a) broad support should be offered for scenario 1, (b) concerns be expressed in relation to scenario 2, especially the ability of existing transport infrastructure to accommodate the anticipated increase in the use of the airport, the potential impact on housing needs in the wider area and the environment including noise, and (c) the proposal to safeguard land in scenario 3 should be questioned in view of the Gatwick option not having been ultimately supported by the government.

Mrs Taylor concluded by advising that this matter was to be treated as an urgent decision and so not subject to CDC's call-in procedure in the Constitution because the consultation response needed to be submitted by the deadline of Thursday 10 January 2019, which would be the first day of the call-in process for executive decisions made at this meeting. In accordance with the Constitution the Chairman of the Council had consented to the call-in process being disapplied in the case of this decision of the Cabinet.

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

Mrs E Hamilton (Chairman of the Council), who was present as an observer, came to the table and informed the Cabinet that she had read the papers for this item both after their publication and again earlier on the morning of this meeting, when she

had also spoken with Mrs D Shepherd (Chief Executive) about whether in accordance with section 4.5 in Part 4 of CDC's Constitution this matter should be treated as urgent and so not be subject to the call-in procedure. In view of the nature of this matter, the imminent deadline expiry for submitting CDC's response to this consultation and the applicable provisions of the Constitution, she was content that the Cabinet's decision in this matter should be treated as urgent thereby disapplying the call-in procedure.

The Cabinet proceeded immediately to vote on the recommendation in the report.

Decision

The Cabinet voted unanimously to make the resolution set out below.

RESOLVED

- (1) That the recommended response set out in appendix 2 to the agenda report be endorsed as Chichester District Council's response to the consultation on the draft Gatwick Airport Master Plan.
- (2) That this decision is urgent and therefore is not subject to Chichester District Council's call-in procedure, the consent of the Chairman of the Council having been obtained both that this decision is reasonable in all the circumstances and that it should be treated as a matter of urgency, having regard to the consultation's closing date of 10 January 2019.

[**Note** In accordance with para 36 in section 4.5 in Part 4 of Chichester District Council's *Constitution*, the fact that this decision was taken as a matter of urgency and the reason for the urgency would be formally reported to the Council meeting on Tuesday 22 January 2019]

637 Commissioning of West Sussex Community Advice Service

The Cabinet received and considered the agenda report.

This item was presented by Mrs E Lintill (Deputy Leader of the Council and Cabinet Member for Community Services).

Mr D Hyland (Community Engagement Manager) and Miss C Williams (Community Liaison Officer) were in attendance for this matter.

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

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

Mrs Taylor and Mr A Dignum (Leader of the Council and Cabinet Member for Growth and Place) both emphasised the importance of continued funding for this vital and greatly valued service; Mrs Lintill pointed out that (as stated in para 8.1 of the report) CDC's Grants and Concessions Panel was satisfied with the annual performance of Arun and Chichester Citizen's Advice (ACCA).

Several members of the Cabinet expressed their strong support for the excellent work undertaken by ACCA, how funding for the service was one way in which CDC sought to support the vulnerable in its communities and their hope that West Sussex County Council would continue to fund the service beyond 2019-2020.

Decision

The Cabinet voted unanimously to make the resolution set out below.

RESOLVED

- (1) That, subject to continued partner funding, the continuation of the Funding Partnership to commission a Community Advice Service across West Sussex for up to three years from April 2019 with West Sussex County Council as the lead authority be agreed.
- (2) That (a) authority be delegated to the Director of Housing and Communities, following consultation with the Cabinet Member for Community Services, to agree the specification and signing of the contract and (b) the annual monitoring of performance be delegated to the Grants and Concessions Panel.

638 **Land at Mill Road and Covington Road Westbourne - Community Trust Proposal**

The Cabinet received and considered the agenda report.

This item was presented by Mrs J Kilby (Cabinet Member for Housing Services).

Mr P Legood (Valuation and Estates Manager) and Miss H Nicol (Housing Delivery Manager) were in attendance for this matter.

Mrs Kilby explained that CDC's Housing Delivery team was currently supporting Westbourne Community Land Trust (CLT) through CDC's community-led housing early stage support programme. A housing needs survey had recently been undertaken by the team on behalf of Westbourne Parish Council (WPC), which revealed a far greater local affordable housing need than the 19 households currently on the housing register. No new affordable units would be delivered on the allocated sites within Westbourne neighbourhood development plan (NDP). The CLT was incorporated as a Community Benefit Society in November 2017. The steering group members had assumed trustee roles for the interim period. The CLT was hosting two public drop-in events on 8 and 9 February 2018, which would provide an opportunity for the community to find out more about the CLT's aims and objectives. An invitation would be delivered to every residential address in the parish shortly. There would also be an opportunity for the community to provide comments on the Mill Road Site and become a member of the CLT. Once more members had been enlisted the CLT would host its first public meeting to confirm and vote on the CLT's objectives, the composition of the board make-up, and the policies it would adopt.

The CLT was examining a range of possible sites which could deliver affordable housing to meet the local need, one of which was the land to the rear of 30 to 56, Mill Road. Usually, at this point in the CLT process the groups would be having closed discussions with private landowners prior to public consultation. However, as CDC was the land owner, it had to publish its intentions. This site had been retained by CDC following the large scale voluntary transfer in 2001, as it was thought to have long term potential for market development. In 2015 WPC was keen to work with CDC to promote part of the land for housing development in its emerging NDP, on the basis that the remainder of the site would have been protected in the longer term for recreational use. Unfortunately, this was not carried forward to the adopted version of the NDP because an alternative site (not favoured by WPC) was granted planning permission on appeal and fulfilled the housing allocation required for the village. As such, the site was outside the settlement boundary and so there was no current potential for a private sector housing development.

The CLT had requested CDC to dispose of the land to it, subject to the CLT securing planning permission for an affordable housing exceptions site. Any such scheme would be subject to all the relevant policies in the adopted Chichester Local Plan, including those relating to exception sites and open spaces. The CLT had written to the residents of Mill Road and the adjoining properties seeking their views of the proposal and to attend the public events next month. There were a number of constraints attached to the land which would need to be investigated further before any scheme could be brought forward. WPC had a lease on the land until 2033, which meant that its support to proceed with any development would be required. CDC was able to make grants available for CLTs to cover professional costs for the preparation of any planning application. The project was at a very early stage and many processes would need to be undertaken before a scheme could come to fruition. Mrs Kilby would be responding to all the points which had been made by residents.

The site was considered to be surplus to CDC requirements as the Parish Council managed the current use and the site would be sold to facilitate proposals such as the CLT scheme for affordable housing.

Mr Legood and Miss Nicol did not add to Mrs Kilby's introduction.

The Cabinet proceeded immediately to make the following decision.

Decision

The Cabinet voted unanimously to make the resolution set out below.

RESOLVED

- (1) That the land to the rear of 50-56 Mill Road and the land at Covington Road Westbourne be declared surplus to requirements.
- (2) That it be agreed that following the declaration in (1), the actions set out in section 5 of the agenda report are to be pursued by the officers under delegated authority.

639 **Recording of Committee Meetings**

The Cabinet received and considered the agenda report.

This item was presented by Mr P Wilding (Cabinet Member for Corporate Services).

Mr N Bennett (Monitoring Officer and Divisional Manager Democratic Services) was in attendance for this matter.

Mr Wilding summarised the background to and basis for audio recordings of proceedings at certain CDC meetings, which had been approved in September 2015 as a trial project and extended in May 2017. Some technical problems had been overcome and Mr Bennett now had confidence in the system, which afforded simple access by the public, enabled a live broadcast in the case of high-significance matters such as certain major planning applications, produced some savings in officer time in preparing minutes, and could facilitate the investigation of complaints about alleged conduct and statements made in meetings. The annual cost of the system was £3,900. The options of no longer recording meetings or looking at another system (including audio-visual models) had been considered. Although not perfect, the system was now reliable and by some margin the most cost effective available to CDC.

Mr Bennett did not add to Mr Wilding's introduction.

In reply to questions by Mr R Barrow (Cabinet Member for Residents Services), Mr Bennett gave details of the estimated monthly access to the audio recordings by website users and said that advice was taken on how to increase public awareness of the facility.

Decision

The Cabinet voted unanimously to make the resolution set out below.

RESOLVED

That the ongoing audio recording and publishing of the Council, the Cabinet, the Planning Committee, the Overview and Scrutiny Committee and the Corporate Governance and Audit Committee meetings online be approved.

640 **Voluntary and Community Sector Infrastructure Support**

The Cabinet received and considered the agenda report.

This item was presented by Mrs E Lintill (Deputy Leader of the Council and Cabinet Member for Community Services).

Mr D Hyland (Community Engagement Manager) and Miss C Williams (Community Liaison Officer) were in attendance for this matter.

Mrs Lintill summarised the report with particular reference to sections 3, 4, 5 and 8. She concluded by saying that she personally attended the AGM of Voluntary Action

Arun and Chichester (VAAC) and it was obvious to her that VAAC assisted many voluntary organisations and provided vital support for new and established volunteers.

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

The Cabinet proceeded immediately to make the following decision.

Decision

The Cabinet voted unanimously to make the resolution set out below.

RESOLVED

- (1) That, subject to continued partner funding, it be agreed that Chichester District Council participates in a funding partnership with West Sussex County Council, Clinical Commissioning Groups and other West Sussex district and borough councils to agree joint funding principles of West Sussex Voluntary and Community Sector Infrastructure Support services.
- (2) That (a) authority be delegated to the Director of Housing and Communities, following consultation with the Cabinet Member for Community Services, to agree a service specification and signing of a three-year funding agreement and (b) the annual monitoring of performance be delegated to the Grants and Concessions Panel.

641 Late Items

As stated during agenda item 1 (minute 629) there were no late items for consideration at this meeting.

642 Exclusion of the Press and Public

In order to consider the confidential exempt matters at agenda items 15 (St James Industrial Estate Chichester) and 16 (Staffing Matters), Mr A Dignum (Leader of the Council and Cabinet Member for Growth and Place) first read out the resolution set out below, which was then duly proposed and seconded.

Decision

The Cabinet voted unanimously to make the resolution set out below.

RESOLVED

That in accordance with section 100A of the Local Government Act 1972 (the Act) the public and the press should be excluded from the meeting during the consideration of agenda items 15 (St James Industrial Estate Chichester) and 16 (Staffing Matters) 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 Part 1 of Schedule 12A to the Act namely:

(a) in the case of agenda item 15, Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information))

and

(b) in the case of agenda item 16, Paragraph 1 (information relating to any individual)

and because in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

[Note Immediately after the making of this resolution there was a short adjournment between 11:10 and 11:17]

643 **St James Industrial Estate Chichester**

The Cabinet received and considered the confidential exempt agenda report and its two appendices in the main agenda supplement, which had been circulated to members and officers only.

The report was presented by Mr A Dignum (Leader of the Council and the Cabinet Member for Growth and Place).

Mr P Legood (Valuation and Estates Manager) and Mr A Gregory (Project Manager) were in attendance for this matter.

Mr Dignum summarised the salient aspects of the report.

Mr Legood confirmed the figure in para 3.2 of the report and advised that in the final line of para 6.1 '18.18' should be substituted for '17'.

Mr Legood answered members' questions on points of detail.

