

Public Document Pack

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Notice of Meeting

To All Members of Chichester District Council

You are hereby summoned to attend a meeting of **THE COUNCIL** which will be held in the **Committee Rooms, East Pallant House** on **Tuesday 19 July 2022** at **2.00 pm** for the transaction of the business set out in the agenda below.

A handwritten signature in black ink, appearing to read 'Diane Shepherd'.

DIANE SHEPHERD
Chief Executive

7 July 2022

NOTES

Prior to the meeting members will have the opportunity to attend Ask SLT from 12.45pm - 1.30pm. Please note this is for members only and will be followed by a break at 1.30pm - 2.00pm

AGENDA

- 1 **Minutes** (Pages 1 - 10)
The Council is requested to approve as a correct record the minutes of the meeting held on 17 May 2022.
- 2 **Urgent Items**
The Chair will announce any urgent items which due to special circumstances are to be dealt with under Late Items.
- 3 **Declarations of Interests**
Members and officers are reminded to make any declarations of disclosable pecuniary, personal and/or prejudicial interests they may have in respect of matters on the agenda for this meeting.
- 4 **Chair's Announcements**
Apologies for absence will be notified at this point.

The Chair will make any specific announcements.
- 5 **Public Question Time**
In accordance with Chichester District Council's scheme for public question time the Council will receive any questions which have been submitted by members of the public in writing by noon two working days before the meeting. Each questioner

will be given up to three minutes to ask their question. The total time allocated for public question time is 15 minutes subject to the Chair's discretion to extend that period.

RECOMMENDATIONS FROM THE CORPORATE GOVERNANCE AND AUDIT COMMITTEE

6 Annual Governance Statement and Corporate Governance Report 2020-21
(Pages 11 - 39)

Members are requested to consider the Annual Governance Statement and Corporate Governance Report 2020-21 and its appendices (attached to the agenda pack) and make the following resolution as recommended by the Corporate Governance and Audit Committee at its Special meeting on 6 June 2022:

That the draft Annual Report on Corporate Governance at appendix 1, the Annual Governance Statement 2020-2021 (appendix 2), and Internal Audit and Corporate Investigations Annual Report 2020-2021 (appendix 3) be approved by Full Council.

RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE

7 OSC Annual Report (Pages 41 - 50)

Members are requested to formally note the Overview and Scrutiny Committee Annual Report (attached to the agenda pack) as recommended by the Overview and Scrutiny Committee at its meeting on 21 June 2022. The Work Programme is attached as an appendix to the report.

RECOMMENDATIONS BY THE CABINET

To consider the following recommendations of the Cabinet requiring the approval of the Council.

8 Chichester District Council Annual Report 2021-22

Members are requested to consider the report as set out on pages 7 - 48 of the Cabinet agenda for 5 July 2022 and make the following resolution as recommended by the Cabinet:

That the Annual report 2021-2022 be received by the Council.

9 Community Support for Ukrainian Refugees as part of the Homes for Ukraine Scheme

Members are requested to consider the report as set out on pages 7-10 of the Cabinet agenda for 7 June 2022 and make the following resolutions as recommended by the Cabinet:

- 1. That Cabinet recommends to Council that WSCC funding of £1,000 per refugee be accepted.**
- 2. That Cabinet recommends to Council to delegate authority to allocate these funds to the Divisional Manager for Communities and Customer Services as set out in para 5.2 and 5.3 to provide community support.**

10 **Cultural Grants Funding Agreement Extension**

Members are requested to consider the report as set out on pages 49 - 51 of the Cabinet agenda for 5 July 2022 and make the following resolutions as recommended by the Cabinet:

1. **That a further extension of support of £187,500 for one year be awarded to Chichester Festival Theatre to be funded from the existing revenue budget.**
2. **That a further extension of support of £130,000 for one year be awarded to Pallant House Gallery to be funded from the existing revenue budget.**

11 **Supporting You - a proposal for a holistic support service for residents in the Chichester district**

Members are requested to consider the report as set out on pages 53 - 56 of the Cabinet agenda for 5 July 2022 and make the following resolutions as recommended by the Cabinet:

1. **To create a help and support service for residents facing cumulative problems of financial, debt and other cost of living issues, run as a 2-year pilot with a review built in 6 months after going live and subject to on-going and final evaluation.**
2. **That £300,000 be allocated to come from the General Fund Reserves for staffing and operational costs for up to 2 years.**
3. **That the further detail including allocation of funding to the various elements of the proposal is delegated to the Divisional Manager Housing, Revenues and Benefits in consultation with the Director of Housing and Communities and Cabinet Members set out in section 1 above.**

MOTIONS PROPOSED IN ADVANCE BY MEMBERS

12 **Motion from Cllr Brown (Pages 51 - 62)**

Having complied with the Motions Procedure as set out in the council's Constitution the motion attached will be proposed by Cllr Jonathan Brown and if duly seconded it will then be discussed at this meeting.

Please note that a report from the Development Plan and Infrastructure Panel has been included in the pack in relation to this item.

OTHER REPORTS

13 **Urgent Decision Notice - Planning Performance Agreement for West of Chichester Phase 2 (Page 63)**

Members are requested to note the Urgent Decision Notice relating to the Planning Performance Agreement for West of Chichester Phase 2.

14 **Questions to the Executive**

Members are invited to ask a question of a member of the Executive (maximum of 30 minutes duration).

15 **Late Items**

To consider any late items as follows:

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

16 **Exclusion of the press and public**

If required the Council is asked to consider whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Parts I to 7 of Schedule 12A of the Local Government Act 1972, as indicated against the item 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.

There are no restricted items for consideration at this meeting.

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 Covid-19 Risk Assessments members of the public are advised of the following;
 - a) Where public meetings are being held at East Pallant House in order to best manage the space available members of the public are in the first instance asked to listen to the meeting online via the council's committee pages.
 - b) Where a member of the public has registered a question they will be invited to attend the meeting and will be allocated a seat in the public gallery.
 - c) You are advised not to attend any face to face meeting if you have symptoms of Covid.
- (4) 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]

MEMBERS

Mrs E Hamilton
Mr H Potter
Mrs C Apel
Mrs T Bangert
Mr G Barrett
Miss H Barrie
Mr M Bell
Rev J H Bowden
Mr B Brisbane
Mr R Briscoe
Mr J Brown
Mr A Dignum
Mrs J Duncton
Mr J Elliott
Mr G Evans
Mrs J Fowler
Mrs N Graves
Mr F Hobbs

Mrs D Johnson
Mr T Johnson
Mrs E Lintill
Mrs S Lishman
Mr G McAra
Mr A Moss
Mr S Oakley
Dr K O'Kelly
Mr C Page
Mr D Palmer
Mrs P Plant
Mr R Plowman
Mrs C Purnell
Mr D Rodgers
Mrs S Sharp
Mr A Sutton
Mrs S Taylor
Mr P Wilding

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Public Document Pack Agenda Item 1



Minutes of the meeting of the **Annual Council** held in Committee Rooms - East Pallant House on Tuesday 17 May 2022 at 2.00 pm

Members Present: Mrs E Hamilton (Chairman), Mr H Potter (Vice-Chairman), Mrs C Apel, Mrs T Bangert, Mr G Barrett, Miss H Barrie, Mr M Bell, Rev J H Bowden, Mr R Briscoe, Mr J Brown, Mr A Dignum, Mr J Elliott, Mr G Evans, Mrs J Fowler, Mrs N Graves, Mr F Hobbs, Mr T Johnson, Mrs E Lintill, Mrs S Lishman, Mr G McAra, Mr A Moss, Mr S Oakley, Dr K O'Kelly, Mr C Page, Mrs P Plant, Mr R Plowman, Mrs C Purnell, Mr D Rodgers, Mr A Sutton, Mrs S Taylor and Mr P Wilding

Members not present: Mr B Brisbane, Mrs J Duncton, Mrs D Johnson, Mr D Palmer and Mrs S Sharp

Officers present all items: Mr N Bennett (Divisional Manager for Democratic Services), Mr A Frost (Director of Planning and Environment), Miss L Higenbottam (Democratic Services Manager), Mrs J Hotchkiss (Director of Growth and Place), Mrs V McKay (Divisional Manager for Growth), Mrs S Peyman (Divisional Manager for Culture), Mrs E Reed (Environmental Housing Manager), Mrs L Rudziak (Director of Housing and Communities), Mrs F Stevens (Divisional Manger for Planning), Mrs D Shepherd (Chief Executive) and Mr J Ward (Director of Corporate Services)

115 **Election of the Chairman**

Cllr Hamilton as current Chair welcomed everyone to the meeting and then handed over to Mrs Shepherd to oversee the Election of the Chair for the ensuing year.

Mrs Shepherd requested nominations for Chair.

Cllr Bell proposed Cllr Hamilton. This was seconded by Cllr Lintill.

Cllr Apel proposed Cllr Plowman. This was seconded by Cllr Moss.

There were no further nominations.

A secret ballot was carried out by Mr Bennett, Miss Higenbottam and Mr Ward.

Cllr Hamilton received 19 votes. Cllr Plowman received 10 votes. There was 1 abstention and 6 members not present for the vote.

Cllr Hamilton then read and signed the Declaration of Acceptance of Office.

RESOLVED

That Cllr Hamilton be elected as Chair of the Council for the year 2022-2023.

116 **Appointment of the Vice-Chairman of the Council**

Cllr Hamilton then requested nominations for Vice-Chair.

Cllr Lintill proposed Cllr Potter. This was seconded by Cllr Taylor.

There were no further nominations.

In a show of hands members agreed the election of Cllr Potter as Vice-Chair of the Council.

Cllr Potter then read and signed the Declaration of Acceptance of Office.

RESOLVED

That Cllr Potter be elected as Vice-Chair of the Council for the year 2022-2023.

117 **Minutes**

RESOLVED

That the minutes of the Special Full Council meeting held on 8 March 2022 be approved.

Cllr Hamilton proposed an amendment to the third line of minute 108 of the minutes from the Full Council meeting on 15 March 2022 to add 'following her experience of working at the surgery'.

The amendment was agreed for inclusion by members following a show of hands.

RESOLVED

That the minutes of the Full Council meeting held on 15 March 2022 be approved as amended.

118 **Urgent Items**

There were no urgent items.

119 **Declarations of Interests**

The Monitoring Officer advised that for Item 15 all members also members of West Sussex County Council could take their personal interest declaration as noted. As such the following personal declarations were made in relation to agenda item 15:

Cllr O'Kelly as a member of West Sussex County Council.

Cllr Oakley as a member of West Sussex County Council.

120 Chair's Announcements

Apologies for absence were received from Cllr Brisbane, Cllr Duncton, Cllr Donna Johnson and Cllr Sharp.

The Chair asked Mrs Rudziak to update members on the progress of the £150 Council Tax support scheme. Mrs Rudziak explained that 90% of Direct Debit payers of Council Tax Bands A-D had received their £150 rebate with a further 3300 applications also processed. On behalf of the Council the Chair thanked those involved in processing the rebates.

121 Review of Political Balance

Cllr Lintill proposed the recommendation which was seconded by Cllr Taylor.

Mr Bennett was invited to introduce the report. He thanked Group Leaders for their cooperative approach and outlined the rules of Political Balance detailed in sections 4.1 and 4.2 of the report.

In a vote the following resolution was agreed:

That the political balance as set out in the report be noted.

122 Appointments of Committees

The Chair explained an amendment to the recommendation following the agreement of the remaining seats on the Corporate Governance and Audit Committee as follows:

The Liberal Democrat seat to be given to Cllr Barrie of the Green Party and the Independent seat to be given to Cllr Tim Johnson of the Local Alliance.

Cllr Lintill proposed the recommendation as amended which was seconded by Cllr Taylor.

Mr Bennett was invited to introduce the report. He explained that the appointments were a statutory requirement. He also outlined the rule of gifting which allows one political party to pass entitlement to a seat to another political party or individual member.

In a vote the following resolution was agreed by a majority vote, Councillor Timothy Johnson voting against.

That the Committee memberships 2022/23 as set out in the appendix to the report be agreed with the addition of Cllr Heather Barrie (Green Party) and Cllr Tim Johnson (Local Alliance) being appointed to the remaining spaces on the Corporate Governance and Audit Committee.

123 Appointments to External Organisations

The Chair explained an amendment to the recommendations with recommendation 1a and 1b to be withdrawn with Cllr Taylor to remain in position at Chichester College and Cllr Brown to be the sole nomination for the Chichester Community Development Trust.

Cllr Lintill proposed recommendation 2 which was seconded by Cllr Taylor.

Mr Bennett was invited to introduce the report. He explained that the members appointed to the Outside Bodies were appointed to carry out the role on behalf of the Council and so were treated differently in governance “interest” terms to roles in a personal capacity.