Members of the Cabinet expressed their full support for the project initiation document (PID) scheme.

Decision

The Cabinet voted unanimously to make the resolutions and the recommendation set out below.

RESOLVED BY THE CABINET

- (1) That the PID for the part refurbishment and part replacement of units at St James Industrial Estate be approved.
- (2) That (a) the fact that the site is no longer reserved to accommodate relocation needs relating to the Southern Gateway project as indicated in

section 4.8 of the agenda report be noted and (b) resolution (5) made by the Cabinet on 2 October 2018 in minute 592 be therefore rescinded.

RECOMMENDATION TO THE COUNCIL

That the allocation of £5,225,000 of New Homes Bonus Reserves for this project, inclusive of temporary loss of revenue as referred to in section 8.4 of the agenda report, be approved.

644 **Staffing Matters**

[Note Immediately prior to the commencement of this item all CDC officers present withdrew from the room for its duration (and indeed the remainder of the meeting) save for the Chief Executive, the two advisory officers named below and the Legal and Democratic Services Officer, as intimated in para (2) in minute 631 above]

The Cabinet received and considered the confidential exempt agenda report and its two appendices, all of which were contained in the second agenda supplement and had been circulated to members and a very limited number of officers only.

The report was presented by Mrs D Shepherd (Chief Executive).

Mr N Bennett (Monitoring Officer and Divisional Manager Democratic Services) and Mrs H Belenger (Divisional Manager Financial Services) were in attendance for this matter.

Mrs Shepherd provided a comprehensive summary of the agenda papers.

Mr Bennett and Mrs Belenger did not add to Mrs Shepherd's introduction.

Mrs Shepherd answered members' questions on points of detail.

Decision

The Cabinet voted unanimously to make the recommendations in the report stated below.

RECOMMENDATION TO THE COUNCIL

That the recommendations set out in the paras 3.1 to 3.5 inclusive of the confidential exempt agenda report be approved.

[Note The meeting ended at 11:48]

CHAIRMAN

DATE

Chichester District Council

THE CABINET

5 February 2019

Budget Spending Plans 2019-2020

1. Contacts

Report Authors

Helen Belenger – Divisional Manager Financial Services
Telephone: 01243 521045 E-mail: hbelenger@chichester.gov.uk

David Cooper - Group Accountant
Telephone: 01243 534733 E-mail: dcooper@chichester.gov.uk

Cabinet Member

Peter Wilding - Cabinet Member for Corporate Services
Telephone: 01428 707324 E-mail: pwilding@chichester.gov.uk

2. Executive Summary

Full Council approved the Five-Year Financial Strategy in January 2019, including the key financial principles, which set out guidelines for making financial decisions over the next few years; aiding the management of the Council's finances in anticipation of the major changes in future Government funding from 2020-21, and the expectation of diminishing resources.

In preparation for 2019-2020 annual budget, and adhering to good financial management practices, any major variations identified in the current year which are also expected to have an ongoing impact have been reflected in the draft budget, so as to reduce this risk to the Council's financial resilience, as a result of the uncertainty in the economy, including the potential impact of Brexit affecting the major discretionary income streams of the Council. The draft budget proposed takes account of any service delivery changes required, service cost pressures, and funding pressures on the community that are in line with the Council's key priorities.

2019-2020 is the last year of the government's four-year multi-year offer, the provisional settlement for the core funding elements was largely unchanged.

The government has announced that as a low taxing authority, Chichester District Council can raise its council tax by £5 or 3% whichever is the greater; £5 equates to 3.2% and would generate an additional £266,700 per year. Any proposal to increase council tax by more than £5 would require a referendum.

The Council will set the budget and council tax in March 2019. This report concentrates on the budget spending plans which are a robust financial estimate of the resources required to deliver council services and the Provisional Local Government Finance Settlement.

3. Recommendations

3.1 That the Cabinet recommends to the Council:

- (a) That a net budget requirement of £13,829,600 for 2019-20 be approved.**
- (b) That Council tax be increased by £5 from £155.81 to £160.81 for a band D equivalent in 2019-20.**
- (c) That the Investment Opportunities Reserve be increased by £532,500.**
- (d) 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.**
- (e) The capital programme, including the asset renewal programme (appendix 1c and 1d to the agenda report) be approved.**

3.2 That the Cabinet further notes:

- (a) The current resources position set out in appendix 2 to the agenda report.**
- (b) The budget variances included in the Draft Budget Spending Plan as set out in appendix 1b to the agenda report including the growth items.**

4. Background

- 4.1 This report sets out the proposed annual budget for revenue spending for the forthcoming financial year 2019-2020 and the rolling 5 year capital and the asset replacement programmes. The detailed revenue budget builds upon the work undertaken for the Financial Strategy, which was considered by the Cabinet at its December 2018 meeting and the Council in January 2019.
- 4.2 The provisional financial settlement was finally received on 13 December 2018 for 2019-2020 and offered few surprises as it was broadly in line with the forecast expected in the financial strategy, except that, the Rural Services Delivery Grant was increased from the forecast of £152,000 to the same level received in 2018-19 of £189,000. The biggest news was that the West Sussex Pool bid to participate in a 75% localisation Business Rates Pilot for 2019-2020 was accepted. Due to this the Rural Services Delivery Grant is now included in the Baseline Funding Level (BFL) for Business Rates.
- 4.3 As was universally expected the government decided to remove the potential reduction of government funding within the Business Rates Retention Scheme, referred to as negative RSG for 2019-20, by way of directly eliminating the need for this by foregone business rate receipts. As this situation was expected, the forecast negative RSG of £620,000 had already been removed from Chichester District Council's (CDC) five-year Financial Strategy model reported to the Cabinet in December 2018 and the Council in January 2019.

- 4.4 The New Homes Bonus scheme (NHB) announced as part of the provisional financial settlement was unchanged for 2019-2020; although the Financial Strategy assumed that the national baseline would be increased from 0.4% to 0.6%, as this was not the case, the settlement allocation of £2.178m was higher than the forecast of £1.968m shown in the 5 year financial model. In line with the Council's financial principles, this source of funding is not used to balance the revenue budget.
- 4.5 The draft budget process is an all-inclusive process with the Divisional Managers and service budget managers working with the accountancy team, under the leadership of the Strategic Leadership Team (SLT). The result is a robust process ensuring financial resources match service delivery priorities.

5. Outcomes to be Achieved

- 5.1 The draft spending plans have been formulated in accordance with the financial principles of the Financial Strategy as adopted by Council; which results in a robust financial estimate of the resources needed to deliver council services in 2019-2020.
- 5.2 To seek the Cabinet's approval on the draft spending plans, and to make appropriate recommendations to the Council to determine the council tax at its meeting on 5 March 2019.
- 5.3 To set a balanced budget, which is a statutory requirement, and to maintain adequate reserves to be able to address any budgetary fluctuations in the short term.

6. Proposal

Council Spending – Budget for 2019-2020

- 6.1 The purpose of this report is to consider the draft budget spending plans ahead of the Council meeting in March, when the council tax and budget will be set for the forthcoming financial year. The plans, if adopted, will set the spending parameters for services and officers for 2019-2020.
- 6.2 CDC has a statutory duty to prepare a balanced annual revenue budget, and it is also good financial management to do so within the context of its medium term financial strategy. The key variables in achieving a balanced financial position for 2019-2020 are the levels of income from fees and charges, budget pressures in some service delivery areas, income from business rates and the use of council reserves.
- 6.3 The revenue estimates for 2019-2020 are shown in the summarised Comprehensive Income and Expenditure Statement (CIES) in appendix 1a. This summary provides for the net cost of each Cabinet portfolio and also for the main services within each portfolio area.
- 6.4 The draft spending plans are based on opting for a council tax increase of £5 per Band D property; this will generate an additional £266,700 per year for CDC. This will assist CDC to meet its long term objective of protecting public services to its community. The council tax referendum principles for shire district councils was again set as the higher of either 3% or £5 (which equates to an increase of 3.2%).

- 6.5 CDC's estimated budget requirement for 2019-20, as shown in appendix 1a, is £13.830m (£11.652m excluding NHB). This represents a spending increase of 6.2% (or an 8.8% increase when excluding NHB) over the base budget for 2018-2019.
- 6.6 The draft budget requirement is calculated after deducting income arising from fees and charges, the remaining balance has to be financed from council tax, Retained Business Rates and other government grants. Currently CDC receives around £16.6m of income each year from fees and charges for services eg car parking, trade and green waste, estates rents, planning and building control fees.
- 6.7 The draft budget requirement includes a number of service cost pressures and service delivery changes identified during this budget cycle, the details of which are set out in appendix 1b along with growth items amounting to £152,000.
- 6.8 The draft budget shows a contribution to the investment opportunity reserve of £532,500 for 2019-2020, however as the government's multi funding offer ends after 2019-2020, any future projections to this reserve in the five-year Financial Strategy model are expected to fall and will need to take account of further detailed information received regarding the outcomes of the fair funding review, localisation of business rates from 2020-2021, and the Comprehensive Spending Review in 2019.
- 6.9 Also if there is any change in the final settlement for 2019-2020, it is recommended that this should be dealt with by adjusting the amount transferred to the Investment Opportunities Reserve.
- 6.10 The Financial Strategy seeks to avoid the use of reserves to support the budget on a recurring basis. The 2019-2020 budget has been balanced without the need to use reserves, however if the deficit reduction plan or new income streams are not delivered as expected in the Financial Strategy, or further action taken to address any funding gap, then in the medium term CDC will struggle to balance its budget without the use of reserves.
- 6.11 SLT and budget managers are required to adhere to robust proactive financial management principles to protect CDC's financial position, including monitoring both in year budgets and considering the medium term financial strategy which is reviewed on a regular basis. This ensures that CDC is able to be proactive rather than reactive to securing the financial stability over the medium term.

Capital Programme and Asset Renewal Programme (ARP)

- 6.12 The current Capital Programme is set out in appendix 1c. This is based on schemes previously approved by the Cabinet or the Council.
- 6.13 Appendix 1d sets out the projects within the five-year Asset Renewal Programme. These are funded via contributions from CDC's revenue budget into a reserve set up for this purpose. This ensures CDC is able to fund its replacement assets on a recurring basis. The annual contribution to this fund now stands at £1.359m following a detailed review of the services' asset requirements as part of the budget process. All schemes CDC's Council's Constitution and in accordance with the project management process ie those over £50,000 will be subject to a Project Initiation Document (PID).

- 6.14 The anticipated spend on infrastructure projects is based on the latest approved Infrastructure Business Plan (IBP), which are contained within appendix 1c. These projects will be subject to approval in accordance with the Community Infrastructure Levy (CIL) governance arrangements as agreed by the Corporate Governance and Audit Committee, and the adherence to CDC's Constitution.
- 6.15 Linked to the spending plans of the CDC are the Capital Strategy and the Treasury Management and Investment Strategies, which are also on the agenda for this meeting for the Cabinet to consider, whilst also taking into account the spending plans contained in this report.

Reserves

- 6.16 The current Resources Statement is detailed in appendix 2; this indicates that the Capital Programme and Asset Renewal Programme remain fully funded from CDC's own resources. This can be read in conjunction with appendix 3 which sets out the different reserves held by CDC as at 31 March 2018, their purpose and the authorisation required to fund expenditure against those reserves.
- 6.17 When the 2018-2019 budget was considered the minimum level of reserves was increased from £5m to £6.3m to take account of the future uncertainty in government funding and the volatility in the economy impacting council income from fees and charges. The recommendation is for it to remain at that level for the coming financial year as recommended to the Council in January 2019 by the Corporate Governance and Audit Committee and the Cabinet.

7. Alternatives Considered

- 7.1 The Council is legally obliged to set a balanced budget, hence no alternative to the requirement has been considered. However, the level of council tax is a local determination, taking into account the government's criteria and expectation of tax increases before triggering a local referendum. The criteria announced as part of the provisional financial settlement in December 2018, was that council tax can be increased by the higher of 3% or £5; therefore members could forgo some of the movement to the investment opportunity reserve by reducing the level of increase currently incorporated in the budget proposed for 2019-2020. However, no increase or a lower increase will reduce the council tax base for future years and so potentially has a long term impact on CDC's tax base and financial stability.
- 7.2 In setting the budget for 2018-2019 the Council agreed to make provision of £565,000 for the accounting adjustment required under the International Financial Reporting Standard (IFRS) 9, as the government has agreed a statutory override for the next five years. It is intended to set aside this sum in an earmarked reserve, and at each year end assess if the reserve can be reduced as the fair value gap closes so that at the end of the five year period an appropriate level reserve exists to cover the investment fair value difference, if any.

8. Resource and Legal Implications

- 8.1 The primary objective of this report is to determine the budget spending plans for 2019-2020 against a background of ever-tightening financial constraints on public

services. The estimates represent robust financial projections for the provision of council services, and adhere to the statutory obligation to set a balanced budget.

- 8.2 Section 25 of the Local Government Act 2003 requires the Section 151 Officer ie the Director of Corporate Services to report to members on the robustness of the estimates and the adequacy of reserves when considering the budget and council tax. This is so that members have authoritative advice available to them when making decisions on a budget that sets out estimates of what they plan to spend on each of the services. It is the view of the Director of Corporate Services that the processes followed are sound and well established, the resultant estimates are robust, and reserves are at an adequate level. Regular monitoring reports are brought to members covering revenue budgets, the capital programme and asset replacement programme, and updates to the Financial Strategy and plan include analysis of the resources and the affordability of the capital programme. The Director of Corporate Services having considered the risks associated with CDC's capital investment plans is of the view that they are affordable, having taken into account the measures that CDC has in place for mitigating against those risks; these measures include ensuring the adequacy of reserves to be held, regular monitoring of expenditure against the capital programme, and the expected resources available to fund those capital investment plans as detailed in the Capital Strategy.
- 8.3 The Director of Corporate Services is satisfied that the estimates used for Business Rates (the NNDR 1) are robust and prudent. This annual return is required by the end of January and therefore will have been submitted to government before the date of the Cabinet meeting. The impact of CDC being part of the 75% Business Rates pilot will also need to be considered when submitting this return. As in previous years this return is required by the Ministry of Housing, Communities and Local Government (MHCLG) to be authorised by CDC's Section 151 Officer ie the Director of Corporate Services.

9. Consultation

- 9.1 As with last year's budget, the revenue budget spending plans were considered by a task and finish group set up jointly by the Overview and Scrutiny, and Corporate Governance and Audit Committees. This enabled earlier involvement with the variance reports in December. The debate was very useful in terms of testing the changes in the budget from the 2018-2019 base to the draft budget for 2019-2020. The outcome of their review was reported to the committees' January cycle meetings.
- 9.2 The Draft Budget Spending Plan has been made available via CDC's website at [Annual budget: Chichester District Council](#) to encourage feedback on the budget and the balance of spending against taxation. This gives the opportunity for any interested party to state their opinion on priorities and resource allocation. Any comments received will be made available to members either at the Cabinet or the Council before the council tax and budget are set.

10. Community Impact and Corporate Risks

- 10.1 Where services have been changed or reduced through CDC's deficit reduction programme, those services will have assessed the community impact, and that will have been reported separately as part of the Cabinet's decision at that time. This report represents the culmination of those previous decisions.

- 10.2 The growth items included in the proposed budget takes account of increased service delivery demands, service delivery changes and other budget pressures which are linked to CDC's key priorities.
- 10.3 The resources statement currently indicates a surplus of resource after taking into account all commitments. However, this statement includes a number of capital receipts that are not yet secured. In considering the risks associated with the proposed spending plans, the potential liquidity risk (cash flow) is considered within the Treasury Management and Investment Strategies included elsewhere on this meeting's agenda.
- 10.4 As set out in the report to the Cabinet in December 2018 when it considered the Financial Strategy and the five-year Financial Model, the coming financial year has a great deal of uncertainty which is likely to have an impact on the council's financial stability in the medium term, and when setting this budget those risks will need to be monitored closely as further detailed information is obtained, giving greater clarity to aid its financial planning.
- 10.5 The uncertainty in the coming year relates to future government funding, due to the Fair Funding Review, the localisation of business rates from 2020-2021 and the Comprehensive Spending Review 2019, as well as the potential impact of Brexit on the economy. CDC's own reliance on income generating services may also be adversely affected by the current economic uncertainty as a result of Brexit and the impact on the community that uses council's discretionary services. This has been considered in the draft budget as £300,000 income has been removed from car parking income target for 2019-2020 and £140,000 for planning fee income forecasts to mitigate against the perceived economic risk in the coming financial year.

11. Other Implications

	Yes	No
Crime and Disorder		✓
Climate Change and Biodiversity		✓
Human Rights and Equality Impact		✓
Safeguarding and Early Help		✓
General Data Protection Regulations (GDPR)		✓
Health and Wellbeing		✓

12. Appendices

12.1 Appendix 1 - Draft Budget Spending Plan 2019-20 (Incorporating appendices 1a to 1d)

- Appendix 1a Draft Summarised Income and Expenditure Account.
- Appendix 1b Analysis of major budget variations
- Appendix 1c Capital and Projects Programme 2019-20 to 2023-24
- Appendix 1d Asset Replacement Forecast 2019-20 to 2023-24

12.2 Appendix 2 - Capital Programme Resource Statement

12.3 Appendix 3 – Reserves Statement

12.4 Appendix 4 – Capital Prudential Indicators and MRP Policy

13. Background Papers

13.1 None

Chichester District Council

THE CABINET

5 February 2019

City Centre Upgrade of CCTV

1. Contacts

Report Author

Pam Bushby - Divisional Manager Communities
Telephone: 01243 534801 E-mail: pbushby@chichester.gov.uk

Cabinet Member

Eileen Lintill – Deputy Leader of the Council and Cabinet Member for Community Services
Telephone: 01798 342948 E-mail: elintill@chichester.gov.uk

2. Recommendation

- 2.1 **That the Cabinet approves the PID in the appendix to the agenda report to roll together six years (2017-2023) of Asset Renewal Programme (ARP) funding for CCTV to enable an upgrade of 11 city centre cameras and the reinstatement of two cameras in Avenue de Chartres.**
- 2.2 **That the Cabinet recommends to the Council to approve the release of £165,000 from reserves.**

3. Background

- 3.1 CCTV was first introduced into Chichester City centre in 1996 and a number of the cameras still date back to this time. These cameras are now outdated and have not kept pace with current technological changes and no longer provide the surveillance quality necessary to protect a busy city centre.
- 3.2 Two cameras in Avenue De Chartres (ADC) were removed in 2012 as part of a review of CCTV, however since that time the area around the multi-storey car park which was covered by one of cameras has become an area which has seen an increase in crime and anti-social behaviour (ASB). In a light touch review in May 2018 it was identified that reinstating this camera and the one at the Westgate roundabout would help in the prevention and detection of crime in this area.
- 3.3 The current annual allocation of ARP funding would only allow a piecemeal replacement of cameras which would equate to one or two a year. An ability to replace more cameras in a single process will ensure the cameras are all of the same technical specification and the footage of a similar quality. There may also be a risk of the cost of the cameras rising over time and purchasing them at one point in time may reduce this.

4. Outcomes to be Achieved

- 4.1 Completion of this project would promote Chichester as a safe place to visit and encourage more visitors to the area.
- 4.2 CCTV is an integral member of ChiBAC Chichester's Business Crime Reduction Partnership and any increase in quality or numbers of cameras would improve the effectiveness of ChiBAC and potentially increase the number of crimes and incidents in the city centre having a positive resolution.
- 4.3 It may also result in a reduction in reports from car parks staff and the public about ASB and criminal activity around the multi-storey car park.
- 4.4 A potential increase in footfall as Chichester City is promoted as a safe place to visit.

5. Proposal

- 5.1 That the Cabinet approves the PID to enable the replacement and reinstatement of the City centre cameras set out in the table in section 2 of the PID (appendix 1).

6. Alternatives Considered

- 6.1 Do nothing and continue to use outdated technology and risk the cameras becoming obsolete and unusable.
- 6.2 Replace one or two cameras at a time, which could prove more costly in the long term and be less cost effective as there is potential for discounted cameras, installation and transmission costs if more are purchased at one time.

7. Resource and Legal Implications

- 7.1 There is £165,000 of ARP allocation for 2017-2023 in the draft revised ARP awaiting final approval by Council which is adequate to complete the proposed works. Ongoing monitoring and maintenance cost would be met by the current contracts in place.
- 7.2 This project can be delivered using existing staff resource.

8. Consultation

- 8.1 The PID has been considered by the CDC Corporate Improvement Team.
- 8.2 The CCTV control room have identified the issues with the quality of these cameras and would welcome any upgrades to enable improved monitoring.

9. Community Impact and Corporate Risks

- 9.1 Upgrading the city centre CCTV will have a positive impact on community safety and ChiBac as in 4.2 above.
- 9.2 There is a risk that technological advances may render the new cameras out of date, this will be mitigated by the upgrade in transmission services currently underway and

ensuring the new cameras will be the most up to date specification available at the time of installation.

10. Other Implications

	Yes	No
Crime and Disorder CCTV is in place primarily for the prevention and detection of crime.	x	
Climate Change and Biodiversity		x
Human Rights and Equality Impact CCTV is bound by GDPR and monitoring staff are trained to ensure collateral intrusion is kept to a minimum.	x	
Safeguarding and Early Help CCTV can be used to help locate missing persons and to support Police Operations involving exploitation.	x	
General Data Protection Regulations (GDPR) CCTV does include large scale, systematic monitoring of public areas. A privacy Impact Assessment has been undertaken to ensure compliance.	x	
Health and Wellbeing CCTV will encourage a feeling of safety and security which will positively impact on people's wellbeing	x	

11. Appendices

11.1 Project Initiation Document version 2: Replacement of 11 Outdated City Centre CCTV cameras and reinstatement of two cameras in Avenue De Chartres.

12. Background Papers

None.