Cllr Moss requested clarification on the role of the Water Neutrality Board. Mrs Shepherd explained that the Board provided a forum for a number of organisations to work together to address the issue of water neutrality. She added that any final decisions on action required to address the issue of water neutrality would be made by Council via the Development Plan and Infrastructure Panel.

Cllr Brown wished to thank Cllr Dignum for stepping down from the Chichester Community Development Trust.

Cllr Lishman requested clarification of whether political balance is applied to the appointments. Mr Bennett confirmed that the Outside Body appointments were not subject to political balance and as such were open to discussion with Group Leaders.

Cllr Oakley asked whether Southern Water had approached the Council for a representative as the Council has a representative at Portsmouth Water. Mrs Shepherd explained that an approach had not been made to date. Mr Bennett agreed to follow this up and report back.

Cllr Hobbs requested the title of Visit Chichester be amended to Great Sussex Way Ltd.

In a vote the following resolution was agreed:

That the appointments to external bodies 2022/23 as set out in the appendix to the report be agreed including Cllr Susan Taylor to remain on the Chichester College Group – Corporation Board of Governors and Cllr Jonathan Brown to be appointed to the Chichester Community Development Trust.

124 **Energy, Efficiency and thermal Comfort Works at Westward House, Chichester**

Cllr Sutton proposed the recommendations which were seconded by Cllr Lintill.

Cllr Sutton then introduced the report.

Cllr Moss wished to congratulate Mrs Reed and her team on the project.

In a vote the following resolutions were agreed:

- 1. The approval of the Project Initiation Document (PID) for the energy efficiency and thermal comfort works at West House (as detailed in the Appendix to the report).**
- 2. The approval of the Council’s financial contribution of up to £80,000 funded from council reserves. The overall project cost to install energy efficiency measures at Westward House is up to £305,000. The Council will receive a grant of up to £205,000.**

125 **Delegation to Director of Growth & Place for lease values**

Cllr Dignum proposed the recommendations which were seconded by Cllr Lintill.

Cllr Dignum then introduced the report.

Cllr Plowman requested clarification of the total number of leases. Cllr Dignum confirmed it was 10.

In a vote the following resolution was agreed:

That the Director for Growth & Place's delegation to enter into leases to a value of £60,000 per annum be increased to up to £100,000 per annum, until such as time as the Constitution is updated and approved.

126 **Development Management Division Workloads and Resourcing**

Cllr Taylor proposed the recommendations which were seconded by Cllr Lintill.

Cllr Taylor then introduced the report.

Cllr Moss supported the recommendation but wished to note his concerns that the Council had previously been asked to finance planning staff from reserves and whether this was due to efficiency savings. He added that it was important that the Council could suitably defend planning appeals. Cllr Taylor in response agreed with the importance, noting that local communities relied on the Council to defend its decisions She clarified that the additional £10,000 that had been added to the recommendation at Cabinet was a contingency fund. Mrs Shepherd explained that efficiency savings put forward for the planning department were no longer required to be achieved as they would have had detrimental impact on service delivery. A decision was made last year to remove this from the efficiency reduction plan. Mrs Shepherd went on to explained that this decision did not affect the overall financial target as only 75% of the planned overall efficiency savings had been budgeted for.

Cllr Oakley requested clarification of the current five year housing land supply. Cllr Taylor explained that the position remained just over five years supply. This was further clarified by Mr Frost who added that a supply of just of five years could be demonstrated.

Cllr O'Kelly asked when members could expect to see a realistic timeline of when the council would no longer require planning agency staff. She asked whether benchmarking of salaries had been carried out. Cllr Taylor explained that as an element of staff turnover is normal, a timeline is not possible. She added that the council had to compete with the private sector in hiring planning staff and that there was a national shortage of planning officers. Mr Frost added that due to recent successful recruitment to vacant posts, one professional planner vacancy remained in the Development Management team with the vacancy currently out to advert in planning professional publications.

Cllr Apel suggested the Overview and Scrutiny Committee may wish to look at this further.

In a vote the following resolutions were agreed:

1. **The release of £56600 from reserves to cover the cost of retaining temporary agency staff to address current staff vacancies, and;**
2. **The release of £84,225 from reserves to cover the cost of engaging specialist professional services to support the local planning authority in defending a planning appeal.**

127 **Stock Condition Surveys**

Cllr Dignum proposed the recommendations which were seconded by Cllr Lintill.

Cllr Dignum then introduced the report and requested that the resolution as amended at Cabinet be amended to read 'Council owned assets' not 'Council built assets'.

Cllr Oakley asked whether the Survey included leased buildings and buildings on leased land. He also asked which reserve fund would be used. Cllr Dignum confirmed it would be the general reserve. Mrs McKay clarified that the Survey would include all the council's leased assets but not ground leased assets not in the council's ownership.

Cllr Brown asked whether Energy Performance Certificates (EPC's) would be assessed and whether the Climate Emergency officer would be involved in the project. Mrs McKay explained that the EPC's were in the scoping and that she would take on board the suggestion of including the Climate Emergency Officer.

Cllr Apel shared her concerns that the Building Services Manager vacancy had not been filled and how that might impact the maintenance programme of the Pallant House Gallery. Mr McKay confirmed that the post was being readvertised and that she and the Building Surveyor had been working with the Gallery on its ongoing maintenance programme.

Cllr Purnell asked whether the Selsey Centre would be included. Mrs McKay agreed to come back to Cllr Purnell with a written response.

Cllr Oakley then proposed that the word 'general' be added to the recommendation to clarify that it would be the 'general reserves'. This was seconded by Cllr Dignum.

In a vote the following resolution was agreed:

That Council approves the release of £150,000 from general reserves to cover the cost of engaging a specialist company to carry out stock condition surveys for all Council owned assets.

128 **Governance Arrangements**

Cllr Hobbs proposed the recommendations which were seconded by Cllr Lintill.

Cllr Hobbs then introduced the report.

Cllr O'Kelly noted that she was not in agreement with recommendation 2 preferring Questions to the Executive to remain at 40 minutes in length.

Cllr Lishman asked why Questions to the Executive were being reduced in length.

Cllr Hobbs explained that the Corporate Governance and Audit Committee had debated the recommendation at length at its last meeting with general conclusion that shorter responses can be provided at the meeting with more detailed response to follow.

Cllr Oakley noted his sympathy for maintaining a 40 minute Questions to the Executive to provide opportunity for backbenchers to ask questions. He explained that the preamble provided to some questions could be reduced.

Cllr Oakley proposed that recommendation 1 be amended to read 'that the discretionary option for the Chair in consultation with the Director for Corporate Services or the Monitoring Officer'. Mr Bennett confirmed that the amendment was proper. The amendment was seconded by Cllr Brown.

Cllr Evans asked whether Questions to the Executive could be moved up the agenda so it is not cancelled. He gave support for keeping a 40 minutes Questions to the Executive. Mr Bennett responded by explaining that the purpose of the meeting is to carry out the business of the Council which often includes statutory decisions which cannot be delayed. He explained that when Questions to the Executive have been submitted following the meeting in the past they are published on the committee pages of the council's website. He added that the Corporate Governance and Audit Committee had been provided with information relating to the length of Questions to the Executive at other local authorities in the area with most being significantly shorter in length than the Council's.

Cllr Moss asked the Chair to consider voting on the recommendations separately. He explained that where possible it would be helpful to move Questions to the Executive up the agenda. He also noted that he was not in favour of reducing the time of Questions to the Executive and asked the Cabinet not to refer to officers in answering their questions.

Cllr Apel noted her support for keeping Questions to the Executive at 40 minutes.

Cllr Plowman also noted his support for keeping Questions to the Executive at 40 minutes and suggested members send their questions in advance to the Cabinet to help with preparation of answers.

Cllr Purnell explained that she raises questions directly with the Cabinet.

Cllr McAra commented on the political nature of asking questions at Full Council.

Cllr Potter explained that most parish councils have their questions at the start of the meeting.

Cllr Hobbs responded by explaining that if all members asked their question in a minute then all members would get to ask a question.

Cllr Brown asked that members refer to the minutes of the Corporate Governance and Audit Committee for information on the debate around recommendation 3.

The Chair explained that she would look at whether she could group similar questions together explaining that she would consider how many questions were requested and allocate a timespan based upon that.

The Chair agreed to take the vote on each recommendation separately.

In a vote the first recommendation as amended was agreed as follows:

That Questions to the Executive remain at the same position in meetings with a discretionary option for the Chair in consultation with the Director for Corporate Services or the Monitoring Officer to move them as required.

In a vote the second recommendation was agreed as follows:

That the time allotted for Questions to the Executive be reduced from 40 to 30 minutes.

In a vote the third resolution was agreed as follows:

That it be noted that the Chair should show robustness in encouraging adherence to a time limit for each question.

129 **Levelling Up - Round Two Application for funding**

Cllr Lintill proposed the recommendations which were seconded by Cllr Taylor.

Cllr Lintill introduced the report and invited Mrs Shepherd to provide more information. Mrs Shepherd explained that the timetable for submissions is extremely tight and emphasised the importance of the Council agreeing to support the recommendations in order to allow officers to work on the bids. She added that the Levelling Up bid up to three projects could be submitted but had to be linked and all bids must meet four main criteria:

- Be characteristic of Place
- Be a strategic fit
- Be a local priority
- Be able to demonstrate an economic case

Mrs Shepherd explained the process is highly competitive and only 26% of Category 2 applications were successful in the first round of levelling up.

Cllr Oakley asked all party leaders to raise the timescale of the projects within senior members of their parties. He asked whether there had been a procurement process for the consultants. He also requested that the long and short list of projects be made available. Cllr Lintill confirmed that she had fed back comments on the timescale to the local MPs. Mr Bennett confirmed that officers had followed the Exception to Tender process.

Cllr O'Kelly asked whether the prosperity bid with its later timescale could be brought back to July Full Council. Mrs Shepherd explained that due to the very short timetable this would not be possible and the Council was being asked to approve the delegations set out in this report.

Cllr Brown gave his support to Cllr Oakley's comments on the timescale. He agreed to support the proposal.

Cllr McAra also gave his support to Cllr Oakley's comments. He asked that consideration be given to bids outside of the city. Mrs Shepherd confirmed that there were bids outside of the city on both the long and short lists.

Cllr Moss explained that he was pleased to work on the project and explained that he would be seeking views from the minority party leaders.

Cllr Purnell asked whether the local agriculture and horticulture could be considered.

Cllr O'Kelly asked if and when the process would be made public. Mrs Shepherd explained that the bids are made public but she had not been given a timescale to date. She added that she would share the information publicly that the Government permitted.

In a vote the recommendations were agreed as follows:

- 1. That Council approves that an application to the Levelling Up Round two (LUF (2)) is submitted and that delegated authority is approved for Chief Executive, Director of Corporate Services and the Director for Growth and Place to submit the application in consultation with the Leader of the Council and the Leader of the Opposition.**
- 2. That Council approves that a UK Shared Prosperity Investment Plan is submitted, and that delegated authority is approved for the Chief Executive, Director for Corporate Services and the Director for Growth and Place to submit the Investment Plan in consultation with the Leader of the Council and the Leader of the Opposition.**

130 Urgent Decision Notice - Levelling Up Fund Round two application support

On behalf of the Council the Chair noted the Urgent Decision Notice relating to Levelling Up Fund Round two application support.

131 Late Items

There were no late items.

132 Exclusion of the press and public

The Chair read the Part II resolution in relation to agenda items 19 and 20 which was proposed by Cllr Lintill and seconded by Cllr Taylor. The Council then voted to go into part II.

RESOLVED

That with regard to agenda items 19 and 20 the public including the press should be excluded from the meeting on the grounds 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.

133 Urgent Decision Notice - Leisure Management Contract Agreement for 2022-23

On behalf of the Council the Chair noted the Part II Urgent Decision Notice relating to the Leisure Management Contract Agreement for 2022-23.

134 **Leisure Management Contract 2022-23**

Cllr Briscoe proposed the recommendation which was seconded by Cllr Lintill.

Cllr Briscoe introduced the report.

Questions and comments were made by Cllr Hobbs, Cllr Brown, Cllr Apel, Cllr Purnell, Cllr Bangert, Cllr Elliot and Cllr Oakley.

Responses were provided by Cllr Briscoe and Mrs Hotchkiss.

In a vote the recommendation was agreed as follows:

That Council agrees the recommendation as set out in section 2.1a of the report.