This page is intentionally left blank

Chichester District Council

THE CABINET

5 February 2019

Draft Treasury Management Strategy 2019-2020

1. Contacts

Report Author

Mark Catlow - Group Accountant

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

Cabinet Member

Peter Wilding - Cabinet Member for Corporate Services

Telephone: 01428 707324 E-mail: pwilding@chichester.gov.uk

2. Recommendation

2.1. **The Cabinet recommends the following for approval by the Council:**

- (a) **The Treasury Management Policy Statement, the Treasury Management Strategy Statement and Investment Strategy for 2019-2020, incorporating the temporary limits established in appendix 6 to the agenda report.**
- (b) **Chichester District Council's capital strategy for 2019-2020 to 2023-2024.**
- (c) **The prudential indicators and limits for 2019-2020 included in appendix 2 of the report.**
- (d) **That officers investigate whether to set an indicator to measure the proportionality of commercial income generated by Chichester District Council and, if so, to recommend a suitable indicator for inclusion in Chichester District Council's 2020-2021 treasury strategy.**

3. Background

- 3.1. This report will fulfil Chichester District Council's (CDC) legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code and the Ministry of Housing, Communities and Local Government (MHCLG) guidance, when considered by the Council in March 2019.
- 3.2. Following the Members workshop on this topic in December 2018, Members of the Cabinet will be aware of the updates to the CIPFA Prudential Code and Treasury Management Code and MHCLG Investment Regulations that are incorporated into the documents considered here.

- 3.3. In summary, the changes expand the purview of the Council’s treasury and investment strategies to cover a broader range of non-treasury Investments (largely commercial and service based investments and loans). They also exhort a greater emphasis on risk management and Governance arrangements for these wider non-Treasury investments.
- 3.4. The Prudential Code also introduced a requirement to produce an annual Capital Strategy report. This summarises the detail contained in many other reports including the capital and project programme and 5 year financial strategy which are considered separately by Cabinet. The intention is that this document provides the full Council with a concise, accessible view of the authority’s approach to capital investment and treasury management, with a focus on risk management.
- 3.5. The documents under consideration here reflect the adoption of IFRS 9 into Local Authority Accounts from 1 April 2019. The main changes affect the accounting for investments including shares and service loans, with more instruments being “marked to market” annually through the General Fund, and a provision for doubtful debts being put aside for all loans whether made for treasury management or service reasons. Cabinet members will be aware that the MHCLG has recently announced a statutory override which will protect the Council’s general fund from movements in market values of investments until 1 April 2023, giving some breathing room for investments to mature should the Council wish to make further long term investments in pooled funds during 2019-20.
- 3.6. The financial strategy reflects the estimated rate of return for the current and future years:

Assumed returns (%)	2018/19 Revised	2019/20	2020/21	2021/22	2022/23
Internal investments	0.83	1.00	1.25	1.25	1.25
External Pooled funds (Income return)	4.05	3.50	4.00	4.00	4.00

The view of the CDC’s treasury advisor is that the Bank Rate could rise twice during 2019/20 to 1.25% but there are increasing downside risks to this forecast linked to possible arrangements for the UK’s exit from the European Union.

- 3.7. Given the breadth of changes required this year a summary of the key amendments made to the documents considered here has been provided at appendix 1.
- 3.8. Cabinet will wish to be aware of the matter outlined in Appendix 6 to this report which arose after the date of the Corporate Governance and Audit Committee and have a potentially significant impact on the Council’s day to day cash management arrangements.
- 3.9. Officers have made one further minor change to the Treasury Strategy following the Corporate Governance and Audit Committee. The overall limit of investment in money market funds has been reduced to 0.5% of fund size to be in line with Arlingclose’s recommendations. This will have no operational impact on the Council’s ability to invest at the proposed levels in existing money market

funds, although it will restrict the amount the Council can invest in the CCLA public sector deposit fund referred to in Appendix 6 to around £2m.

4. Outcomes to be Achieved

- 4.1. The Treasury Management and Investment Strategies for 2019-2020 are approved in accordance with CIPFA's Treasury Management in the Public Services: Code of Practice, subject to a further update as necessary.

5. Proposal

- 5.1. The Cabinet is requested to comment on whether the policies and strategies presented here for 2019-20 represent an appropriate balance between risk management and cost effectiveness.
- 5.2. In considering the draft Treasury Strategy attention is drawn to the CDC's risk appetite statement (appendix 2) and the accompanying Treasury Management Practice (TMP) 1 (appendix 4).
- 5.3. The Treasury Management and Investment Strategies (appendix 2) and the Council's Capital Strategy (appendix 3) will be considered by the Council in March 2019.

6. Alternatives Considered

- 6.1. The impact of alternatives strategies, with their financial and risk management implications are listed below:

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Do not invest in financial instruments that are classified as 'Fair value through Profit and Loss'	Interest or dividend income will be lower	Lower chance of General Fund losses or gains from changes in fair value.

7. Resource and Legal Implications

- 7.1. CDC might be putting its financial standing at risk, as well as failing to meet the requirements of the Local Government Act 2003, if it failed to follow the revised Treasury Management Code and the associated guidance. Acceptance of the recommendations in this report would not only help avoid this risk, but would demonstrate that CDC's finances continue to be managed prudently
- 7.2. The Treasury Management Strategy and the Prudential Indicators reflect various assumptions of future interest rate movements and Government support for capital expenditure. These assumptions have been taken into account in the 5 year model underpinning CDC's Financial Strategy and resources statement.

8. Consultation

- 8.1. In adhering to the CIPFA Code, the forthcoming financial year's Treasury Management Strategy, Investment Strategy and TMP's has been considered by the Corporate Governance and Audit Committee (CG&AC) at its meeting on 10 January 2019.
- 8.2. One matter that received specific attention related to the requirement contained in the commentary accompanying the MHCLG's guidance on investments that every local authority should set a limit that cannot be exceeded for commercial income as a percentage of net service expenditure.
- 8.3. Officers at present have chosen not to recommend setting such a limit as it is felt there is already sufficient information about the contribution the Council's investments make towards funding local services in the current Strategy and setting a formal upper limit could prevent the Council from charging market rents or charging commercial interest rates in order to not exceed the limit set. This accords with the view of the Council's Treasury advisor, Arlingclose who have also recommended Councils do not set this limit.
- 8.4. Following discussion, the strategy was recommended subject to minor amendments agreed by the Committee and the addition of a new recommendation (recommendation d, above) that officers investigate what further proportionality indicator would be desirable and to report back to Committee at a future date.

9. Community Impact and Corporate Risks

- 9.1. The statutory and regulatory framework under which the treasury management function operates is very stringent, and each authority has to decide its own appetite for risk and the rate of return it could achieve.
- 9.2. The relevant risks associated with treasury investments are included in Treasury Management Practice (TMP) 1 which is included with this report as appendix 4.

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change and Biodiversity		X
Human Rights and Equality Impact This process and any associated changes have been and will continue to be undertaken in accordance with Human Rights, Equality and employment law legislation. The equalities impact by gender and pay band was analysed internally, and then externally by Unison, the recognised trade union on behalf of the staff side.		X
Safeguarding and Early Help		X
General Data Protection Regulations (GDPR)		X
Health and Wellbeing		X
Other	X	
1. Compliance with the Local Government Act 2003		
2. Non-compliance or loss of an investment due to default by a		

counterparty could affect the financial wellbeing of the council dependent on the size of the loss and the ability to fund losses from its unallocated reserves.		
--	--	--

11. Appendices

- a. Appendix 1 – Summary of amendments between 2018-2019 and 2019-2020
- b. Appendix 2- Treasury Management Policy Statement, Treasury Management Strategy Statement, Treasury Prudential Indicators and Annual Investment Strategy for 2019-2020
- c. Appendix 3 – Draft capital Strategy 2019-2020 to 2023-2024
- d. Appendix 4 – Treasury Management Practices (TMPs) Extract of TMP 1 Risk Management
- e. Appendix 5 – Treasury Management Glossary
- f. Appendix 6 – Impact of the European Union (Withdrawal) Act 2018

12. Background Papers

None.

This page is intentionally left blank

Chichester District Council

THE CABINET

5 February 2019

Authority's Monitoring Report 2017-2018

1. Contacts

Report Author

Vicky Owen - Principal Planning Policy Officer

Telephone: 01243 521033 E-mail: vowen@chichester.gov.uk

Cabinet Member:

Susan Taylor - Cabinet Member for Planning Services

Telephone: 01243 514034 E-mail: staylor@chichester.gov.uk

2. Executive Summary

This report summarises information from the Authority's Monitoring Report for 2017-2018 including progress on the preparation of development plans and neighbourhood plans, housing delivery, CIL and section 106 receipts, and working with partners under the Duty to Cooperate. The report shows that 557 new dwellings were completed during 2017-2018 compared with an annual target of 435, which makes up some of the previous shortfall. The housing trajectory anticipates housing delivery will meet the requirement over the plan period.

3. Recommendation

- 3.1 That the Cabinet approves the publication of the Authority's Monitoring Report 2017-2018 on Chichester District Council's website.**

4. Background

- 4.1 The Authority's Monitoring Report (AMR) is published annually by Chichester District Council and is the main mechanism for assessing the performance, implementation and outcomes of the Local Plan. The AMR for 2017-2018 is appended to this report.
- 4.2 The AMR covers the period 1 April 2017 to 31 March 2018, although significant events occurring since 31 March 2018 are also noted. The AMR provides an update on progress of preparation of the Local Plan Review and other related documents and an assessment of planning policy performance based on key and local indicators. The AMR also provides an update on the progress of neighbourhood plans and actions undertaken to meet the statutory Duty to Cooperate. The number and amount of community infrastructure contributions received through the Community Infrastructure Levy (CIL) receipts and section 106 agreements are also presented.

- 4.3 This report uses the monitoring framework of the Chichester Local Plan: Key Policies 2014-2029 (Chichester Local Plan).
- 4.4 The AMR covers the Chichester Local Plan area only, so excludes the part of the District within the National Park. However, the data for two policy indicators (EN1 and EN6) in the 'Policy Indicators - Environment' section of the AMR relate to the whole of Chichester District (including the National Park). In addition, one of the policy indicators (EN3) in the 'Policy Indicators - Environment section' covers a section of the Solent shoreline, and includes data from one site (Warblington) located outside the district due to set survey routes.
- 4.5 The AMR is prepared in line with a requirement set out in the Localism Act 2011. Local planning authorities must publish information at least annually that shows progress with Local Plan preparation, details of any neighbourhood development order or neighbourhood development plan within the Plan area and details on all CIL receipts or expenditure. It also needs to report activity relating to the duty to cooperate and show how the implementation of policies in the Local Plan is progressing. Regulation 34 of the Town and Country Planning (Local Planning) (England) Regulations 2012 sets out the basic information the reports must contain, although local authorities have discretion to include any other useful information relating to planning policy preparation and performance.

5. Outcomes to be Achieved

- 5.1 The preparation of the AMR ensures that policies in the adopted Local Plan are effectively monitored and any necessary actions are identified. The AMR should also report on actions necessary as a result of monitoring of policies.

6. Proposal

- 6.1 This report seeks Cabinet's approval to publish the AMR 2017-18 on the Council's website. More generally, it updates Members on the performance against key and local planning policy indicators over this period. Some key highlights from the AMR are summarised below.