The meeting ended at 4.38 pm

CHAIRMAN

Date:

Chichester District Council
CORPORATE GOVERNANCE AND AUDIT COMMITTEE
Special Meeting 6th June 2022
2020-2021 Annual Governance Statement
and Corporate Governance Report

1. Contacts

Report Author:

Stephen James – Internal Audit & Corporate Investigations Manager

Tel: 01243 534736

E-mail: sjames@chichester.gov.uk

2. Recommendation

The Committee is requested to:

- 2.1. **Consider the draft Annual Report on Corporate Governance at appendix 1, the Annual Governance Statement 2020-2021 (appendix 2), and Internal Audit and Corporate Investigations Annual Report 2020-2021 (appendix 3), and to recommend these to the Council for approval.**

3. Main Report

- 3.1. All members have a responsibility for corporate governance. However, this committee is charged with identifying and looking at key risk areas in greater depth. This is to provide assurance to the Council and members that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.
- 3.2. Under its terms of reference, the Committee is required to report each year, or at any time where significant issues or concerns are raised on corporate governance and the internal arrangements in place to monitor and control risks.
Attached at Appendix 1 is a draft report to the Council to fulfil this requirement which the Committee is requested to consider.
- 3.3. In order to sign up to such a statement, members of the Committee will need assurance that key systems are in place within the Council. As such the Council's Internal Audit Service has the responsibility to independently review and report to the Committee, appendices 2 and 3 set out their findings.

4. Background

- 4.1. Not Applicable

5. Outcomes to be achieved

5.1. Not Applicable

6. Proposal

6.1. Not Applicable

7. Alternatives that have been considered

7.1. Not Applicable

8. Resource and legal implications

8.1. Not Applicable

9. Consultation

9.1. Not Applicable

10. Community impact and corporate risks

10.1. Not Applicable

11. Other Implications

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

12. Appendices

- 12.1. Appendix 1 – Annual Report of Corporate Governance and Audit Committee
- 12.2. Appendix 2 – Annual Governance Statement 2020-2021
- 12.3. Appendix 3 – Internal Audit and Corporate Investigations Annual Report 2020-2021

13. Background Papers

13.1 None

Chichester District Council

Report of Corporate Governance and Audit Committee to Full Council

Background

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To this end members and senior officers are responsible for ensuring that proper arrangements exist for the governance of the Council's affairs and stewardship of its resources.

The Corporate Governance & Audit Committee considered the Strategic and Organisational Risk Registers to ensure the adequacy of the Council's actions to control and manage risks.

During 2020/2021 the nine highest risks identified in the Corporate Risk Register were:

- **Southern Gateway:** Failure to deliver the outcomes of the project leading to reputational damage and financial exposure to CDC as lead partner, and potential repayment of the Local Enterprise Partnership and other funding.
- **Financial Resilience:** Failure to maintain a robust and deliverable budget will lead to a lack of resources to fund services and council priorities, leading to reactionary decision making, and reputational consequences. Failure to maximise income streams.
- **Business Continuity:** Failure to react to an incident that would adversely affect the delivery of services, including leading to a breach of the Council's statutory duties under the Civil Contingencies Act and result in both inability to service the community and reputational damage.
- **Cyber Risk across ICT Estate:** Failure to protect the Council against a cyber-attack across the ICT estate resulting in service disruption and reputational damage.
- **Local Plan:** Failure to complete the Local Plan Review and achieve an adopted Local Plan. This would mean that the Council would face challenge that it does not have an up to date Local Plan and the impact it would have.
- **Changing use of High Street in City and Rural Towns:** Failure to support the City and Rural Towns High Streets which will enable them to become sustainable in changing times.

- **Increase Homelessness Service Demand due to Covid Impact:** Failure to have an adequate Homeless Service in the Housing Service Plan that meets the changing needs particularly with regard to the Covid impact.
- **Skills, Capability, Capacity:** Failure to have adequate recruitment packages in place that would aid the recruitment of staff in areas where long term recruitment issues exist.
- **Covid 19 Coronavirus:** Failure to have adequate Business Continuity Plans in place that protect the Council's staff and services during the Covid 19 pandemic.

The 5-year Financial Model is a medium-term forecast of the financial position of the Council that has been updated to reflect current assumptions, future Government funding, council tax projections, as well as projected costs and previous planned efficiencies. It also contains the proposed three-year programme of efficiency savings to be adopted to address the budget deficit because of the Covid-19 impact. It has been necessary to use reserves to help balance the budget in the medium term whilst the efficiencies and policy options under the Future Services Framework are implemented over a three-year period.

The Financial Impact of COVID report to July Council estimated a draw against reserves for the current year of over £8m. Since then, the Government have introduced a compensation scheme for Councils that have lost income from sales, fees, and charges as well as other funding allocations. The model forecast that just over £3m was required from reserves for 2021-22, and £8m in total over the 5 year planning period provided that the efficiency savings identified are delivered, and subject to all the uncertainties that remain within the model. However, following Government in year support due to the pandemic, the Council ended the year with a £1.635m surplus; further information is available in the Council's Statutory Annual Accounts.

The Fair Funding Review and the localisation of Business Rates have again been delayed by the Government until the 2023-24 financial settlement. The Government has recently announced that the localisation of Business Rates will now not take place. The continued delay in resetting the Baseline for Business Rates is good news, as the Council continues to benefit from the growth achieved so far. The anticipated impact of the Baseline reset is that the Council will retain approximately £1.5m less per annum when this funding regime change takes place, with the next revaluation scheduled now for 2023.

Annual Governance Statement

The Annual Governance Statement as attached at appendix 2 has been prepared in accordance with the CIPFA / SOLACE guidance on "Delivering Good Governance in Local Government". The Statement is attached and clearly sets out the 7 fundamental principles of good governance (A to G) as identified below:

- A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B Ensuring openness and comprehensive stakeholder engagement.
- C Defining the outcomes in terms of; sustainable economic, social and environmental benefits.
- D Determining the interventions necessary to optimise the achievement of the intended outcomes.

- E Developing the entity's capacity, including capability of its leadership and the individuals within it.
- F Managing risks and performance through robust internal control and strong public financial management.
- G Implementing good practices in transparency reporting, and audit to deliver effective accountability

Other Potential Risk Issues

The drafting of the Annual Governance Statement has highlighted some risks that are ongoing and receiving attention from those charged with governance. These can have common themes and may overlap with other areas of risk that have been identified. They are being monitored to track whether there are any changes in their risk score.

Other than those areas set out above, which are themselves subject of further on-going review, members of the Committee are assured that key systems are in place within the Council. This is supported by the internal audit service, which has the responsibility to review independently and report to Committee.

Cllr F Hobbs
Chairman of Corporate Governance & Audit Committee

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Annual Governance Statement 2020/2021

What is the Annual Governance Statement?

Legislation requires local Authorities to prepare and publish the Annual Governance Statement, in order to report publically on the effectiveness of the Council's governance arrangements. The statement provides an overview of the current governance framework and a summary of the review of the effectiveness of Chichester District Council's governance framework for 2020/2021 (which coincides with the annual statement of accounts). The statement communicates significant governance issues that have been identified during the review and sets out how the authority will secure continuous improvement in these areas during the coming year.

What do we mean by Governance?

By governance, we mean the arrangements that are put in place to ensure the intended outcomes for local people are defined and achieved. It comprises the systems and processes, culture and values, by which local government bodies are directed and controlled. Good governance is about making sure the Council does the right things, in the right way for the right people, in a timely inclusive, open honest and accountable manner.

Scope of Responsibility

Chichester District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, Chichester District Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the exercise of its functions, which includes arrangements for the management of risk.

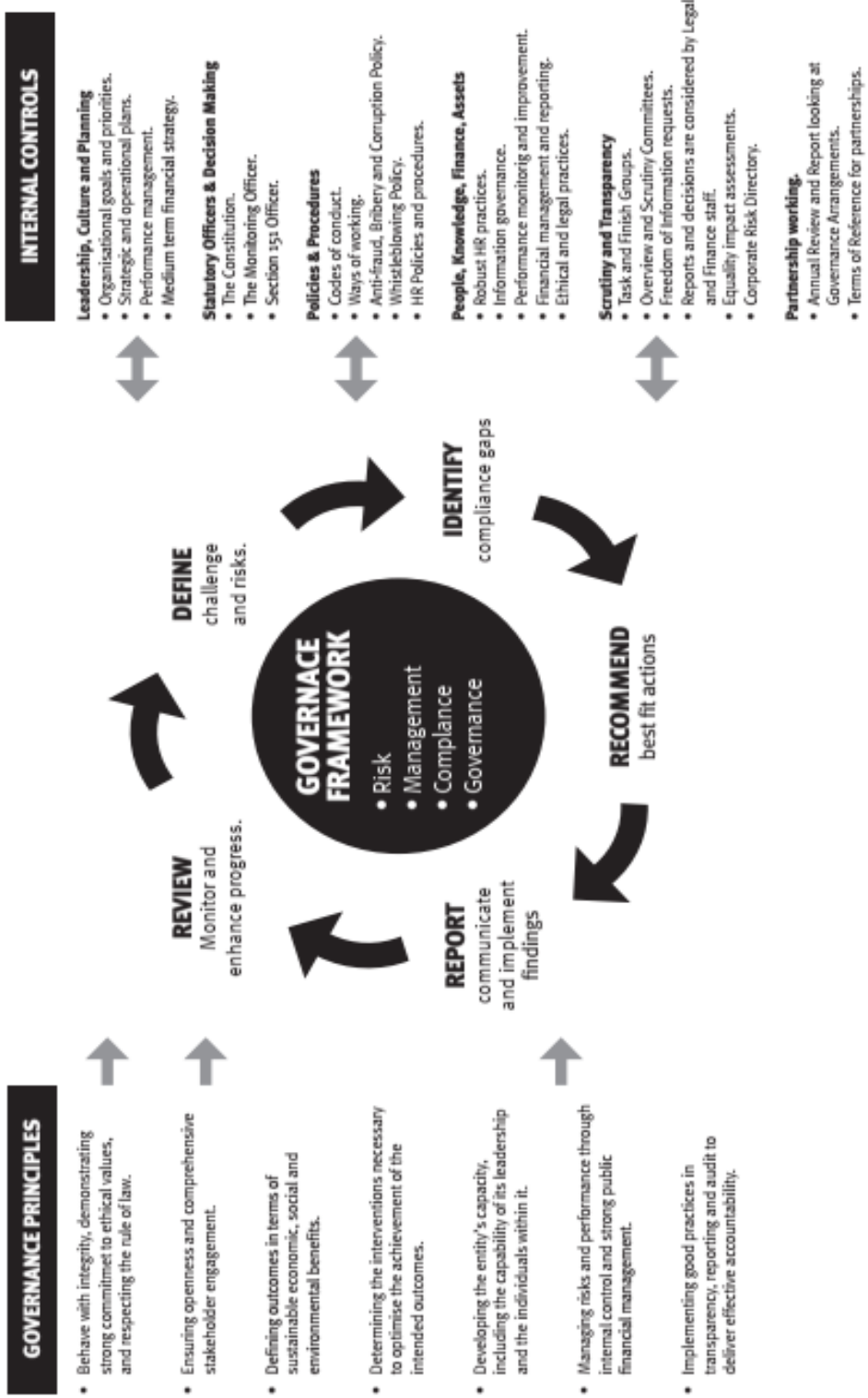
About the Council

Chichester District Council comprises 36 Councillors who represent 21 wards across the District. The District Council operates under a Leader and a Cabinet structure with Cabinet Members responsible for individual portfolios.

The Council employs around 561 full and part-time members of staff and provides a range of services to residents. The Head of Paid Services, The Monitoring Officer, The Section 151 Officer and the Electoral Registration and Returning Officer make up the statutory roles within the Council.



Chichester District Council



CIPFA/SOLACE Good governance principles and the local code of governance

In 2016 CIPFA/SOLACE issued revised best practice guidance for 'Delivering Good Governance in Local Government'. The framework sets out seven principles that should underpin the governance of each Local Authority. The following sections look at how the Council is held to account for these seven principles.

A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

The Constitution

The constitution sets out how the Council operates; the roles and responsibilities of members, officers and the scrutiny and review functions; how decisions are made; and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Due to the COVID pandemic certain emergency procedures were introduced on Budgets / Financial Authorisation.

The Monitoring Officer

The Monitoring Officer is a statutory function and ensures that the Council, its officers, and its elected members, maintain the highest standards of conduct in all they do. The Monitoring Officer is assisted when required by appointed deputies. The Monitoring Officer ensures that the Council is compliant with law and regulations, as well as internal policies and procedures. He is also responsible for matters relating to the conduct of Councillors and Officers, and for monitoring and reviewing the operation of the Council's Constitution. The Monitoring Officer for Chichester District Council is Nicholas Bennett, the Divisional Manager for Democratic Services.

Section 151 Officer

Whilst all council members and officers have a general financial responsibility Section 151 of the Local Government Finance Act 1972 specifies that one officer in particular must be responsible for the financial administration of the organisation and that this officer must be CCAB qualified. The Section 151 Officer for Chichester is John Ward, the Director of Corporate Services.