Local Plan Progress

- The Council approved updates to the Local Development Scheme (LDS) covering the Chichester Local Plan area in January and November 2018. However, the LDS most relevant to this AMR was published in June 2017.
- The Council has started work on a new Local Plan Review. The first stage of consultation (Issues and Options) took place between 22 June and 3 August 2017. The next stage of consultation, on Preferred Options, began on 13 December 2018 and runs until 7 February 2019.
- The Site Allocation Development Plan Document (DPD) was submitted to the Secretary of State in March 2017 with Examination Hearings in September 2017. Consultation on proposed main and minor modifications required by the inspector to make the plan sound took place for six weeks from 1 February to 16 March 2018. In light of a European Court of Justice decision on Habitats Regulation Assessments (the Sweetman case) the Council then undertook and

consulted on a Habitats Regulation/Appropriate Assessment during August 2018. The Site Allocation DPD was adopted in January 2019.

- The Joint Chichester Harbour AONB Supplementary Planning Document, prepared together with the Chichester Harbour Conservancy and Havant Borough Council was adopted by the Council in May 2017.

Neighbourhood plans

- A total of 21 parishes within, or partly within, the Chichester Local Plan area are subject to Neighbourhood Plan Area Designations. No further areas were designated during the year 2017/18.
- Westbourne's neighbourhood plan was published for submission consultation in June/July 2017. No new neighbourhood plans were 'made' in the monitoring period. To date a total of 9 neighbourhood plans within the Chichester Local Plan area have been 'made'.

Community Infrastructure Contributions

- Between 1 April 2017 to 31 March 2018, total CIL receipts equated to £2,852,376.37 and total CIL expenditure equated to £5,000, which was spent on enhancements to the Lavant Biodiversity Opportunity Area.
- The AMR provides information on the amount of CIL receipts passed on to the City and Parish Councils in the area.
- Between 1 April 2017 and 31 March 2018, 86 S106 agreements and Unilateral Undertakings were signed relating to planning permissions granted in the Chichester Local Plan Area, setting out District Council contributions totalling £200,416. Further contributions were also obtained towards West Sussex County Council services and specific obligations to enter into S278 agreements with Highways England to secure contributions towards improvements to the A27.

Economy

- Employment floorspace completions in 2017-18 (Use Classes B1-B8) totalled 29,416.3 sq.m (gross), or 6,929.5 sq.m (net). The gross completions figure was much higher than that for 2016/17, largely due to a lawful development certificate application for an existing employment use at Leythorne Nursery, Runcton. Net completions were slightly lower. Overall a total of 71,204.3 sq.m gross (40,733 sq.m net) has been completed in the Local Plan area over the period 2012-2018.
- During the year, progress has been made towards meeting the Local Plan target to provide 25 hectares of additional employment land on several of the allocated sites. Phase 2 of development at Glenmore Business Park is now under construction. The Chichester Enterprise Centre is now open at Plot 12, Terminus Road.

- Most new floorspace was for office use, with completions at Terminus Road, Chichester and Southern Sidings, Stockbridge totalling 4300 sqm additional floorspace.

Housing and Neighbourhoods

- A total of 557 net dwellings were completed in the year to 31 March 2018, which exceeds the Local Plan housing requirement of 435 net dwellings per year. There remains a cumulative shortfall of 247 net dwellings since the Plan monitoring base date of 1 April 2012, but as the rate of annual completions has been increasing this shortfall should be made up within the next 2 years.
- The updated Local Plan housing trajectory identifies the potential delivery of a total of 8,064 net dwellings over the period 2012-2029, which comfortably exceeds the Local Plan requirement of 7,388 dwellings.
- The National Planning Policy Framework (NPPF) sets a requirement to maintain a five year supply of deliverable housing sites. The Five Year Supply Statement is currently being finalised and will therefore be published separately to the AMR.
- Considerable progress is being made towards future housing delivery at the Strategic Development Locations (SDLs) allocated in the Local Plan, and at strategic sites at settlement hubs. Development of the first phase of 398 dwellings has commenced at Shopwhyke Lakes, with the remainder of the total of 585 dwellings having outline permission. Reserved matters have been approved in relation to the outline permission for up to 300 dwellings on land between Stane Street and Madgwick Lane, Westhampnett comprising the first phase of development at the Westhampnett/ North East Chichester SDL. At West of Chichester, outline planning permission had been granted for the first phase of development (750 dwellings) subject to a s106 agreement. In total, 294 dwellings have been completed on strategic sites since 2012, comprising 78 at Shopwhyke, 33 at Southbourne, 107 at Selsey and 76 at East Wittering/Bracklesham.
- At the Settlement Hubs, all of the remaining strategic housing requirement now has planning permission, with the majority of development now underway or expected to commence shortly.
- A total of 167 affordable homes were completed in the Local Plan area over the year 2017-18. In the period since 1 April 2012, affordable housing has provided around 30% of all net dwellings completed which is in line with the plan target.

Environment

- In Chichester District (including the National Park), 51.6% of Sites of Special Scientific Interest (SSSI) units are considered to be in a favourable condition, which is similar to the overall County figure of 51.7%. Of the SSSI units in the District assessed as being in unfavourable condition, 100 are categorised as recovering, 4 assessed to be declining, with a further 1 unit showing no change. These figures meet Natural England's target that 95% of the SSSI area should be in favourable or recovering condition.

- Data and information relating to recreational disturbance within the Chichester Harbour and Pagham Harbour Special Protection Areas, nitrogen levels in the three Air Quality Management Areas, Conservation Area Character Appraisals, carbon dioxide emissions and changes in areas of biodiversity importance is also presented in the Policy Indicator-Environment section of the AMR. The nitrogen levels in the 3 AQMAs in Chichester have all decreased from the previous year although the level at St Pancras remained above the UK annual mean nitrogen dioxide objective level.

Strategic Infrastructure

- Over the year to 31 March 2018, no planning applications were granted contrary to the advice of the Environment Agency on flooding or water quality grounds.

7. Alternatives Considered

- 7.1 No alternative has been considered since preparation of the AMR is a statutory requirement for all local planning authorities.

8. Resource and Legal Implications

- 8.1 None.

9. Consultation

- 9.1 The AMR has been circulated to members of the Development Plan and Infrastructure Panel for comment. Any feedback will be reported verbally at the meeting.

10. Community Impact and Corporate Risks

One of the main purposes of preparing an AMR is to provide updated information for communities and interested parties on planning policy performance.

11. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder		X
Climate Change and Biodiversity		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
General Data Protection Regulations (GDPR)		X
Health and Wellbeing		X
Other		X

12. Appendix

12.1 Chichester District Council Authority's Monitoring Report 2017-2018.

13. Background Papers

13.1 None.

Chichester District Council

THE CABINET

5 February 2019

Award of Coastal Maintenance Contract 2019-2022

1. Contacts

Report Author

Dominic Henly - Senior Engineer

Telephone: 01243 534689 E-mail: dhenly@chichester.gov.uk

Cabinet Member

John Connor - Cabinet Member for Environment Services

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

2. Recommendation

- 2.1 **That the contract for the maintenance and enhancement of coast protection assets for the period 1 April 2019 to 31 March 2022 is awarded to Contractor A.**
- 2.2 **That authority be delegated to the Director of Planning and Environment, following consultation with the Cabinet Member for Environment Services, to extend the contract by mutual agreement for a further two years should the contractor performance meet Chichester District Council requirements.**

3. Background

- 3.1 A maintenance contractor is engaged to support Chichester District Council (CDC) in its role as Coast Protection Authority under the Coast Protection Act 1949. The current contract expires on 31 March 2019 and therefore a new contract is required.
- 3.2 The contract is to provide engineering work for routine maintenance of the coastal defences, including provision of an emergency call out service requiring the attendance on site within two hours for 365 days/year. The contractor will also undertake timber work for groynes enhancement as required for the beach management plan.
- 3.3 The contract was tendered under the Eastern Solent Coastal Partnership Coastal Engineering Minor Works Framework to which CDC is a signatory. The process involves a 'mini bid' whereby all previously approved contractors from a select list are invited to submit a tender.
- 3.4 The tender documents required contractors to submit prices (per year) against a menu of items that are representative of the required works. This enabled a direct comparison to be made between the tenderers.

3.5 All four contractors approved under Lot 3 - General Coastal Works were invited to bid. Two contractors submitted tenders. Under the assessment system based on 75% price and 25% quality, the points awarded to each tender were as follows:

Contractor A	Contractor B
96 Points	74 Points

4. Outcomes to be Achieved

- 4.1 The continuing maintenance of coastal structures to the highest standard for the available budget.
- 4.2 The appointment of a suitable contractor to carry out coastal maintenance and ancillary beach management plan works will enable CDC to ensure a fast effective response maintaining the good condition of our coastal assets.

5. Proposal

- 5.1 The proposal is to award a contract to contractor A for coastal maintenance for a three-year period from April 2019 to March 2022 with the ability to extend the contract by a further two years subject to mutual agreement.
- 5.2 The award of the contract will expedite delivery of both reactive and planned coastal works by removing the need to tender each small package of work.

6. Alternatives Considered

- 6.1 Coast protection is not a statutory duty but CDC has consistently used its permissive powers to reduce the risk of erosion. The alternative would be to not exercise those powers and request the Environment Agency to take over. The cost of doing so would be considerable and the loss of local accountability and potential risk of erosion and flooding of properties and land is considered unacceptable.

7. Resource and Legal Implications

- 7.1 The works will be funded from existing budgets; using the revenue budget for coast protection maintenance works, which during 2018-2019 was £27,600, the Beach Management Plan budget which includes £50,000 per year allocated for groyne enhancement and £10,000 from the Foreshore Budget.
- 7.2 The proposed contract has preliminary costs and emergency standby totalling £20,137 per annum. The works under the contract are identified during coastal inspections throughout the year up to the available budget.

8. Consultation

- 8.1 None.

9. Community Impact and Corporate Risks

- 9.1 Timely intervention to carry our repairs reinforces the community's sense of security and wellbeing and manages the risk of coastal erosion and flooding.

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change and Biodiversity		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
General Data Protection Regulations (GDPR)		X
Health and Wellbeing		X

11. Appendices

11.1 Tender Assessment [Exempt material: Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information))].

12. Background Papers

12.1 None.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Chichester District Council

THE CABINET

5 February 2019

Novium Business Plan Update

1. Contacts

Report Author

Sarah Peyman - Divisional Manager Culture and Sport
Telephone: 01243 534791 E-mail: speyman@chichester.gov.uk

Cabinet Member

Eileen Lintill - Cabinet Member for Community Services
Telephone: 01798 342948 E-mail: elintill@chichester.gov.uk

2. Recommendation

- 2.1 That the Cabinet approves the Business Plan in the appendix to the agenda report for the Novium Museum and Tourist Information Services.**

3. Background

- 3.1 The Novium Museum opened to the public in July 2012 in premises built by Chichester District Council (CDC) in Tower Street Chichester. It relocated from its former premises in Little London and incorporated the Tourism Information Centre which occupied its own premises in South Street Chichester.
- 3.2 The premises cost £6.09m to construct, fit out and to relocate the artefacts from the Little London premises. CDC sold the former museum building and adjoining Tower Street site for a combined figure of £2.465m in order to supplement the capital costs of the new premises. It has also leased the former TIC building generating an additional £49,500 per annum from July 2016 onwards.
- 3.3 After an initial period of charging for entry to the new museum, the service reverted back to free entry in November 2014. The museum has since been operating to a forward plan (reported to the Cabinet in September 2014) to generate additional income to replace the lost entry fee income and eventually generate additional income to subsidise the operating costs.
- 3.4 In February 2016 an Initial Project Proposal Document was considered and approved by the Cabinet to undertake an appraisal of the museum and TIC service following some concerns regarding the level of subsidy required to support the service.
- 3.5 An options appraisal was undertaken by Black Radley that identified that the most economically advantageous option was to consider outsourcing the operational management of the Museum to an established trust. It was clear however from the consultant's report that this option would provide limited savings to CDC.