Codes of Conduct

When joining the Council, members and officers are provided with a contract outlining the terms and conditions of their appointment. All staff must sign a code of conduct and declare any financial interests, gifts and hospitality on a public register. Additionally, members are expected to declare any interests at the start of every meeting that they attend in accordance with Standing Orders. Members and officers are required to comply with the approved policies.

Anti-Fraud & Corruption Policy

The Council takes fraud, corruption and maladministration very seriously. The culture of the Council sets the foundation for the prevention of fraud and corruption by creating an environment that is based upon openness and honesty in all council activities. The Council's Anti-Fraud and Corruption Policy was last updated April 2018.

Whistleblowing Policy

The Council is committed to high standards of openness and probity and accountability in all of its practices. The policy encourages employees and others to raise serious concerns within the Council rather than ignoring a problem or raising the matters externally. The Policy was last updated in April 2018. Any disclosures should be made in writing to the Council's Monitoring Officer.

Corporate Governance & Audit Committee

The Corporate Governance & Audit Committee has responsibility for reviewing reports that deal with issues that are key to good governance and undertakes the function of an Audit Committee. The committee has an agreed set of terms of reference which sets out their roles and responsibilities of its members. The committee meets four times a year and is made up of 8 members from 3 political parties and a local alliance.

B. Ensuring openness and comprehensive stakeholder engagement

Engagement and Communication

It is recognised that people need information about what decisions are being taken locally, and how public money is being spent in order to hold the Council to account for the services they provide.

Consultations

The Council has a number of consultation projects in operation and invite feedback from members of the public on a number of subjects. The Council also operate a Let's Talk Panel which members of the public can sign up to. Each time there is a new survey members of the panel are emailed to see if they would like to participate. The Council promotes the Let's Talk Panel and surveys that are active on social media channels to encourage people to take part.

Complaints

There is a complaints procedure in place for the Council to receive and investigate complaints made about service delivery and against its members or staff. Details of which can be found on the Council's website. Results of complaints investigated together with the report on all complaints dealt with by the Local Government

Ombudsman are reported annually to the Corporate Governance and Audit Committee.

Partnership Working

There are 10 strategic level partnerships that the council is involved with to deliver improved outcomes for the residents of the District Council. Some of the partnerships do not have exit strategies in place. This is because we do not lead or manage these partnerships and we are limited in what governance can be put in place, but officers are satisfied with how the partnerships are being run. All Council run partnerships have robust governance in place.

C. Defining outcomes in terms of sustainable, social and environmental benefits

Although the multi-agency Sustainable Community Strategy (SCS) for Chichester District 2009-2026 is no longer a statutory document, the Council continues to be informed by the priorities identified in it. These priorities are developed further through the Corporate Plan which sets out the Council's contribution to this partnership document. The Council measures its key priorities by a range of performance indicators which are set out within the Corporate Plan and monitored through Pentana, the Council's performance monitoring software. Reports on the progress of these performance indicators are available on the Council's website.

Corporate Governance & Audit Committee (CG&AC), Cabinet and then Council agreed the key financial principles of the 5 year financial strategy, which included continuing to review the Council's costs in order to find further savings. As part of the budget process a Task and Finish Group meets once a year to discuss the forthcoming budget, reviewing what is happening in the current year any impact for the new financial year and any changes in priorities or service demands.

The Council publishes its Annual Statement of Accounts in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines and International Financial Reporting Standards. As uncertainty continues to surround the current economic and financial climate and in particular public sector spending plans, it is clear that central funding cuts of local councils will continue. The Council is therefore committed to delivering its own services more effectively in the light of these planned reductions.

The Council continues to track national events, quantifying local impact and taking early action to manage the impact. The objective is to put the Council in the best possible position to deal with the financial and other challenges it faces whilst still protecting the most vulnerable members of the community. It is important that the issues and the scale of the financial position are understood and the Council is committed to finding solutions and options. The Financial Strategy sets out the current financial position, the challenges and uncertainties faced by the Council, and

the principles to be used to address the issues identified and the actions required, whilst adhering to the key financial principles.

The 5 year Financial Model is a medium term forecast of the financial position of the Council that has been updated to reflect current assumptions; future Government funding, council tax projections, as well as projected costs and previous planned efficiencies. It also contains the proposed three year programme of efficiency savings to be adopted to address the budget deficit as a result of the Covid-19 impact. It will be necessary to use reserves to help balance the budget over the medium term whilst the efficiencies and policy options under the Future Services Framework are implemented over a three year period.

The Financial Impact of COVID report to July 2020 Council estimated a draw against reserves for the current year of over £8m. Since then the Government have introduced a compensation scheme for Councils that have lost income from sales, fees and charges as well as other funding allocations. The model forecast that just over £3m was required from reserves for 2021-22, and £8m in total over the 5 year planning period provided that the efficiency savings identified are delivered, and subject to all the uncertainties that remain within the model. However, following Government in year support due to the pandemic, the Council ended the year with a £1.635m surplus; further information is available in the Council's Statutory Annual Accounts.

The Fair Funding Review and the localisation of Business Rates have again been delayed by the Government until the financial settlement for 2023-24. The Government announced that the localisation of Business Rates will now not take place. The continued delay in resetting the Baseline for Business Rates is good news, as the Council continues to benefit from the growth achieved so far. The anticipated impact of the Baseline reset is that the Council will retain approximately £1.5m less per annum when this funding regime change takes place, with the next revaluation scheduled now for 2023.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

The Council is responsible for reviewing the effectiveness of its governance framework. The review of the effectiveness is undertaken by the work of the Corporate Management Team (which is the Strategic Leadership Team (SLT) and Divisional Managers) who have responsibility for the development and maintenance of the governance environment. The Internal Audit & Corporate Investigations Manager's annual report and comments made by the External Auditor also adds to the effectiveness of the governance framework at the Council.

The Council adopted a Constitution to ensure it is efficient, transparent and accountable to local people. Some of these processes are required by law; others are based on decisions made by the Council. It is the responsibility of the Council's

Monitoring Officer to review the Constitution as and when required to ensure that it continues to operate effectively.

The performance of key projects by exception is undertaken by SLT and Cabinet Members. Financial Monitoring is also undertaken throughout the year and is reported to Members, and as part of the transparency agenda is available on the Council's website, and where necessary action can be taken where appropriate.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Recruitment and Induction

The Council operates a thorough interview and selection process to ensure that Officers are only appointed if they have the right level of skills and experience to effectively fulfil their role. If working with vulnerable adults they will be subject to an enhanced DBS check prior to appointment. New officers once appointed must attend an induction with HR which cover things such as Staff Handbook, Safeguarding and Health & Safety to name but a few. All members are invited to attend a comprehensive induction training session. This would range from general housekeeping issues to Constitutional and Executive Issues to Safeguarding to Finance & Budgets. Where a Councillor is appointed a member of a committee specific training is given relating to that Committee.

Training & Development

Officers are required to complete a number of mandatory e-learning courses including health & safety equalities and diversity and information governance. Compulsory training is provided for members who sit on committees. Other training is available to Councillors through Democratic Services.

F. Managing Risks and performance through robust internal control and strong financial management

Risk Management

The Council has a Risk Management Strategy and Policy. The Strategic Risk Group (SRG) reviews the strategic and programme board and updates risk registers annually and the high scoring organisational risk register bi-annually. The Group's membership is drawn equally from the Cabinet and the Corporate Governance & Audit Committee. The outcomes of the reviews are reported to the Corporate Governance & Audit Committee. The SRG meet twice a year. The Strategic Leadership Team meets on a quarterly basis to discuss new and emerging risks.

Performance Management

Projects and performance indicators are set out each year in Service Plans. This process is led by Divisional Managers, with sign off by Directors and Cabinet

Members. All content from Service Plans is loaded onto performance management software Pentana, from where it can be monitored and reported on. The Service Planning process allows for review of current projects and performance indicators as well as identification of new ones.

Divisional Managers all have access to reports for their section from Pentana. These show current progress on projects and current performance on performance indicators. Reports are available for monitoring content relevant to the various programme boards and these are reported at their meetings as required.

In addition, reports on certain key performance indicators are generated quarterly from Pentana and published on the Council's website

(<http://www.chichester.gov.uk/corporateplan>).

A half-yearly progress report on key projects relevant to the Corporate Plan is also reported from Pentana and taken to Overview and Scrutiny Committee (OSC), generally in November.

The Corporate Improvement Team also puts together the Council's Annual Report – an overview of work on key projects and performance on performance indicators looking back over the previous year and some key items identified for next year. This is reported to Cabinet, annually in July and is informed by content from Pentana, supplemented by information from Services.

The Council publishes the Annual report which details the Council's achievement which can be found on the Council's website

(<http://www.chichester.gov.uk/annualreport>).

Financial Management

The S151 Officer is responsible for the delivery of good financial management. This Officer is responsible for ensuring that:

- That public money is safeguarded at all time.
- Budgets are robust and agreed in advance.
- Value for money is provided by services.
- That the finance function is fit for purpose.
- The key financial assumptions and financial risks that the Council face are identified.

The S151 Officer advises on financial matters to both Cabinet and full Council and is involved in ensuring that the authority's strategic objectives are delivered in line with long term financial goals. The S151 Officer together with finance staff ensure that new policies or service proposals are accompanied by a full financial appraisal and are fully funded.

The S151 officer has a statutory duty to report any unlawful financial activity or failure to set or keep to a balanced budget. He also has a number of statutory

powers in order to allow this role to be carried out, such as the right to insist that the council makes sufficient financial provision for the cost of Internal Audit.

The council's financial management arrangements conform to the governments requirements of the CIPFA Statement on "The role of the chief financial officer in Local Government (2010). The Director of Corporate Services (Chief Financial Officer and S151) works with the Chief Executive and CMT helping to develop and implement strategy and deliver the strategic objectives.

The Director of Corporate Services has an input into all major decisions, and advises on financial matters to the Cabinet.

In response to the Covid 19 pandemic changes were made to decision making and financial regulations before the end of the financial year to ensure that the Council continued to run smoothly whilst maintaining the appropriate level of control.

Data Management

Following the introduction of General Data Protection Regulations the council has tested compliance against these regulations. The council has a designated data protection officer (Divisional Manager Democratic Services Nicholas Bennett) and clear and established processes for ensuring data is handled appropriately. There is regular reporting to the Corporate Governance & Audit Committee on matters of information governance.

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

Transparency

The Council and its decisions are open to the residents of the District, service users, partners and its staff. The Council has a number of formal committees these can covers the right of councillors and public to ask questions, also a Committee to look at councillor's conduct.

Transparency can be found in processes that govern how the Council operates and also the formal roles that are held by officers and Councillors.

The Freedom of Information Act (FOI) gives anyone the right to ask information held by a public authority, which includes Chichester District Council, subject only to the need to preserve confidentially in those specific circumstances where it is proper and appropriate to do so.

All reports that require a decision are considered by the relevant department with expertise in the particular function, also the Director of Corporate Services and the Divisional Manager for Democratic Services including Legal before they are sent to the relevant committee. Equality impact assessments are carried out on all major services, functions, projects, and policies to understand whether they impact on people who are protected under the Equality Act 2010 in order to influence decision making. An annual Equality Report is produced is produced in July of each year.

Effective Scrutiny

The Council operates a number of Tasks and Finish groups which are established by the Overview and Scrutiny Committee which gives each Group its Terms of Reference. Topics which are chosen to be scrutinised are looked at in depth by a cross party panel of Councillors. They assess how the Council is performing in that particular area and whether improvements can be made, and where a service is being scrutinised whether they are providing the best possible, cost effective service for people of the District. Cabinet can establish task and finish groups that report to it. Four thematic panels have been set up following the COVID recovery report namely Community & Housing Recovery, Economic Recovery, Planning Health & Environmental Protection Recovery and Organisational Recovery.

Effectiveness of Governance Arrangements

The Council's governance framework includes decision-making processes that are set out in the Council's Constitution; this is continually being reviewed together with the rules.

Procedures are in place for maintaining and reviewing the effectiveness of the Council's governance arrangements throughout the year, these include the following:

- **Elected Members** – Make decisions in accordance with the Constitution and in accordance with the aims and objectives of the Council.
- **Overview and Scrutiny Committee** – Has the ability to scrutinise decisions made and maintains an overview of Council activities.
- **Standards Committee** – Meet to consider any complaints against Councillors and to review policies and procedures for maintaining high ethical standards.
- **Internal Audit Section** - Has a four year audit plan which is flexible and enables internal audit to respond to changing risks and priorities of the organisation.
- **Corporate Governance & Audit Committee** – Reviews, monitors and scrutinises governance arrangements and finances of the Council, and also discusses the findings of audit reports and any other issues that relate to governance and risk management.
- **Corporate Management Team** – Review and update governance arrangements, identify and review new and emerging risks and review existing risks.
- **Strategic Risk Group** – Regularly reviews, updates and reports on the Risk Registers.
- **Internal Audit Annual Report & Opinion** – This will be presented to the Corporate Governance & Audit Committee on the 6th June 2022 in conjunction with this document which contains an assurance statement regarding internal control.
- **Divisional Manager - Democratic Services (Monitoring Officer)** - Ensures that the Council's operations are carried out lawfully.

Conclusion

Whilst the impact of the COVID 19 pandemic has proved challenging for the Council with remote working, impact on staff and working remotely also changes to decision making and financial regulations our opinion that Corporate Governance, along with supporting controls and procedures, remain very strong within the Council.

Ref	Governance Issues	Source	Action taken	Responsible Officer	Timescale
1	Southern Gateway Regeneration	Risk Management	COVID 19 is continuing to have an impact on the market viability of the scheme, although agents are now reporting improvements to some market sectors. Due to this and the decision by HMCTS to use the court buildings as Nightingale courts our selected developer has withdrawn from the project. Full Council in December 2021 reconfirmed its commitment to the Southern Gateway Project and work continues on land assembly for the Bus Station and Bus Depot sites. WSCC are progressing the demolition of the Old School buildings and are undertaking a feasibility study with the Sussex Community Foundation Trust and Coastal Commissioning Group for the development of a community health hub on this site. The Police Authority has also marketed the old Police Field site for disposal site. The LEP Coast to capital has agreed and extension to the grant funding until 2025 with the outcomes to be delivered by 2027.	Director of Growth & Place	On-going
2	Financial Resilience	Risk Management	The Financial Strategy and 5 Year Financial Model helps the Council to manage the strategic risk of financial resilience. The model is reviewed by both the Strategic Leadership Team (SLT) and members in year as part of the annual budget cycle preparation; especially as there remains a great deal of uncertainty over the medium term, including future changes in local government funding and the impact on the economy from the global pandemic. To achieve a balanced budget for 2021/22 required a £2.09m contribution from reserves. The model also reflects the efficiency savings to be achieved over the next 3 years as part of the Council's	Director of Corporate Services	On-going

			<p>Recovery Plan under the Future Services Framework; current forecasts for 2021-22 is that savings of just under £1m will be achieved against the budget target of £749k. This is good news, but the savings to be achieved in year's 2 and 3 may be more challenging and difficult, which is why the model only reflects 75% of the savings or income opportunities forecast to mitigate some of the risk in the targets set. The 5 year Model has been updated for the 2022-23 budget preparation to reflect known inflationary and other cost pressures, as well as the potential impact of Government policy requirements under the Environmental Bill; which has yet to fully clarify the expectations of local authorities regarding food waste and garden waste services. Based on the assumptions made in the latest update of the model this shows that there is still a potential funding gap over the medium term that SLT and members will need to address.</p> <p>The Fair Funding review has again been delayed, and recently the Localisation of Business rates scheme has been withdrawn from the Government's review programme. It appears that the Government is intending to provide a multi-year funding settlement for the period 2022-23 to 2024-25, which will aid strategic financial planning and has also recently announced that the Baseline reset for the Retained Business Rates Scheme will take place in 2023, thereby removing the growth built up since the last reset in 2017. The Council's programme remains affordable and fully funded without the need to borrow, and reserves are adequate.</p>		
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3	Business Continuity	Risk Management	<p>There are different threats that can create a business continuity incident - this assessment considers the key threats but has to summarise our overall level of risk. Whilst the internal controls are good for business continuity management, the risk score remains fairly high due to the likelihood being probable. We are currently in a business continuity incident with the Covid-19 pandemic. Due to managing the impact well, by the measures we have in place, it is considered moderate rather than substantial. The risk of a concurrent event, e.g. a cyber-attack is again probable. This is because CDC, like many large organisations, continually fights against potential attacks on our IT systems. We have good mitigation against cyber-attacks; however there remains a risk due to the frequency of attempted attacks and the changing nature of cyber threats. Physical mitigation controls against loss of IT or building/s are good and would be 'unlikely' and therefore less of a risk. Project to create and commission our new duplicate server facility has now moved into the final construction phase. Delayed due to impacts of COVID-19, progress has been made albeit at a slower pace than originally anticipated. Since the last quarter the IT team has begun actively backing up data to the new off-site servers. Though still in test, EPH server data is now replicating every 20 minutes. Both installations of a resilient internet link (to/from Depot site) and a UPS (power savers) to protect against electricity failures to the servers have been completed. The IT has now entered the final stages of configuration ahead of a full test and process development cycle. Once fully functioning, the off-site IT disaster recovery will significantly improve</p>	Director of Planning & Environment	On-going
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			<p>the Council's ability to recover from a business interruption involving loss of IT.</p> <p>The BIA (Business Impact Assessment) continues to be refreshed annually by SLT – this was last refreshed in September 2020. BC plans continue to be refreshed on a 6-monthly basis – the last programmed refresh took place in April 2021.</p> <p>A report by the ICT Manager has been taken to the Corporate Governance & Audit Committee which outlines the threats that the Council faces going forward and the action which is being.</p>		
4	Cyber Risk Attack Across ICT Estate	Risk Management	<p>Currently in the process of re assessment of our PSN accreditation. Project to create and commission our new duplicate server facility moving into the final construction phase. Delayed due to impacts of COVID-19, we are now actively backing up off-site server data hourly. We have completed both installations of a resilient internet link (to/from Depot site) and a UPS (power savers) to protect against electricity failures to the servers. We have now entered the final stages of configuration ahead of a full test and process development cycle. Plans are in place to conclude this by end Q2 beginning Q3.</p>	Director of Corporate Services	On-going
5	Local Plan	Risk Management	<p>Following the adoption of the new timetable in September work has progressed to consider key infrastructure. The key elements of the Plan are dependent upon external parties and hence the risk associated with remaining to that timetable remains high.</p>	Director of Planning & Environment	On-going

6	Changing use of High Street in City and Rural Towns	Risk Management	Work is underway with the rural towns and the city to support delivery of a Vision for the areas which will assist with the sustainability of the high streets. Whilst the vision action plans do seek to restrict the impact of pressures on the high street and also encourage a number of projects with partners, there are still a number of pressures which are outside of the control of the partners and the national picture reflects a changing scene. If the use of the high street reduces, this directly impacts CDC through a continued reduction in parking income, potential increased pressures on services which provide support in the city and towns and a reduction in the positive impression of the area for visitors and residents which may affect inward investment.	Director of Growth & Place	On-going
7	Increase Homelessness Service Demand due to COVID Impact	Risk Management	This is a new strategic risk. This was identified in the 2021-2022 Housing Service Plan and has been agreed by SLT.	Director of Housing & Communities	On-going
8	Skills, Capability, Capacity	Risk Management	Increased use of premia payments (market supplements) for those areas with long term establishment recruitment issues and the use of relocation package has aided recruitment for some service areas.	Director of Corporate Services	On-going
9	COVID - 19 (Coronavirus)	Risk Management	BC plans were fully invoked by all services across the Council. The majority of staff have been able to work from home and we have maintained normal access to council services for the public, with the exception of face-to-face contact where the reception area remains closed to restrict access other than in an emergency or exceptional circumstances. Works have taken place in EPH	Director of Planning & Environment	On-going

			customer services centre (reception) to create a self-service facility, backed-up with contact centre staff support. This is expected to open shortly after 21st June. Whilst we had seen a significant reduction in the number of cases and hospitalisations there is currently concern about the Delta (Indian) variant of the virus. Case numbers of the variant are currently increasing and hospitalisations are slowly on the increase. Vaccinations are believed to be preventing the severity of illness currently but this continues to be the subject of close monitoring. There continues to be a threat of localised outbreaks. All members of staff are able to obtain Lateral Flow Device (LFD) rapid tests as they are widely available to members of the public. Information on where to obtain the tests has been provided to staff and they have been encouraged to make use of the testing, which is recommended twice weekly.		
7	Credit Cards	Internal Audit	A series of actions have been agreed in response to this audit.	Divisional Manager for Financial Services	On-going reporting through an audit follow-up report.
8	Destruction of IT Equipment	Internal Audit	A series of actions have been agreed in response to this audit.	Divisional Manager for Business Support	On-going reporting through an audit follow-up report.
9	Creditors	Internal Audit	A series of actions have been agreed in response to this audit.	Divisional Manager for Financial Services	On-going reporting through an audit follow-up report.

10	Travel & Subsistence – Follow Up	Internal Audit	A series of action have been agreed in response to this audit.	Divisional Manager for Business Support	On-going reporting through a further audit follow-up report.
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Internal Audit and Corporate Investigations

Annual Report 2020/2021

1 Introduction

1.1 The main purpose of this report is as follows:

- To summarise the effectiveness of Internal Audit
- Comment on the work undertaken by Internal Audit during the year
- Provide management and members with an opinion on the adequacy and effectiveness of the Council's arrangements; risk management and systems of internal control.

2 Audit Planning

2.1 The Internal Audit Section works on a four-year strategic audit plan; this is produced following consultation with the Director of Corporate Services/S. 151 Officer and the Divisional Manager for Financial Services (Deputy S.151) and is approved by the Corporate Governance & Audit Committee. The Plan is prepared where possible using a risk-based assessment which can be linked to the Council's Corporate Risk Register and is designed to review all the major areas and systems on a cyclical basis. Suggestions are also made by Divisional Managers. Any areas and systems considered to be fundamental to the Council's operations are reviewed annually.

2.2 The Annual Audit Plan for 2020/2021 represented the first year, of a four year plan. Each of the audits is undertaken on an operational risk-based approach following discussions with the Divisional Managers/Departments.

2.3 The Annual Internal Audit Plan is a live document and is updated with emerging risks as and when required. Any changes to this plan are reported to the Corporate Governance and Audit Committee.

3 Staffing

3.1 During 2020-21 the Internal Audit Section operated on 2.25 fte's of audit staff, also 2.5 fte's Corporate Investigations staff. All Auditors have the requisite experience to effectively fulfil their responsibilities and execute duties to the required professional standard under PSIAS (Public Sector Internal Audit Standards).

3.2 Corporate Investigations is part of the Internal Audit team and the Corporate Investigations Officer (CIO) is responsible for investigating and reporting on, any offences against or within the council. An Annual Report is taken to Corporate

Governance & Audit Committee which details the work undertaken by the Corporate Investigations Team during the 2020-2021 financial year.

3.3 Internal Audit is responsible for reviewing the internal controls annually to give assurance to those charged with governance that the control environment within the Council is robust and regularly reviewed by both Internal and External Audit.

4 Performance against the Internal Audit Plan

4.1 The Internal Audit Section completed the following Audits /Reviews during 2020/2021:

Completed Planned Audits

- Community Safety
- Usage of Corporate Credit Cards
- Renewal of DBS checks
- Destruction of old Laptops
- Asset Management
- Cash & Bank
- Council Tax
- Creditors
- Debtors
- Housing Benefits
- NNDR
- Payroll
- Treasury Management
- Recruitment & Selection
- Travel & Subsistence

Key Financial Systems (reviewed annually)

- Bank Reconciliation (Cash and Bank)
- Creditors
- Council Tax
- Debtors
- Housing Benefit
- NDR
- Payroll
- Treasury Management
- Fixed Asset Register

4.2 The Audit Section undertook annual testing on all the Key Financial Systems; that is the main financial systems that feed into the Council's statutory financial statements, to identify and ensure that the appropriate levels of internal control were in place. In addition, there are a few controls which are tested by Internal Audit that are based upon agreed criteria with the External Auditors, Ernst and Young.

4.3 In addition to the planned work, Internal Audit continues to respond to requests by the Council's services and departments, where and when advice and assistance is

required, whilst remaining impartial. A number of minor issues were addressed by Internal Audit during the year.

Planned Reviews not completed

- 4.4 During 2020/2021, five audits from the original audit plan were not undertaken and were deferred due to re-deployment assisting with the issuing of COVID Business Support grants, and staff absences, however they will be completed during 2021/2022.

5 Reporting

- 5.1 All internal audit reports were reviewed by the Internal Audit & Corporate Investigations Manager prior to publication and being reported to the Corporate Governance & Audit Committee, which met six times in 2020-21. A report showing progress against the audit plan is also taken to each Corporate Governance and Audit Committee meeting.
- 5.2 A number of recommendations were raised and reported on during 2020-21, all of which had been agreed by management and then reported to Corporate Governance & Audit Committee. Several follow up reviews were also carried out during the year; to ascertain whether the recommendations made, had been implemented and deadlines met. Where recommendations were not implemented, they were brought to the attention of the Corporate Governance & Audit Committee as part of the follow-up process. During 2020/2021 all recommendations made had been agreed by management.

6 Opinion on the Control Environment

- 6.1 Based upon the Internal Audit work undertaken during the year 2020-21, the overall opinion is that 'satisfactory' assurance can be given, and generally that there is a sound system of internal control.