- 3.6 Further works were then completed by Henry Adams to consider further possible alternative more financially beneficial uses of the Novium Museum building. The conclusions of this appraisal were considered by the Cabinet in February 2017 when it was agreed that at that stage none of the options in the report be discounted apart from the filling-in of the Roman bath remains.
- 3.7 In July 2018, the Cabinet agreed that following limited interest received from the soft market testing, the procurement process for the management of the museum and tourist information service should not be pursued further at this time.
- 3.8 It was also agreed to review the Novium Museum and TIC Business Plan to identify potential opportunities for generating additional income and/or reducing expenditure.
- 3.9 Work commenced on the Business Plan at the end of July and involved briefing staff and undertaking an organisational SWOT assessment – to identify the strengths, weaknesses, opportunities and threats currently facing the service, and an external environment assessment – PESTLE – to look at the external environment in which we operate (the six key drivers of change – Politics, Economics, Society, technology, Law and Environment) – to identify the five most important external factors and how we will respond to them.
- 3.10 The South East Museum Development Programme funded an external facilitator to work with museum staff and volunteers to review the museum’s mission, vision and values.
- 3.11 A Task and Finish Group comprising Councillors R Plowman, P Dignum, N Galloway and M Hall chaired by Councillor E Lintill, has met on three occasions to discuss the content of the business plan and feedback from the meetings has been incorporated in to the document in the appendix to the agenda report.
- 3.12 Investigations into the cost of running the old museum in Little London and the TIC in South Street have been undertaken in order to compare these costs with the current budget for the Novium.
- 3.13 The last full operational year for the museum prior to the close and move to Tower Street was 2010-2011. The service costs for this year for both the museum and TIC service was £403,730. This figure excludes business rates, depreciation and support service costs.
- 3.14 In comparison the actuals for the Novium Museum and TIC Service for 2017-2018 was £470,000 excluding business rates, depreciation and support service costs.
- 3.15 The business rates in 2010-2011 totalled £14,300 whereas the business rates for 2017-2018 were £131,000.
- 3.16 The inflationary rate between March 2011 and March 2018 was 19.7%. When this figure has been applied to the 2010/11 income and expenditure figures in 6.2 above this results in a cost of £502,777, £32,777 more than the 2017-2018 actuals for the service. In addition to this there is the income generated from the former TIC building of £49,500 as referred to in section 3.2 of this report.

3.17 Although there has been a decrease in cost of the service from 2010-2011 (cost excludes business rates, depreciation and support costs) the business plan will continue to look at opportunities to generate additional income to reduce the cost of the service in future years.

4. Outcomes to be Achieved

4.1 The development of a business plan to set out the actions to be delivered by The Novium and TIC Service over the next five years to identify potential opportunities for generating additional income and/or reducing expenditure in order to enable business growth and work towards a more sustainable future for the service.

4.2 The Business Plan has identified for the next two years no growth in the revenue budget. CDC has a finance strategy which predicts a balanced budget for the next five years which includes the current cost of delivering the museum and tourist information service.

4.3 An IPPD was approved by the Cabinet in January 2019 to support additional feasibility works to investigate options of reconfiguration of the front of house area, glazing over the Roman Baths, an improved café provision within the Novium building and improvements to exhibition infrastructure. All of these actions are contained within the short term business plan actions in the appendix. Once the information from this work is completed and ascertained if technically feasible as well as increasing the income generation or savings to the budget, the budget for the next years three to five will be reviewed.

5. Proposal

5.1 That the Cabinet approves the current business plan in the appendix, noting no growth in revenue budget over and above inflationary increases for the next two years.

5.2 Following the further feasibility work for The Novium, the business plan and finances are reviewed and updated on completion of these works.

6. Alternatives Considered

6.1 Many alternative options for the Novium including alternative uses for the building, relocation of the artefacts and outsourcing the management of the service have been considered in the past.

6.2 It was agreed by the Cabinet in July 2018, that the procurement process for the management of the museum and tourist information service not be pursued further at this time and a review of the Novium Museum and TIC Business Plan to be undertaken to identify potential opportunities for generating additional income and/or reducing expenditure.

7. Resource and Legal Implications

7.1 Works associated with the implementation of the Business Plan will be covered by existing Novium and Tourist Information staff resources.

8. Consultation

- 8.1 The Task and Finish Group acknowledges the importance of the museum in collecting and preserving the heritage of the district whilst providing educational benefit and social impact for the local and visiting communities. It also recognises the additional contribution the Novium makes to the wider agenda of the Chichester Vision and the Cultural Offer for the city and district.
- 8.2 It is supportive of the work undertaken to date and subject to approval for further feasibility work it is keen for the service to consider other income generating opportunities as well as exploring further partnership working with other cultural organisations.
- 8.3 The Overview and Scrutiny Committee considered the draft business plan and recommended the business plan to the Cabinet for approval.

9. Community impact and corporate risks

- 9.1 The Museum and TIC offers a unique range of services in a city centre location and is in a strong position to maximise the potential of its services over the coming years to benefit the Chichester District and its economy.
- 9.2 Chichester's cultural offer is an integral part of the Chichester Vision. One of the four main cultural assets (along with the Theatre, Gallery and Cathedral), the Novium Museum has a vital role to play in protecting and sharing Chichester District's cultural heritage.

10. Other Implications

- 10.1 None.

11. Appendices

- 11.1 Appendix: Novium Museum and TIC Services Business Plan.

12. Background Papers

- 12.1 None.

Chichester District Council

THE CABINET

5 February 2019

Revisions to the Section 106 and CIL Protocol

1. Contacts

Report Author

Karen Dower - Principal Planning Officer (Infrastructure)
Telephone: 01243 521049 E-mail: kdower@chichester.gov.uk

Cabinet Member

Susan Taylor - Cabinet Member for Planning Services
Telephone: 01243 514034 E-mail: sttaylor@chichester.gov.uk

2. Recommendations

- 2.1 **That the Cabinet approves the revisions to the Section 106 and CIL Protocol as set out in the appendix to the agenda report.**
- 2.2 **That the Cabinet delegates to the Grants and Concessions Panel authority to decide how to distribute the existing and any future 'orphaned' section 106 interest by adding it to the New Homes Bonus (Parish Allocations) Scheme.**

3. Background

- 3.1 In accordance with the current Section 106 and CIL Protocol, the interest earned from individual financial contributions secured via Section 106 agreements (S106) attached to planning permissions granted by the Council as the Local Planning Authority is apportioned to each S106 agreement. A recent review has identified a sum of £23,018.32 earned interest which relates to historic S106 contributions that have been spent. The interest was not spent on the project it related to and is therefore deemed 'orphaned'. Such interest has been gradually accruing as the current protocol does not contain any information about how it should be spent.
- 3.2 The accrual of interest is not an issue for CIL as that is handled under a different regulatory regime and interest remains with the CIL funds collected.

4. Outcomes to be Achieved

- 4.1 The main outcome is to ensure that the interest earned on S106 receipts does not remain unspent, and is used to help provide community infrastructure.
- 4.2 The achievement of this outcome will be reported through the bi-annual report to the Corporate Governance and Audit Committee and through the Council's

5. Proposal

5.1 The proposal covers two matters:

- (i) Use of interest arising from section 106 contributions and
- (ii) How the already orphaned interest should be spent.

The suggested approach will involve a revision to paragraph 22 of the S106 and CIL Protocol. Other minor amendments to the text of the Protocol are also proposed to reflect the current situation now that the CIL has been implemented.

5.2 It is proposed to amend the wording of paragraph 22 and add a new paragraph 23 (with the proposed changes shown in bold text) as set out below:

*Any S106 monies and CIL receipts that have been received and have not been spent, are invested in interest bearing accounts with the rest of the Council's investment portfolio in accordance with the Treasury Management Strategy until funds are required. The interest will be added to the balance each year as currently the case for S106. **The interest will be ring fenced for use with the associated S106 contribution and for infrastructure in general with respect to CIL. Should any interest accrued remain after the S106 contribution has been expended, it will be retained in a separate Infrastructure Reserve and used each year to supplement the new Homes Bonus (Parish Allocations) scheme. The interest earned on CIL receipts will be held in a separate CIL reserve to fund infrastructure projects.***

Requests to spend the funds held in the Infrastructure Reserves will be in accordance with the requirements of the Council's Financial Standing Orders.

5.3 This proposal will ensure that the interest earned from unspent section 106 receipts is either spent in conjunction with the principal sum secured by the section 106 agreement or is spent on other relevant community infrastructure projects agreed by the Grants and Concessions Panel rather than being left to accrue. The proposed changes to the protocol are set out in the appendix and shown as track changes.

6. Alternatives Considered

6.1 The alternatives include retaining the protocol in its present form with regard to the spending arrangements of the interest accrued through the unspent section 106 and CIL monies (as set out in italics in paragraph 5.2 of this report above). This will not however provide the necessary clarity regarding 'orphaned' interest or returning future unspent ('orphaned') interest to the Council's general fund reserves for use on other Council services.

7. Resource and Legal Implications

- 7.1 There is no legal requirement to accrue interest on S106 balances unless it is specified in the S106 agreement. Unless there is a specific clause in the S106 agreement, the interest earned can be treated as Council income, and therefore allocated to any spending priority the Council chooses.
- 7.2 The resources involved in transferring the 'orphaned' S106 interest to the New Homes Bonus (Parish Allocations) scheme would involve minimal staff and Member time to administer the funds, rather than creating a bespoke process for a relatively small and potentially one-off allocation of additional monies.

8. Consultation

- 8.1 The identification and potential allocation of 'orphaned' interest has been supported by some Members, and the Chairman of the Grants and Concessions Panel (GCP) is also supportive of the approach. The GCP will be discussing the specifics of allocation at their meeting on 30 January 2019.

9. Community Impact and Corporate Risks

- 9.1 There are no risks as a result of this proposal, but there will be a positive impact on the community as it will provide more funds for infrastructure schemes.

10. Other Implications

	Yes	No
Crime and Disorder		✓
Climate Change		✓
Human Rights and Equality Impact		✓
Safeguarding and Early Help		✓
General Data Protection Regulations (GDPR)		✓
Health and Wellbeing		✓
Other		✓

11. Appendices

- 11.1 Proposed revised Section 106 and CIL Protocol.

12. Background Papers

- 12.1 None.