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Chichester District Council

Overview and Scrutiny Committee Annual Report 2021-22

Introduction from the Chairman

Although I took over the Chairmanship of Overview and Scrutiny in September, this report covers meetings of the Committee starting in June 2021. I first want to thank Councillor Adrian Moss for his brilliant period as Chair. He did an amazing amount of work for this Committee and achieved many positive actions. Thanks should go to all the Committee and particularly Councillor Tracie Bangert as Vice Chair. I would like to acknowledge Carley's work who sadly has left us. We welcome Ed who is already doing great things. Finally, thanks to the Officers who help and advise us.

I would like to draw attention to the Overview and Scrutiny Committee Workshop held on 7 April 2022. This was a face to face meeting where members of the Committee and the officers reflected on the O and S performance during 2021 – 2022. The second item was a discussion on Overview and Scrutiny involvement in the Council's service delivery and budget review processes in 2022-2023.

In December Mrs. Rudziak, Ms. Lavender and myself as Committee Chair went to the AGM of the National Council for Scrutiny and Governance held in London. This was a very helpful meeting to see how Overview and Scrutiny is done in councils all over the country. It was very apparent how important and full of impact Scrutiny is especially where councils are running a Cabinet system. As Chair I would recommend all those who are on Scrutiny Committees to try and attend one of these meetings.

As you will see in this report, we have covered many and varied subjects. As Chair I felt some were more successful than others but that is the nature of the subject.

Now we are post Covid, there will be a great deal to do in this coming year.

Once again, thank you to members and officers for all that has been and continues to be achieved.

Clare Apel, Chair of Overview and Scrutiny

The Role of Scrutiny

The Local Government Association explains that the 'principal power of a scrutiny committee is to influence the policies and decisions made by the Council and other organisations involved in delivering public services.' In essence the Overview and Scrutiny Committee is vital as a voice of the community and must be responsive to the concerns of the public. Public confidence in politics and transparency is strengthened when people see Members scrutinising what matters to them.

Scrutiny, therefore, acts as a 'counterweight' to the powers of the executive, representing the way in which non-executive Members of the Council can hold Cabinet to account.

Whilst Scrutiny does not engage in policy formulation, it has an important role in reviewing existing Council policy and decisions. The Committee has the power to ask for a decision, taken by the Cabinet, to be reconsidered before it is implemented. This is called a 'call-in'.

The Committee has no 'formal power to compel anyone to make changes. As such, it benefits from maintaining a positive relationship with the Cabinet, increasing its 'soft' power to influence decisions and encouraging the executive to implement recommendations.

The Committee may require any Member of the Cabinet, any Chief Officer, and /or any divisional manager to attend before it to explain a decision in relation to matters within their remit. Other public sector or public service officials, external partners and/or residents and stakeholders may also be invited to address the Committee, discuss issues of local concern and/or answer questions. Recommendations may be made to the Cabinet or directly to Council. In scrutinising an external partner or partnership, the recommendations may be made directly to that body.

Members Training

Cllr Apel and Mrs Rudziak attended the Centre for Governance and Scrutiny Conference in December 2021.

Members and Officers found the conference extremely beneficial. It was felt that the conference served to reiterate the importance of effective scrutiny. It was emphasised that scrutiny needs to happen at the right time, before final decisions are taken, and be responsive to any public concerns which might arise. Furthermore, that Scrutiny is at its most effective when it focuses on one or two key issues in depth, maintaining a targeted work programme.

The Impact and Influence of Scrutiny

There have been no Call-ins this year.

A number of recommendations were made to Cabinet. Of the 9 recommendations, 9 were taken forward. 3 were taken on and agreed by Council.

The Committee can request a special meeting to be set up if it is felt that one topic would benefit from the in-depth scrutiny a single item meeting can offer.

Key Areas of Work and Outcomes/Achievements

Areas of focus	Outcomes-achievements
<p>Covid-19 Recovery Plan and Future Services Framework</p> <p>Diane Shepherd</p>	<p>The Committee received quarterly reports on the Covid-19 Recovery Plan and the thematic work streams;</p> <ul style="list-style-type: none"> - <i>Community & Housing Recovery;</i> - <i>Economic Recovery; Planning,</i> - <i>Health and Environmental Protection Recovery;</i> - <i>Organisational Recovery; Future Services Framework; Governance,</i> <p>The Future Services Framework determined the types and levels of services to be provided from 2022-23.</p> <p>The Committee noted the progress on the recovery action plans, the efficiency review and the Future Services Framework.</p> <p>That Committee also noted that the Housing and Community; the Planning, Health and Environmental Protection; and the Organisational Recovery Groups had completed most of their actions and as such should be discontinued.</p> <p>The Committee recommended to Cabinet the formation of an Economic Development Panel and that the Cabinet recommended to Council that the Local Council Tax Support grant of £160k for additional Hardship payments be reallocated towards the Council's budget deficit 21/22.</p> <p>The Committee expressed its thanks to all the officers at Chichester District Council for their outstanding work carried out during these unforeseen times. The Chairman also expressed thanks to all Members for their work during the pandemic.</p>
<p>Budget Amendment: March 2021 Council Minute 82</p> <p>(15th June 2021 – Minute Item 15)</p> <p>J Hotchkiss, Director Growth & Place</p>	<p>The Committee received a report on a motion tabled at March 2021 Council by Cllr Moss. The motion was titled 2021-2022 Budget amendment regeneration and economic recovery. Following discussions with Cllr Dignum and Cllr Sharp, Cllr Moss amended his original motion. The Committee received reports on each topic listed within the motion including Inward Investment and Place Branding.</p> <p>The Committee noted the amended motion presented to March 2021 Council and Council minute 82.</p> <p>The Committee noted the work to date and planned work by the Economic Development and Place Services relevant to the items listed within the motion.</p> <p>The Committee then recommended to Cabinet that a comprehensive Place Branding and District Identity Plan that includes Place, Business, the built and natural environment and Community be produced by a specialist company for the District as soon as possible in 2021-2022.</p>

<p>Communications Strategy 2021-2026</p> <p>(15th June 2021 – Minute Item 16)</p> <p>S Parker, Communications Manager</p>	<p>The Committee reviewed the draft Communications and Digital Strategy 2021 – 2026.</p>
<p>Chichester Business Improvement District Renewal</p> <p>(15th June 2021 – Minute Item 17)</p> <p>T Murphy, Divisional Manager - Place</p>	<p>Mr Derek Marsh, the Chairman of Chichester Business Improvement District (BID) and Ms Helen Marsh, the Vice-chair and Chief Executive of the Chichester BID, along with Mrs Tania Murphy, presented a report to the Committee.</p> <p>The Committee were informed that in addition to essential services provided by the BID such as of the new initiatives being promoted to support local businesses;</p> <ul style="list-style-type: none"> - Building stronger and proactive collaborations/relationships within the city - More active in driving footfall, and keeping Chichester as a key destination city - Support entrepreneurialism and nurture new business in the city. - Support the look and feel of the public realm <p>The Committee resolved to welcome the new initiatives being introduced by BID and recommended to Cabinet that the Council continues to work in partnership with the BID and to support the 'Renewal Business Proposal'. The Committee specifically raised the following points:</p> <ul style="list-style-type: none"> • The night-time economy for all residents • Encourage independent shops • Support innovative markets • Work with the University and College
<p>GP provision in Chichester</p> <p>(14th Sept. 2021 – Minute Item)</p>	<p>The Committee invited Simon Clavell-Bate, Head of Estates from West Sussex Clinical Commissioning Group and Dr S Mtharu of Parklands Surgery.</p> <p>The Chairman thanked Mr Clavell-Bate for his attendance, and expressed her dissatisfaction that Dr Mtharu was not present.</p> <p>Mr Clavell-Bate provided members with a presentation where he highlighted the current situation, the difference between a commissioner (CCG) and a provider (GP), Estate Overview, ICS Primary Care Strategy and West Sussex summary and Strategic Planning.</p> <p>Members were invited to put their pre-submitted question to Mr Clavell-Bate.</p> <p>Key areas of discussion and concern were:</p> <ul style="list-style-type: none"> -The difficulties faced by many constituents in obtaining an appointment with their GP. - Surgery accessibility, in particular parking availability at Langley House and Cathedral surgeries.

	<p>-GP provision and increased need during peak seasons, particularly in The Witterings.</p> <p>Members remain concerned about many of these issues, which were discussed further at the Annual Workshop.</p>
<p>Corporate Plan 2022 – 2025 (16th Nov. 2021 - Minute Item 37)</p> <p>A Buckley, Corporate Improvement & Facilities Manager</p>	<p>The Committee reviewed the draft Corporate Plan 2022-2025 and recommended to Cabinet that the Corporate Plan success measures include safe jobs, in that the Council promote green jobs in the sectors of renewable retrofitting and the circular economy.</p>
<p>Chichester Festival Theatre Monitoring Report (16th Nov. 2021 – Minute Item 39)</p> <p>S Peyman, Divisional Manager Growth & Place Services</p>	<p>The Committee received and noted the annual report from Chichester Festival Theatre and assessed performance against the monitoring framework. Mrs Peyman introduced the report, Kathy Bourne and Georgina Rae from Chichester Festival theatre also attended the meeting to assist in answering questions.</p>
<p>Pallant House Gallery Monitoring Report (November 16 2021 – Minute Item 40)</p> <p>S Peyman, Divisional Manager Growth & Place Services</p>	<p>The Committee received and noted the annual report from Pallant House Gallery and assessed performance against the monitoring framework. Mrs Peyman gave an introduction before inviting Mr Martin to provide a more detailed report.</p>
<p>Leisure Services Performance Review (November 16 2021 – Minute Item 43)</p> <p>S Peyman, Divisional Manager Growth & Place Services</p>	<p>The Committee received and noted the annual report from Everyone Active (Sport and Leisure Management Ltd). Mrs Peyman introduced Mr Mills from Everyone Active who presented the report to Committee.</p>
<p>Chief Inspector Carter - Sussex Police (18th Jan. 2022)</p>	<p>The Chairman welcome Police Chief Inspector Carter to the meeting. CI Carter addressed the Committee on a range of issues including:</p> <ul style="list-style-type: none"> -Neighbourhood policing teams -the role of PCSOs -Police numbers -Speeding and the inappropriate use of vehicles (confirming that Sussex Police had issued 8716 tickers or summonses).

	<p>CI Carter responded to Public Questions on speed limits, e-scooters and the Medicinal Cannabis Bill.</p> <p>Questions from Members raised issues relating to Police communications, Speed Watch groups and domestic abuse.</p> <p>It was noted that CI Carter was shortly to be leaving his role.</p> <p>In the subsequent Annual Workshop Members expressed a desire to invite the new Chief Inspector as a matter of urgency.</p>
<p>Future Services Framework (18th Jan 2022 – Minute Item 54) A Buckley, Corporate Improvement & Facilities Manager</p>	<p>The Committee received a Part 2 report and were invited the note the outcome and subsequent recommendations from the Future Services Framework exercise which were considered by Cabinet and then Council.</p>
<p>Planning Enforcement Ms S Archer</p>	<p>Mrs Archer presented a report on Planning Enforcement. Members were advised that the visibility and accessibility of Enforcement and a potential update to policy would form part of the upcoming Service Plan Projects.</p> <p>The Committee expressed considerable concerns regarding several ongoing Enforcement cases, relating particularly to Gypsy and Traveller Communities.</p> <p>Resolved;</p> <ol style="list-style-type: none"> 1. That the Committee notes the operation of the planning enforcement process. 2. That the Committee notes that : (a) There are a substantial number of enforcement investigations into unauthorised developments and notes that policy I this area will shortly be reported upon and; (b) Requests that any upcoming related reviews include express focus of greater transparency in planning enforcement.
<p>Scope for East Pallant House Options Appraisal Mr J Mildred</p>	<p>Mr Mildred explained that as a result of the COVID-19 pandemic, working circumstances had changed significantly at the Council. Most employees now operate under a 'hybrid' system of working between home and the office.</p> <p>Mr Mildred confirmed that external reports were to be undertaken to provide the Council with a full scope of options moving forward. Members of the Committee expressed a desire to be updated at any significant milestones throughout this process, especially before referring any decisions to Cabinet.</p> <p>The Committee felt that the establishment of a new Task and Finish Group would be the best way to achieve continued Member involvement. A recommendation to Cabinet was proposed, carried and the terms of reference and Membership of the new T&FG were agreed at the subsequent Cabinet meeting on 3 May 2022.</p>

	<p>The Committee also recommended that Cabinet agree up to £20,000 from reserves to fund a third party to undertake the detailed valuation exercise to inform the options appraisal. This was agreed at the Cabinet meeting on 3 May 2022.</p>
<p>Development of Barnfield Drive - Post Project Evaluation Mrs V McKay</p>	<p>Mrs McKay presented a report updating the Committee on the development of Council Land at Barnfield Drive including clarification of the financial details.</p> <p>The report noted that the development had seen additional business investment in the area and had contributed to the creation of local jobs.</p> <p>Members commented that the site could benefit from more landscaping, and in a written response to questions Mrs McKay confirmed that a linear parkway had formed part of the original development plans.</p>

Other Areas of Concern for OSC

The Committee plans to consider the following areas at future meetings:

- Southern Water
- Chichester Harbour
- Crime including wildlife crime
- PCSO's and Wardens
-

Task and Finish Groups

Corporate Plan Task and Finish Group

At the 14 September 2021 Committee the Corporate Plan Review Task and Finish Group membership was agreed as:

Cllr Palmer (Chair)
Cllr Moss
Cllr Purnell

At the 16 November 2021 Committee the report from the Corporate Plan Task was noted. It confirmed that the Group was satisfied that the Council had been achieving satisfactory levels of performance against the targets and activities in the 2021/22 Corporate Plan mid-year progress report.

Budget Task and Finish Group

At the 16 November 2021 Committee the Budget Task and Finish Group membership was agreed as follows:

Cllr Apel (Chair)
Cllr Barrett
Cllr Potter

Affordable Housing Task and Finish Group

At the 18 January 2022 Committee the Affordable Housing Task and Finish Group membership was agreed as follows:

Cllr Bangert (Chair)
Cllr Graves
Cllr Lishman
Cllr Purnell

Joint Scrutiny

Cllr Apel remains the council's representative on the West Sussex Joint Scrutiny Steering Group which brings together Scrutiny Chairs across West Sussex districts and boroughs.

Cllr Bangert remains the council's representative on the West Sussex County Council Health and Adult Social Care Select Committee (HASC). The Council can submit concerns regarding any health issue to the HASC for consideration via its Business Planning Group which meets quarterly.

Mrs. Bushby, Divisional Manager for Communities and Customer Service, has been in contact with Officers at West Sussex County Council to discuss the possibility of a joint Scrutiny meeting.

OSC WORK PROGRAMME 2022-2023

Issue	OSC's role in this review	Lead Officer
21 June 2022		
Members Questions to Sussex Police Chief Inspector Nick Bowman	Q&A	
The Leader of The Council, Cllr E Lintill, to provide statement on Future Services Framework and Levelling Up Fund	Verbal Update	
Novium TFG	Verbal update	J Hotchkiss
OSC 2021-22 Annual Report and 2022-23 Work programme	Monitoring & review	C Apel & Member Services
20 September 2022		
Corporate Plan Review TFG Terms of Reference and membership	Corporate priority Monitoring & review	A Buckley
Asset Management – Council's built and land assets	Monitoring & review	V McKay
Leisure Contract Performance (may go to Economic Panel)	Monitoring & review	S Peyman
Efficiency programme	Monitoring & review	A Buckley
Work Programme 2022/23	Monitoring & review	L Rudziak
15 November 2022		
Budget Review TFG Terms of Reference	Monitoring & review	H Belenger
Chichester Festival Theatre Annual report (may go to Economic Panel or Grants & Concessions)	Monitoring & review	S Peyman
Pallant House Gallery (may go to Economic Panel or Grants & Concessions)	Monitoring & review	S Peyman
Corporate Plan Review TFG – final report	Corporate priority Monitoring & review	A Buckley
TFG Affordable Housing – final report	Corporate priority	K Standing
Chichester BID	Monitoring & review	T Murphy

Issue	OSC's role in this review	Lead Officer
Work Programme 2022/23	Monitoring & review	L Rudziak
17 January 2023		
Budget Review TFG – Final Report	Corporate priority Monitoring & review	J Ward
Stock condition survey for Council owned buildings	Monitoring & review	V McKay
Coastal Partnership update	Monitoring & review	A Stevens
Work Programme 2022/23	Monitoring & review	L Rudziak
14 March 2023		
Efficiency programme	Monitoring & review	A Buckley
Social prescribing update inc. young persons social prescribing	Monitoring & review	E Thomas

Work Programme Notes:

- Southern Water to be invited before the Committee either in September, or as the subject of a Special Meeting
- Southern Gateway Project to be discussed by the Committee as and when appropriate

Motion to Full Council on 19 July 2022 from Cllr Jonathan Brown:

Following the withdrawal of Southbourne's Neighbourhood Plan Review from examination, and with only a marginal 5 Year Housing Land Supply, Chichester District Councillors are deeply concerned at the prospect of unplanned development being permitted in Southbourne Parish.

Councillors believe that all parts of the District should be treated equally and fairly within the Local Plan Review (LPR) and that Southbourne should not – alone among the Parishes in the Development Plan area – be identified as a 'Broad Location for Development'. Rather, this Council resolves to progress a strategic allocation for development at Southbourne within the LPR.

To avoid unnecessary delay to the LPR, work on this allocation should take place in parallel with other work on the LPR wherever possible and should seek to incorporate, update and reconsult on the Neighbourhood Plan evidence base wherever appropriate. Whichever location or locations may ultimately be selected for development, this should maximise the chances of any and all development in Southbourne over the life of the fifteen-year LPR being properly master planned.

While the Development Plan and Infrastructure Panel (DPIP) regularly considers evidence and options and makes recommendations on the way forward, this is a decision of such importance that it is appropriate that it be made by Full Council and be subject to public scrutiny.

It is therefore recommended that: Council resolves to progress a strategic allocation for development at Southbourne within the LPR.

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Chichester District Council

Development Plan and Infrastructure Panel

22 June 2022

Options for Southbourne Parish following Neighbourhood Plan examination

1. Contacts

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Cabinet Member

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2. Recommendation

- 2.1 That the Development Plan and Infrastructure Panel agree that a Broad Location for Development is progressed for Southbourne Parish through the Local Plan Review.**

3. Background

- 3.1 Southbourne is identified as a 'Settlement Hub' as part of the settlement hierarchy in the Chichester Local Plan Review 2035 Preferred Approach (Dec 2018) and Policy AL13 provides for a mixed use development to include 1,250 dwellings to come forward as a proposed level of strategic development through the neighbourhood planning process. A review of the 'made' Southbourne Parish Neighbourhood Plan 2014-2029, the draft Southbourne Parish Neighbourhood Plan Review 2019-2037 (NP2), was progressed on this basis and included Policy SB2 which sought to allocate 'Land east of Southbourne' for a residential mixed-use scheme of at least 1,250 dwellings.
- 3.2 The examination of NP2 began towards the end of 2021 and a hearing was held in January 2022. Under Schedule 4B of the Town and Country Planning Act 1990 (as amended) the Examiner is required to consider whether a neighbourhood plan meets 'Basic Conditions'. These include that the plan is in general conformity with the strategic policies contained in the development plan for the area. The Examiner concluded that NP2 had not met this condition as the allocation of the 1,250 dwellings was a different strategy from the adopted Local Plan which proposed 300 homes for Southbourne, and therefore Policy SB2 was inconsistent with the adopted Local Plan.

- 3.3 The Parish Council discussed the Examiner's findings and possible next steps at a meeting on 12 April 2022 and decided that it would withdraw the NP2 from any further consideration by the District Council.
- 3.4 The Parish Council has now decided to prepare a modified version of the 'made' neighbourhood plan excluding new housing allocations, to avoid the conflict with the basic conditions issue identified; with the intention of securing protection from the 'presumption in favour of sustainable development' by having an up-to-date Neighbourhood Plan (NP) that is less than two years old (and provided the District Council can demonstrate a 3+ years housing land supply).
- 3.5 As a consequence, the Parish Council has written to the Council to 'hand back' the strategic housing allocation. As a result, the Council will need to objectively consider the approach to development for the plan area including making provision for the 1,250 dwellings through the Local Plan Review process.
- 3.6 This report sets out the implications of the change in position with respect to taking development forward for Southbourne and the options for how this may be addressed, including a recommended option.

Current Local Plan Review position

- 3.7 The Preferred Approach Plan identifies Southbourne as one of the plan area's 'settlement hubs', which are second only to Chichester in the settlement hierarchy. 'Policy AL13: Southbourne Parish' identified that land would be allocated for development in the revised Southbourne NP for mixed used development to include a minimum of 1,250 dwellings and set out the infrastructure requirements for the future allocation. The supporting text identified that the council would monitor the progress made in preparing neighbourhood plans and would consider whether there may be a need to allocate additional sites within the Local Plan Review prior to submission.
- 3.8 The revised distribution currently being tested retains 1,250 dwellings at Southbourne.

Work carried out to date

- 3.9 To allocate a strategic site in a local plan, the council needs to have sufficient evidence to demonstrate that it can come forward, to make a reasonable assessment about it being developed and the likely delivery rates, as well as understanding any technical constraints. Officers also need to have engaged with infrastructure providers to ensure that the necessary infrastructure for the site can be secured at the time it is required. For any sites identified within the first 5 years of the plan period there needs to be robust evidence that they are 'deliverable'. The evidence that the District Council has gathered is set out in Appendix A. Whilst some of this work has been carried out for the NP (see Appendix B), the council

would also need sufficient evidence to demonstrate that any site is deliverable and developable, which goes beyond the work done on behalf of the Parish Council.

Options

3.10 There are three potential options to consider for the Local Plan Review:

Option 1 – allocate a strategic site at Southbourne

Option 2 – identify a 'Broad Location for Development' (BLD) at Southbourne

Option 3 – don't allocate in Southbourne Parish but redistribute the housing numbers elsewhere

3.11 Option 3 is not considered further below, as this would be a departure from the spatial development strategy identified in the Local Plan Review - which seeks to focus the majority of planned growth at Chichester and within the east-west corridor, with Southbourne identified as a sustainable settlement hub.

3.12 For comparison purposes, the following table illustrates the differences between the level of detail that needs to be provided for:

- (a) Allocation through a Neighbourhood Plan (current position);
- (b) Option 1: Allocation of a strategic site in the Local Plan Review; and
- (c) Option 2: Identification of a broad location for development.

	Current position Policy AL 13 (Neighbourhood Plan to allocate site)	Allocation (Option 1)	Broad Location (Option 2)
Number of dwellings identified	✓	✓	✓
Quantum of other uses identified (e.g. employment)	✗	✓	✓
Local facilities identified (e.g. community centre, primary school)	✓	✓	✓
Site specific green infrastructure requirements set out (e.g. Country Park)	✗	✓	✗
Key urban design requirements and opportunities identified (e.g. links with existing settlement, views to protect, areas to keep undeveloped)	✓ But less detailed	✓	✓ High level
Specific heritage assets to enhance and conserve identified	✗	✓	✗
Specific biodiversity assets to protect, enhance and mitigate identified (e.g. mitigate impact)	✓ But higher level	✓	✓ High level

on Chichester Harbour SAC/SPA/Ramsar)			
Key landscape and/or ecological buffers identified	✓ At higher level (e.g. views to South Downs National Park)	✓	✓ High level
Main vehicular access points and site specific transport mitigation identified	✗	✓	✗
Key site specific public transport, cycle and pedestrian improvements identified	✗	✓	✗
Other key constraints identified (e.g. waste water treatment capacity, noise, Mineral Safeguarding Area)	✓ But higher level (e.g. A27 noise)	✓	✓ High level
Any phasing requirements identified	✓ But higher level (e.g. phasing in line with Waste Water Treatment Works capacity)	✓	✓ High level
Infrastructure requirements identified in the Infrastructure Delivery Plan (IDP)	✓	✓	✓
Identification of site boundary	✗ Through Neighbourhood Plan	✓ On Policies Maps	✗ On Key Diagram

Option 1: Allocate land at Southbourne in the Local Plan Review

What would this involve?

- 3.13 In order to allocate a site in a Local Plan, it needs to have gone through a rigorous process to ensure that the Council can demonstrate that the allocated site is suitable, given reasonable alternatives, and is based on proportionate evidence.
- 3.14 Given there is more than one site or combination of sites that could come forward as an allocation in Southbourne, there needs to be a clear process set out for why one site was chosen over the other. Both land to the east and land to the west of Southbourne have been promoted to the Council as suitable sites and have been assessed as being deliverable in the HELAA, as well as the smaller sites to the south of the railway line (but north of the A259). The work carried out by the Council on Southbourne is based on the principle of an overall development of 1,250 dwellings coming forward, rather than one specific site. As set out in the table above, identifying a specific allocation would require technical information to be gathered to determine the suitability of a potential allocation, for example:

- Vision/ high level masterplan and feasibility layout
- Surveys of any constraints e.g. air quality, noise
- Preliminary transport strategy/ points of access
- Preliminary ecology appraisal
- Preliminary landscape analysis
- Topographical survey
- Heritage assessment
- Preliminary Drainage strategy – informed by groundwater monitoring

3.15 Information is also needed to demonstrate the availability and achievability of each site (e.g., infrastructure requirements, viability, phasing etc). All of this information then needs to be formulated into a suitable allocation policy, with clear policy boundaries that can be defined on the Policies Map. Throughout the preparation process, the allocation needs to be tested and informed by the Sustainability Appraisal (SA) and Habitat Regulations Assessment (HRA).