This page is intentionally left blank

Chichester District Council

THE CABINET

5 February 2019

Section 106 Sport and Leisure Facilities – Chichester Bowmen

1. Contacts

Report Author

Sarah Peyman - Divisional Manager Culture and Sport
Telephone: 01243 534791 E-mail: speyman@chichester.gov.uk

Cabinet Member

Eileen Lintill - Cabinet Member for Community Services
Telephone: 01798 342948 E-mail: elintill@chichester.gov.uk

2. Recommendation

- 2.1. **That the Cabinet approves the release of up to £65,897 of section 106 Sport and Leisure monies plus interest accrued to the date of release to Chichester Bowmen for the construction of a new clubhouse.**

3. Background

- 3.1. Chichester Bowmen archery club were formed in 1954 and has had its home in Oaklands Park Chichester since the beginning. Originally it was based at the northern end of Oaklands Park but in 1969 they swapped locations with the Chichester Rugby Club to its current location on the land east of the Chichester Festival Theatre and north of Chichester City Football Club. The current clubhouse was secured during this move where the bowmen agreed to relocate subject to the Rugby Club leaving their Clubhouse *in situ* for the Bowmen's use.
- 3.2. The club membership is currently around 75 however this number fluctuates and has been as high as 120 members. Members range from novice archers to World Master Games double gold medallists and from eight years old to 70+ years.
- 3.3. Chichester Bowmen support a number of local community events including the Get Active Festival, Chichester University Festival of Sport and the Weald and Downland Autumn Countryside Show.
- 3.4. To encourage participation in its sport, the club runs a number of Have-a-Go and beginner sessions throughout the year as well as welcoming visiting archers from other clubs to shoot at the range.
- 3.5. In August 2009, outline planning permission was granted for 750 dwellings at Graylingwell Hospital College Lane Chichester (CN/08/03533/OUT). The section 106 sport and leisure contribution received from this development was £234,015. The agreement stipulates that the sport and leisure contribution is for providing sport and leisure facilities in the district of Chichester but with priority given if reasonably possible to the NHS land to the south of Graylingwell and/or Oaklands Park.

- 3.6. In February 2014 Chichester District Council (CDC) received £28,890; the section 106 Sport and Leisure contribution secured from the development of The Heritage Winden Avenue Chichester (CC/10/02034/FUL). Planning permission was granted for 92 dwellings and the section 106 agreement for this site provided for a financial contribution towards the cost of sport and leisure facilities in the area of the proposed development.

4. Outcomes

- 4.1. In receiving the section 106 Sport and Leisure contribution outlined in 3.5 and 3.7, CDC is obligated to provide sport and leisure facilities in line with the terms of the section 106 agreement.
- 4.2. Allocation of up to £65,897 section 106 Sport and Leisure monies plus interest accrued to the date of release from planning application numbers CN/08/03533/OUT and CC/10/02034/FUL to Chichester Bowmen for the construction of a new clubhouse facility in Oaklands Park Chichester.
- 4.3. The new clubhouse will provide access and facilities for wheelchair users which the current clubhouse is not able to provide. The increase in size allows the club to hold more social/fundraising events for members and also enables indoor archery to take place.

5. Proposal

- 5.1. Chichester Bowmen proposes to develop a new slightly larger clubhouse facility to provide toilets with wheelchair access, a small kitchen area and storage. The majority of the space will be available for socialising and an area will be provided for equipment maintenance. The increased size of the building will allow indoor short distance shooting which will increase opportunities to train archers.
- 5.2. A planning application was submitted for the project by Chichester Bowmen and was permitted on 11 October 2018. The planning reference for the development is CC/18/01959/FUL.

6. Alternatives Considered

- 6.1. Previous proposals have included a larger building and a slight change in siting of the building to the southern boundary of the site in parallel with football club's northern boundary. This was reviewed due to costs and planning advice.

7. Resource and Legal Implications

- 7.1. As with other spends of this type, the implementation of the proposed project is by a community organisation, in this instance Chichester Bowmen. The overall estimated cost for the project is £120,839 and funding of £45,000 from Sport England Community Asset Fund and £10,000 from Chichester Bowmen reserves has been secured to date. Further applications for up to £14,000 have been applied for from One Stop Shops, Persimmon Homes, Waitrose Community Matters, Tesco Bags of Help, Sussex Community Foundation and the Woodger Trust. Decisions on these applications are due in the next two months. Section 106 funding will be reduced if these grant applications are successful.

- 7.2. It is planned that work will commence on the building in April 2019 with completion by the end of May 2019. This tight timescale is subject to lead in time for materials and labour at time the order is placed.
- 7.3. Implementation of the project will be monitored by officers and section 106 money will be released on evidence of spend in accordance with our existing governance arrangements.
- 7.4. The section 106 agreement for planning application number CC/10/02034/FUL does not stipulate a date by which the funds will need to be returned to the developer if not allocated/spent but a notional date of five years from the receipt of the funds has been applied by CDC which is 28 February 2019.
- 7.5. The section 106 agreement for planning application number CC/08/03533/OUT stipulates that if the funding has not been spent within ten years of the receipt of the final instalment it is to be refunded to the party who paid the contribution. The final instalment of payment was received by CDC in April 2017.

8. Consultation

- 8.1. The ward members for Chichester North and Chichester South have been informed of the proposed scheme and allocation of funding. No comments have been received to date and a verbal update will be given at the Cabinet.

9. Community Impact and Corporate Risks

- 9.1. The proposed allocation of section 106 sport and leisure contribution demonstrates direct benefit both to residents of the community of Chichester and the wider district.

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change		X
General Data Provision Regulations		X
Human Rights and Equality Impact Positive – improved provision of community sport and leisure facilities for new and existing members of Chichester Bowmen archery Club.	X	
Safeguarding		X
Health and Wellbeing Increased opportunities for participation in sport and leisure activities	X	

11. Appendices

- 11.1 None.

12. Background Papers

- 12.1. None.

This page is intentionally left blank

Chichester District Council

THE CABINET

5 February 2019

2018-19 Treasury Management Half-Year Report

1. Contacts

Report Author

Mark Catlow, Group Accountant

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

Cabinet Member

Peter Wilding - Cabinet Member for Corporate Services

Telephone: 01428 707324 E-mail: pwilding@chichester.gov.uk

2. Recommendation

- 2.1. **That the Cabinet considers the Treasury Management activity and performance for 2018-2019 to date and the comments made by Corporate Governance and Audit Committee set out in the agenda report.**

3. Background

The Treasury Management performance outlined in this report was considered by Corporate Governance and Audit Committee on 10 January 2019 and a section of the outcomes following this meeting is included in this report.

- 3.1. The Authority has continued to invest substantial sums of money and presently has a Treasury portfolio in excess of £60m, as shown in table 1.

Table 1: Treasury Management Summary

Investments £000	Balance 01/04/2018	Movement	Balance 30/09/18
Short term Investments	21,000	16,000	37,000
Money Market Funds	9,800	(2,450)	7,350
Corporate Bonds	2,213	1,713	3,926
Total liquid investments	33,013	15,263	48,276
Long term Investments	3,000	-	3,000
Pooled Funds – External	7,950	--	7,950
Pooled funds – Local Authority	10,000	-	10,000
Property fund			
TOTAL INVESTMENTS	53,963	15,263	69,226

Note: the figures in the table above exclude any movements in Fair value.

4. Recommendation from the Corporate Governance and Audit Committee

- 4.1. Following its consideration of the investment performance outlined above, the Corporate Governance and Audit Committee recommended that a review of Chichester District Council's (CDC) portfolio of external fund investments is performed during 2019-20.
- 4.2. Officers support this recommendation and will work to finalise a methodology and terms for this review, which is expected to include:
 - Restate/review the objectives for investing in the external pooled funds.
 - Evaluate whether existing investments have met those objectives to date.
 - Investigate whether other investment options might better meet the objectives in the future.
- 4.3. The Cabinet is invited to comment whether they are willing to support this proposal.

5. Investment Activity

- 5.1. The Authority's objective when investing money is to comply with CDC's Treasury Strategy and Policy statement, including CDC's appetite for risk.
- 5.2. During the first half of 2018-2019 uncertainty surrounding the accounting framework for fair value gains and losses following the application of IFRS9 to local authority accounts meant that CDC did not make further longer term investments in external pooled funds. This, together with this natural cycle for cash collection, which sees balances rise steadily until December and then fall back again in the final quarter of the financial year, has led to a significant jump in short term investments.
- 5.3. The Cabinet is due to consider the 2019-2020 Treasury Strategy at its February 2019 meeting and possibility of increasing CDC's longer term investments, as well as options for 12 to 18 month term deposits will be built into this strategy.
- 5.4. The other significant trend during the first half of the financial year has been a gradual move towards lending with local authorities as opposed to financial institutions as the uncertainty surrounding BREXIT continues. At 31 March 2018, lending to other local authorities comprised 22% of the portfolio, six months later this had increased to 39%.
- 5.5. The overall income return across the entire portfolio is shown below:

Table 2: Treasury Management returns

Measure	Qtr 3 17-18	Qtr4 17-18	Qtr 1 18-19	Qtr 2 18-19	Non-met districts Q2 average	Rating

Internal investment return %	0.57	0.70	0.77	0.83	0.78	GREEN
External funds – income return %	4.54	4.31	4.18	4.06	3.18	GREEN
External funds – capital gains/losses %	2.48	1.90	1.38	0.68	(0.28)	AMBER
Total treasury Investments – income return %	1.71	1.88	1.80	1.65	1.37	GREEN

5.4 CDC's internal investment return has steadily increased following the Bank of England's Monetary Policy Committee's decision to raise interest rates in August.

5.5 Whilst the capital losses on CDC's external funds are reducing in aggregate, overall capital returns for three of the funds have been weak and continue to be driven by investor reactions to the prospects of higher inflation and interest rates and concerns about global trade and tariffs. The benchmark score in the table above has been maintained at amber and more detail of the fair value movements is provided below in table 3 and in the appendix. Following Corporate and Governance Committee, the percent capital return to date for each fund has been added to this table.

Table 3: Gains and losses from external pooled funds - 28 September 2018

Fund	Type of fund	Investment (£)	Market Value	Capital gain (loss) £	Cumulative Revenue income	Current return (capital)	Current return (Income)
Local Authority Property Fund	Property	10,000,000	9,770,900	(229,100)	995,598	(2.29)	4.3%
Investec Diversified Income Fund	Multi Asset	3,650,000	3,562,800	(87,200)	185,251	(2.39)	4.0%
Columbia Threadneedle Strategic Bond Fund	Bonds	2,650,000	2,569,000	(81,000)	113,682	(3.06)	2.9%
M&G Optimal Income Fund	Bonds	1,650,000	1,646,500	(3,500)	45,894	(0.21)	2.5%
Totals		17,950,000	17,549,200	(400,800)	1,340,425		

5.6 Officers have continued to monitor the impact of the implementation of IFRS9, which had the potential to increase volatility in revenue budgets if movements in fair values were required to be charged against CDC's General Fund. Following consultation, the government announced in November 2018 that it has decided to introduce a statutory override for fair value movements in pooled funds for at least five years until 31 March 2023. The capital losses shown above, therefore, are not crystallised in CDC's accounts until the instrument is sold. It is not

anticipated that these will be sold for the foreseeable future.

6. Other Non-Treasury Holdings and Activity

- 6.1. Although not classed as treasury management activities, the 2017 CIPFA Code now requires the Authority to report on investments for policy reasons outside of normal treasury management. This includes service investments for operational and/or regeneration as well as commercial investments which are made mainly for financial reasons. The Authority also holds £7.5m of investments in directly owned property.
- 6.2. These non-treasury investments generated a return of 6.7% against initial purchase cost. This is higher than the return earned on treasury investments but reflects the additional risks to the Authority of holding such investments.