How long would it take?

3.16 The promoters of the various sites would be approached to provide more detailed technical studies to inform the work. This could take between 6 – 8 months to complete (depending on whether any work has already been carried out), in addition to final stage SA and HRA testing (6-8 weeks). Consideration would also need to be given to the need to carry out consultation.

Benefits of allocating a site

3.17 Identifying a site allocation provides certainty to local communities and site promoters. It enables a site to start coming forward earlier in the plan period (providing there are no constraints that require a later phasing, which at present there do appear to be). If appropriately phased, it could help to ensure that there is a 5-year housing land supply when the plan is adopted. There would be no need for a subsequent Development Plan Document (DPD) or reliance on the NP to provide the details of the allocation.

Risks of this approach

3.18 If technical work were to be commissioned by promoters in July, this would mean that assessment results would be available by December 2022 at the earliest, resulting in a further delay to the submission of the Regulation 19 Plan. There is also an increased risk of challenge from unsuccessful site promoters – a clear site selection process would need to be in place to minimise this risk.

Option 2: Identify a Broad Location for Development (BLD) at Southbourne

- 3.19 A 'broad location for development (BLD)' is an alternative to specific site allocations and can be used for identifying housing supply for years 6-10 and years 11-15 of the plan. A BLD would be illustrated graphically on a key diagram, rather than being clearly defined on the Policies Map.
- 3.20 The relevant test for a BLD is that it is 'developable'. To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged.

What would this involve?

- 3.21 Southbourne would be identified as a 'broad location for development' and included in the latter part of the plan period (years 6 onwards). It would be illustrated graphically in the local plan (including on a key diagram) rather than on the policies map. The policy would refer to the production of a later Site Allocation Development Plan Document which would establish the boundary, nature and form of development within the broad location. It would also include an option for the Neighbourhood Plan to do the same if the Parish Council changed their position on this. The District Council would need to be able to demonstrate there is a reasonable prospect that development in this broad location could contribute to the delivery of homes within the plan period. The broad location also needs to fit with the District Council's overall development strategy (focussing new development at the most sustainable locations at Chichester and within the east-west corridor), which growth at Southbourne does.
- 3.22 Policy AL13 for Southbourne in the Preferred Approach Plan could be adapted to work as a broad location policy, as it sets high level criteria which would be applied when considering the site allocation through a Development Plan Document or Neighbourhood Plan.
- 3.23 If the District Council had been taking this approach from the start of the preparation of the Local Plan Review, then it would have been reasonable to test the total amount of development that could be delivered within the broad location, (including beyond the plan period) on the basis of the sites available within the broad location (approximately 4,000 based on deliverable HELAA sites). This testing would then help to define what would be an appropriate figure to assign to the BLD. However, due to the recognised constraints on development within the Plan area as a whole, including transport and wastewater, the figure for the broad location should remain at 1,250 dwellings. This also ensures consistency with the evidence base for the Local Plan Review, which is based on 1,250 dwellings at Southbourne.

How long would it take?

- 3.24 The broad location approach could be taken forward relatively quickly. The promoters would be approached to provide high level information to demonstrate

that the sites within the broad location are available, suitable and viable. This would help the District Council demonstrate that there is a reasonable prospect of development within the broad location coming forward. It would require testing through the SA process and through the HRA as part of the work already programmed

Benefits of identifying a BLD

3.25 The BLD approach would avoid losing the growth that is already being planned at Southbourne. The 1,250 figure has already been tested through the Preferred Approach Plan and, in settlement hierarchy terms, Southbourne is one of the more sustainable locations in the plan area.

Risks of this approach

3.26 It will be important to fully test the level of development anticipated within the plan period. However, as the area shown on the key diagram will encompass a large area (based on the HELAA sites around Southbourne) there is a risk that the Council will be asked to justify why the growth within the Plan period is limited to 1,250 and why a higher capacity beyond the plan period has not been tested. As set out above, this will need to be defended based on the spatial strategy and overall constraints to growth. The supporting text will need to be clear that the broad location for development is akin to an area of search and that site allocation will be for a subsequent DPD.

3.27 The site promoters for both sites are likely to push the council to allocate a site to provide them with increased certainty, however, the BLD approach would mean that no site options are ruled out at this stage which would protect the interests of all site promoters. Their support at the Examination would help reduce the risks associated with this approach.

3.28 Another risk is that it may be more difficult to maintain a five-year housing land supply if the delivery of a significant number of homes is relying on a BLD in combination with neighbourhood plans allocating strategic sites.

Suggested Way Forward

3.29 This matter requires a significant change in approach at a late stage in the Local Plan Review process and needs to be carefully considered. Whilst both options have pros and cons, as set out above, the recommended approach is to progress with identifying a BLD at Southbourne. Whilst there are disadvantages to this approach in terms of the level of certainty it offers and the later delivery, this approach would be the quicker option in the short term and least likely to significantly delay the Plan.

3.30 As timing is an issue, the recommendation favours the BLD as opposed to the site allocation option in order to progress the Plan to Submission without further delay.

Ultimately, the work to allocate a site will need to be done with either option, but the BLD approach postpones detailed work to a later document (either a Site Allocations DPD or the NP). If the BLD option is progressed, there would need to be a commitment to progress with a Site Allocations DPD to provide certainty to the Inspector at the Examination that the work will be carried out.

Appendix A: CDC evidence

As CDC was previously relying on the Parish Council to allocate the land, the evidence that has been provided to the council on potential sites in Southbourne is limited to information promoted through the Housing and Economic Land Availability Assessment (HELAA) 2021. This includes:

- ‘Land to the east of Southbourne’ which is being promoted on behalf of a consortium of landowners of smaller sites and could accommodate up to 2,000 homes.
- ‘Land to the west of Southbourne’ which is being promoted by the landowner for up to 1,250 homes.
- 11 sites below the strategic site size threshold which range between 10 – 170 dwellings and total of 790 dwellings.

An Illustrative Masterplan and High-Level Delivery Framework document was submitted to the District Council in support of the eastern site, and a Vision Document was submitted in support of the western site. A concept masterplan was also submitted for Land at Hamcroft (a site for 90 dwellings south east of Southbourne). A map of the deliverable HELAA sites can be viewed here: [SB_HELAA_2021.pdf \(chichester.gov.uk\)](#)

Appendix B: Parish Council evidence and site selection process

In early 2019, the NP2 site selection process considered 3 options as 'reasonable alternatives' to deliver the 1,250 homes (Figure 1 below):

- A – growth on smaller sites south of the railway line;
- B – growth to the west;
- C - growth to the east.

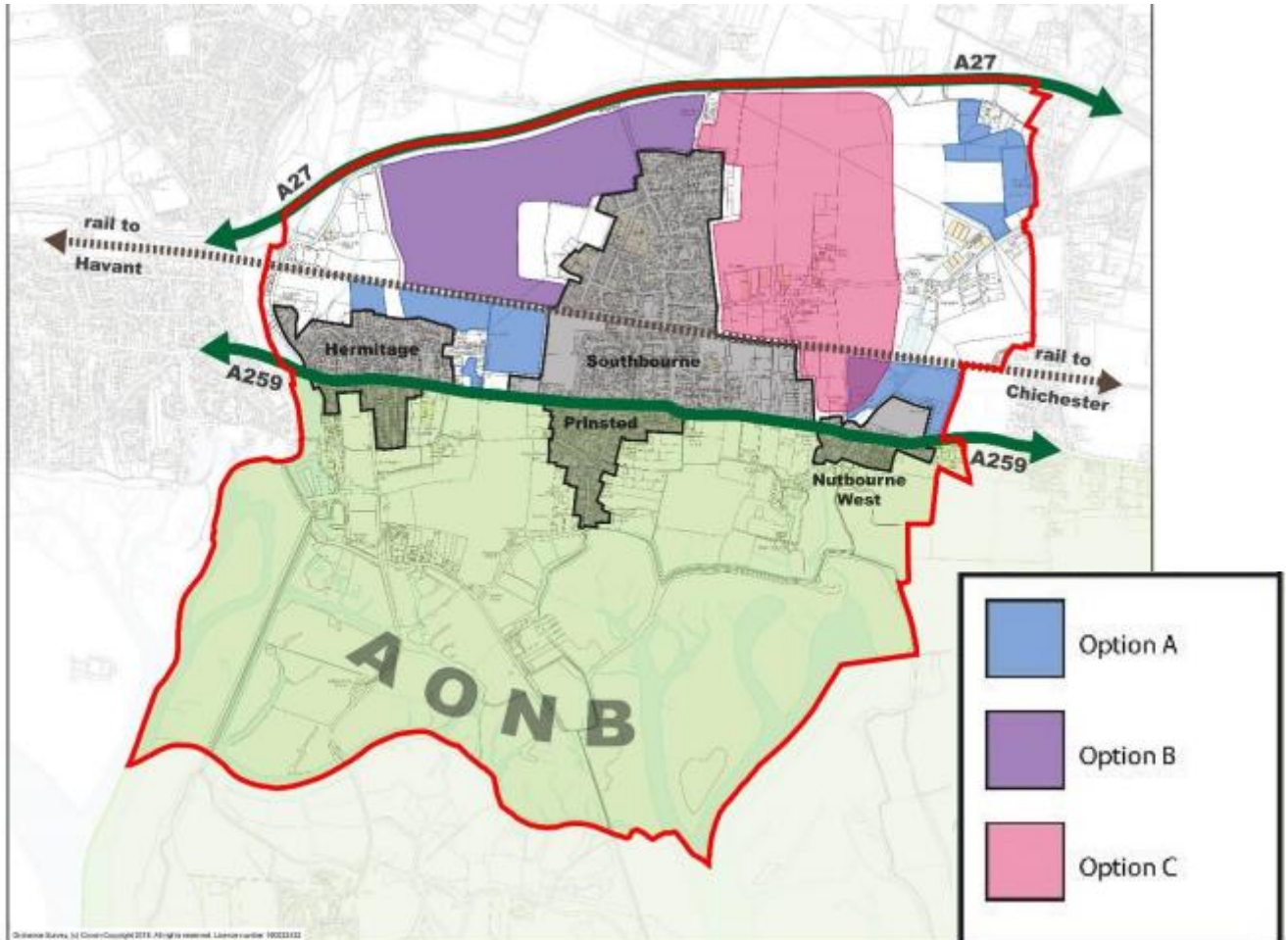


Figure 1: Location of land to be taken forward through Option A, B and C (source: SA for Southbourne NP Submission Version, Feb 2021, AECOM)

The options (A, B and C) were appraised in the Sustainability Appraisal (SA) accompanying the pre-submission version of the Neighbourhood Plan for Regulation 14 consultation. Option A was discounted as it would not deliver the necessary infrastructure including the school, community facilities and bridge over the railway line. The Final SA Report formed part of the submission documents after the Parish Council consultation in August 2020 and was updated for February 2021. The Final SA included an appraisal of Options B and C which produced similar results for both sites.

An informal community consultation in December 2019 resulted in 51% preferring option C and 34% option B. The NP2 proposed to allocate the Option C 'Land to the East' for 1,250 homes. Further technical evidence was submitted by the site promoter on transport, air quality, drainage and utilities, heritage, landscape and visual appraisal, noise, nutrient neutrality, ecological baseline and viability. This technical evidence was used to support the proposed allocation of the site in the NP2.

Notice of the Making of an Urgent Decision

Para 1 of the second sub-section of section 3 in Part 3 of Chichester District Council's *Constitution* provides for any senior officer to make urgent decisions following consultation with the Leader or Deputy Leader of the Council and the Chairman of the Overview and Scrutiny Committee on any matters where it is not practicable to refer these to a meeting of the Council, the Cabinet or other committee provided that a full report on any decisions taken shall subsequently be made. A decision of this nature has been made as set out below:

Decision title	Planning Performance Agreement for West of Chichester Phase 2
Decision taker	Andrew Frost
Decision consultees	Eileen Lintill, Clare Apel, Susan Taylor, Peter Wilding
Decision date	
Decision details	Agreement is sought to accept funding from the developers of the West of Chichester Strategic Development Location via a Planning performance Agreement (PPA) to pay for dedicated staff resources for the phase 2 application.
Reason for urgency	The PPA sets out key milestones for the progression of the phase 2 application which the Council, and the developer, will use best endeavours to meet. Importantly, the PPA also secures the funding for a dedicated officer to manage the application. The Council has received the phase 2 application, which is expected to be made valid shortly. It is therefore important that the PPA is completed, and the first installment is received to fund the dedicated officer.
Name and date of the meeting to receive a full report	Council 19 July 2022

Andrew Frost
Director of Planning & Environment
28 June 2022

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