7. Compliance Report

- 7.1. Compliance with the main 2018-2019 Treasury limits is shown in table 4 below

Table 4: Investment Limits

	2018/19 Limit	Complied/ Exception Ref
Banks unsecured, total	£20m	✓
Corporates, total	£10m	✓
Local Authority property fund, total	£10m	✓
Other pooled investment funds, total	£10m	✓
Council's own bank, total max 7 days	£2.5m	✓
Money market Funds, total	£20m	✓
Counterparty ratings	various	✓

- 7.2. There are no reportable exceptions for 2018-2019 for the period covered by this report.

8. Other Treasury Management Indicators

- 8.1. The Authority measures and manages its exposures to treasury management risks using the following indicators

Table 5: Treasury Management Security indicators

Measure	Qtr3 17-18	Qtr4 17-18	Qtr 1 18-19	Qtr 2 18-19	Non- met District average	Rating
Average Credit Score (time-weighted)	3.95	3.88	4.04	3.64	4.00	GREEN
Average Credit Rating	AA-	AA-	AA-	AA-	AA-	AMBER

(time weighted)							
Proportion Exposed to Bail-in (%)	41	41	46	32	56	GREEN	

- 8.2. The amber rating is not considered significant, but is reported here as, strictly, the formal target is to maintain the average credit rating below the time weighted average of other district councils. The reduction in time weighted credit score is principally caused by the increase in holdings with UK local authorities.

Liquidity

Table 6: Treasury Management Liquidity Indicators

Measure	Qtr3 17-18	Qtr4 17-18	Qtr 1 18-19	Qtr 2 18-19	Non-met districts (average)	Rating
Proportion available within 7 days (%)	14	18	15	17	35	GREEN
Proportion available within 100 days (%)	46	50	45	47	58	GREEN
Average days to maturity	137	116	124	119	88	GREEN

Interest Rate Exposure

- 8.3. This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures are as follows, expressed as amounts of principal.

Table 7: Treasury Management Interest rate exposure

	28.9.18 Actual	2018/19 Limit	Complied
Upper limit on fixed interest rate exposure*	£3m	£28m	✓
Upper limit on variable interest rate exposure	£33m	£70m	✓

- 8.4. Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Principal Sums Invested for Periods Longer than 364 Days

- 8.5. The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 8: Treasury Management long term investment indicators

	2018/19	2019/20	2020/21
Actual principal invested beyond year end	£20.95m	£20.95	£17.95m
Limit on principal invested beyond year end	£40m	£35m	£30m
Complied	✓	✓	✓

9. Other Developments during 2018-2019

- 9.1. CIPFA has now published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but has yet to publish the local authority specific Guidance Notes to the latter. The MHCLG published its revised Investment Guidance which came into effect from April 2018.
- 9.2. The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by the Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority has prepared a draft Capital Strategy which will be presented to the Cabinet in February 2019.

10. Outlook

- 10.1. Having raised policy rates in August 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon.
- 10.2. The MPC has a definite bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose's central case (November 2018) is for Bank Rate to rise twice in 2019, however these are based on there being a transition period following the UK's official exit from the EU. There remains significant downside risks to their forecasts.
- 10.3. The view is that the UK economy still faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets. The last point is particularly relevant to CDC given its pooled investment portfolio.

11. Resource and Legal Implications

- 11.1. CDC is required by the Accounts and Audit Regulations to comply with CIPFA's Code of Practice for Treasury Management and the Prudential Code for Capital Finance.

12. Appendices

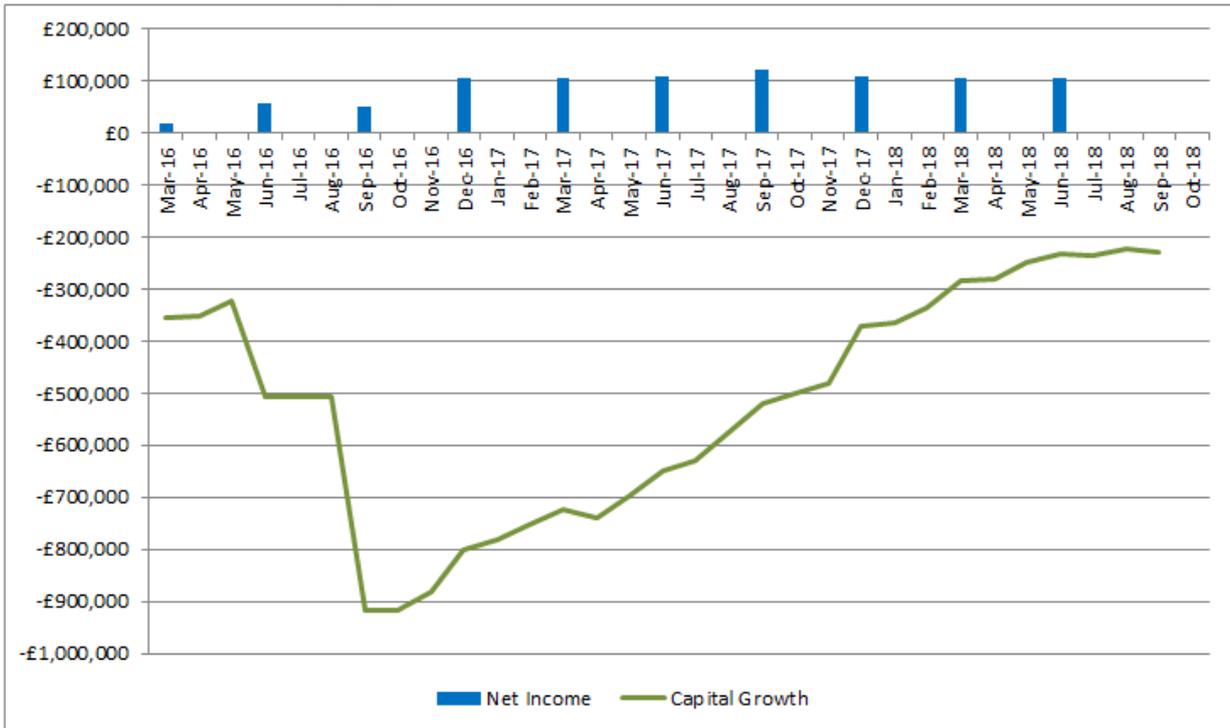
12.1. Appendix – Movements in Fund fair values and income – Pooled Funds

13. Background Papers

13.1. None.

Appendix: Movements in Fund fair values and income – Pooled Funds

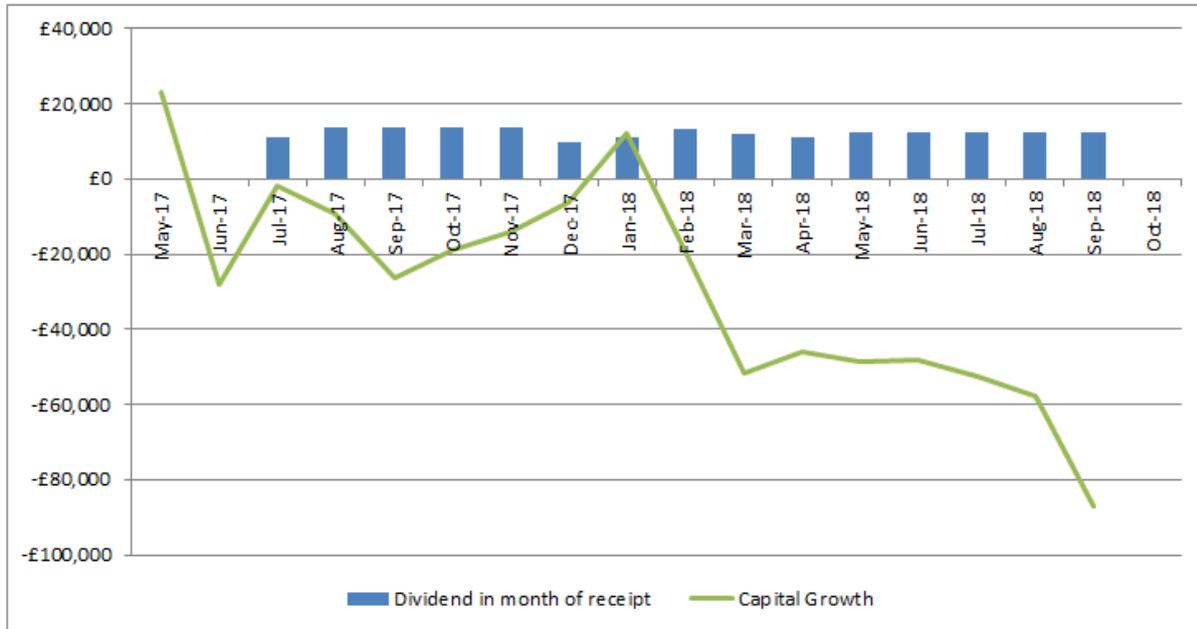
LAPF: Total Investment £10,000,000



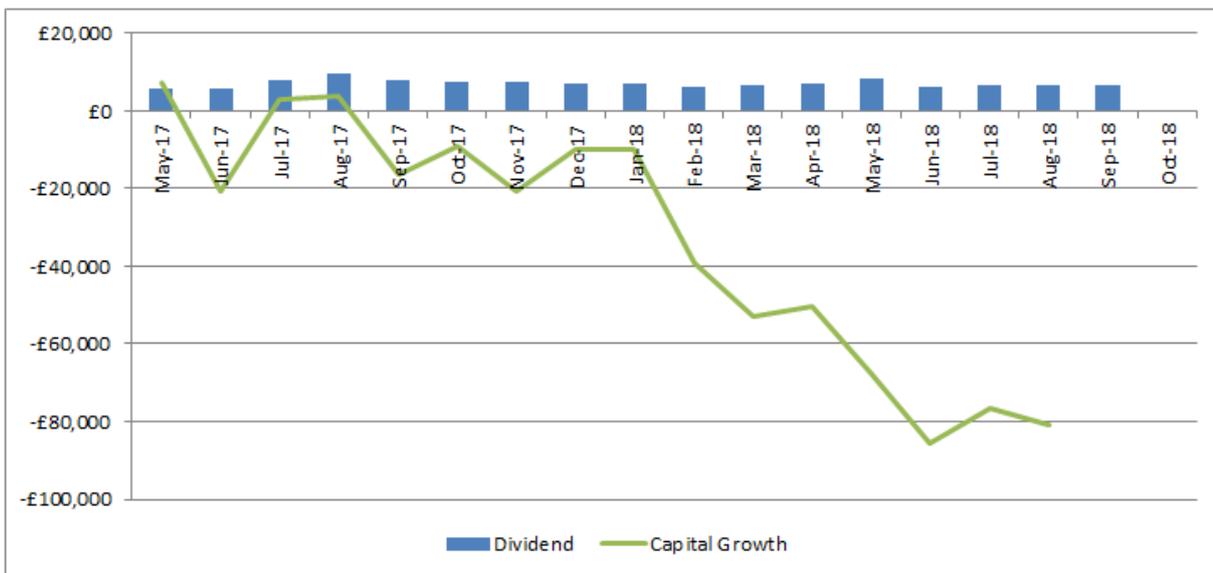
M&G: Total Investment £1,650,000



Investec: Total investment £3,650,000



Columbia Threadneedle: Total investment £2,650,000



This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank