



Minutes of the meeting of the **Cabinet** held in Committee Room 1 - East Pallant House, Chichester on Tuesday, 3 March 2015 at 9.30 am

Members Present: Mrs H P Caird (Chairman), Mrs E P Lintill (Vice-Chairman), Mr M A Cullen, Mr J C P Connor, Mr A P Dignum and Mrs L C Purnell

Members not present: Mr J J L T Ransley

In attendance by invitation:

Officers present all items: Mrs D Shepherd (Chief Executive), Mr S Carvell (Executive Director), Mr P E Over (Executive Director), Mr J Ward (Head of Finance and Governance Services) and Mr P Coleman (Member Services Manager)

728 **Minutes**

RESOLVED

That the minutes of the special meeting of the Cabinet held on 11 February 2015 be signed as a correct record.

729 **Urgent Items**

There were no urgent items for consideration at this meeting.

730 **Declarations of Interests**

No interests were declared at this meeting.

731 **Public Question Time**

No public questions had been submitted.

732 **Draft Contaminated Land Strategy**

The Cabinet considered the report and appendix circulated with the agenda (copy attached to the official minutes). Mr Connor introduced the report, explaining that the proposal was to update the Council's first Inspection Strategy for Contaminated Land, which had been adopted in December 2001 and had undergone a light touch review in 2010. The revised Strategy would incorporate changes required as a result of subsequent government guidance.

The Inspection Strategy had produced a database of potentially contaminated land, which was used in the development management process. This would ensure that development sites were cleaned up and made safe. Such clean up work was audited by officers. Good working relationships had been established with the Environment Agency.

Mr Ballard (Senior Environmental Protection Officer) added that the contaminated land regime was highly precautionary, and he explained the differences in the revised Strategy compared with what had gone before. In response to members' questions about the ending of Government grant, Mr Ballard explained that the Council would no longer volunteer to carry out detailed inspection of sites. He explained that the corporate risk described in paragraph 9.2 of the report mainly related to land which was or had been owned by the Council. Generally responsibility for de-contaminating land rested with the owner or developer.

RESOLVED

- (1) That the draft revised Contaminated Land Strategy for Chichester District be approved for public consultation.
- (2) That authority be delegated to the Head of Housing and Environment Services (following consultation with the Cabinet member for the Environment) to consider the representations arising from the consultation exercise and, provided the representations do not request significant amendments to the Strategy, to approve adoption (with minor amendments if considered appropriate) of the Strategy.

733 Recommendations from the Development Plan Panel: Community Infrastructure Levy Draft Charging Schedule - Post Consultation

Further to minute 669 of 4 November 2014, the Cabinet considered the report circulated with the agenda (copy attached to the official minutes). Mrs Caird introduced the report, which gave details of the outcomes of public consultation on the Community Infrastructure Levy Draft Charging Schedule.(CIL DCS). If the CIL DCS and associated documents were approved by the Cabinet and the Council they would be submitted to the Planning Inspectorate for examination, and if found sound the CIL Charging Schedule would then be formally adopted by the Council.

Mrs Dower (Planning Policy Project Manager) reported that 22 consultees had submitted a total of 57 separate representations. These were summarised in Appendix B and could be grouped as follows:

- Viability assessment and rate setting: a number of developers had argued that the proposed rates were too high and would affect the viability of development.
- Charging zones: some developers had suggested that the charges should be lower in the strategic development locations.
- Distinction between what is to be funded by CIL and s106/s278: greater clarity was requested and fear was expressed that funding for the same infrastructure would be requested through both mechanisms.

- Draft Instalments Policy: some found this confusing and felt it would not help their cash flow.
- Future Governance and Spending Priorities: one respondent wanted CIL to fund conservation and heritage; another wanted improvements to the A27 to be funded from CIL rather than s106/s278.

Mrs Dower drew attention to some proposed minor modifications to the CIL DCS that the Council would suggest to the examiner.

In answer to members' questions, Mrs Dower explained that the examiner was likely to be an inspector with expertise in development viability, and would probably not be the same as the examiner of the draft Local Plan.

RECOMMENDED TO COUNCIL

- (1) That the Community Infrastructure Levy Draft Charging Schedule (CIL DCS) together with the draft Regulation 123 list (attached as appendix A) be approved for submission for examination.
- (2) That the Regulation 19 (1) statement (attached as appendix B) including a summary of issues raised by consultees be approved for the inspector's consideration together with Chichester District Council's responses.
- (3) That the suggested amendments to the draft Payment by Instalments Policy (contained within Chichester District Council's responses to representations in appendix 1 of appendix B) be approved.
- (4) That the Head of Planning Services be authorised, following consultation with the Cabinet Member for Housing and Planning, to make typographical and other minor amendments.
- (5) That the Chief Executive be authorised, following consultation with the Leader of the Council, to determine minor matters arising from the CIL DCS examination.

734 Treasury Management Strategy 2015-16

The Cabinet considered the report circulated with the agenda (copy attached to the official minutes). Mr Dignum introduced the report.

He explained that the strategy for next year was different from the fairly routine update required each year. On this occasion, the strategy had been drafted by officers, scrutinised by a members task and finish group with the help of external advisers, and then considered by the full Corporate Governance and Audit Committee.

Interest rates continued to be historically extremely low and the forecast date for a gradual increase seemed to recede over time. Even when rates start to rise, the pace of change was expected to be slow with small incremental increases. Therefore, very low rates were forecast in the report in section 5.3 on page 96

The big change was in the regulatory framework, as mentioned in 5.6 on page 97. As part of the official determination to avoid another expensive bail out by governments, the losses in a future crisis were to fall on the banks' shareholders

and bondholders but then also on the unsecured deposits held by government bodies, including local authorities, pension funds and large companies.

Large deposits (over £85,000) from otherwise unprotected depositors (individuals and small and medium enterprises) were to rank above other unprotected deposits in both insolvency and bail-in situations.

That left central, regional and local governments, large enterprises, banks, investment firms and pension funds unprotected. As a result, the Council was in the unprotected category. This was a complete change from the previous position where the Council's deposits had equal standing with all the other unprotected deposits and where only personal deposits up to £85,000 were protected by guaranteed compensation.

The rationale was stated by the EU thus: "Public authorities have much better access to credit than citizens, so should not be eligible for protection."

This regulatory change forced a complete reconsideration of where the Council should invest its cash reserves in order to maintain its present objectives of security and liquidity before return. A strategy for investment was proposed as set out in 5.8 on page 97.

This diversification would represent a material change in investment policy over the coming year, in order to manage the bail-in risk and spread the investment of surplus funds in a wider range of investment types.

The table on page 107 showed the various investment types, the different credit ratings and the maximum amount that could be invested in each type for each credit rating.

In addition to limits by individual institutions, overall limits were also set for the amounts that could be invested for different periods shown on page 111 and on the same page the total amounts per individual institution.

The Council had uncommitted reserves of £18.4m that included the General Fund Balance £5m, Revenue Support £1.3m, New Homes Bonus £4.7m and currently £7.4m uncommitted resources.

It was proposed on page 113 that investments invested for 1-5 years would be capped at £15m: £15m for 1-2 years, £9m for 2-3 years and £6m for 3-5 years.

The Council's expected total cash reserves in 2015-16 would average £33m, so on average at least £18m would be invested for less than 12 months. However, this figure fluctuated considerably during the year as council tax and business rates were received and then disbursed to the other recipients (WSCC etc.) and as CDC incurred its own expenditure. These fluctuations and the need for immediately accessible deposits for emergencies together limited the sums available for longer term deposits of 12 months or more.

The management of the Council's surplus funds was very much linked to the spending plans of the Council as set out in Appendix 2 (page 116) item (a). This showed the estimated capital expenditure for the current and future years.

The impact of those investment decisions on the council taxpayer could be seen on page 118 item (g) where the incremental impact on the Band D Council Tax was a credit reflecting the increased income that was expected to be achieved from those capital spending plans, especially those to purchase properties for rent as approved by Cabinet in February.

There would be a regular monthly report on investments to all members of the Corporate Governance and Audit Committee.

Mr Dignum concluded that the new Strategy involved quite a significant change in investment policy, as a result of the new European directives, but the Council's long established principle of putting security and liquidity before return continued to underlie the Strategy.

Mr Connor expressed the view that it was iniquitous for the EU to expect local authority taxpayers to bear the costs of bank failure.

Mr Cullen suggested that the change in Strategy needed to be kept under review because the Council's reserves represented its security.

The Cabinet thanked the finance team and the members task and finish group for the thorough review of the Treasury Management Strategy.

RECOMMENDED TO COUNCIL

That the following be approved:

- (1) The Treasury Management Policy and Treasury Management Strategy Statement for 2015-16 as contained in appendix 1 of the report.
- (2) The Investment Strategy 2015-16 as detailed within the Treasury Management Strategy statement (appendix 1).
- (3) The Prudential Indicators and Limits for 2015-16 to 2019-2020 as detailed in appendix 2 of the report.
- (4) The Minimum Revenue Provision (MRP) Statement contained within appendix 2, which sets out the Council's policy on MRP.

RESOLVED

That the investment performance for the first, second and third quarters of 2014-15 (appendices 3, 4 and 5) be noted.

735 Electoral Review of Chichester District: Proposal on Council Size

Referring to minute 706 of 6 January 2015, the Cabinet considered the report circulated with the agenda (copy attached to the official minutes). Mrs Caird introduced the report, explaining that the draft proposal on council size, set out in Appendix 2, had been supported by the Boundary Review Panel. She thanked the

members of the Task and Finish Group, who had carried out the analysis on which the proposal was based, and the Boundary Review Panel for their work

Mr Coleman explained that, since the January meeting of the Cabinet, the draft proposal had been sent for consultation to interested parties and through the website. The responses were set out in Appendix 1. He added that a new development was the decision of the Local Government Boundary Commission for England to carry out a full boundary review of West Sussex County Council during 2015.

Cabinet members drew attention to the difficulty in attracting volunteers to stand for election, to the capacity of members to accommodate an increased electorate, and to the scope for streamlining the work of councillors.

Mr Ridd (Chairman of the Boundary Review Panel) commended the proposal as making a comprehensive and compelling case for a review to be carried out. He expected that members would have varying views on ward boundaries and whether there should be a move to single member wards, but these would be matters for a later stage of the review.

RECOMMENDED TO COUNCIL

That the proposal on council size (Appendix 2), for a reduction in the number of councillors to 35 or 36, to be implemented for the district council elections in 2019, be approved for submission to the Local Government Boundary Commission for England (LGBCE).

736 Markets and Street Trading, Chichester City

The Cabinet considered the report circulated with the agenda (copy attached to the official minutes, except for the restricted appendix of financial information). Mr Cullen introduced the report, explaining that the main consideration was what was best for the economic wellbeing of the City. The twice weekly traders market was declining in quality and viability in its present location in the Cattle Market car park. It was, therefore, suggested that the location and operation of the traders market should be explored with partners and interested parties in the city centre, alongside a review of licensing charges and guidance.

Mr Legood (Valuation and Estates Manager) added that the guidelines for street trading had been drawn up in 2006. Before that there had been no markets in the pedestrian precinct. Then a farmers market had become established and the precinct was seen as a desirable location for trading. The purpose of the report before the Cabinet was to initiate a consultation with traders and retailers, the City Centre Partnership, Chichester City Council and West Sussex County Council.

In answer to members' questions, Mr Legood confirmed that no change to the farmers market was proposed and he envisaged that the charges for the farmers market would continue to be set at an affordable level. He confirmed that other locations for the traders market had been considered, including other city centre car parks, but these did not appear to offer advantages over its current location. He

drew attention to Winchester where a traders market had relocated to the city centre precinct and become a great success.

Members expressed differing views on the desirability of relocating the traders market to the precinct, but agreed that a consultation should take place and that a members task and finish group should be set up to oversee and advise on the consultation and proposals for relocation of the Traders Market.

RESOLVED

- (1) That the relocation of the Traders Market to the Chichester City Centre Precincts is explored and that consultation is undertaken with key partners and a further report then submitted to Cabinet.
- (2) That a review of charges for the grant of street trading consents is undertaken and referred to the General Licensing Committee for consideration and approval.
- (3) That the General Licensing Committee be asked to review the Street Trading Guidance regarding the number of stalls for which a street trading licence may be granted.

737 Chichester in Partnership - Getting People into Work Strategy

Referring to minute 216 of 12 June 2012, the Cabinet considered the report and appendix circulated with the agenda (copy attached to the official minutes). Mr Cullen introduced the report, explaining that this was a request to continue and update the efforts of Chichester in Partnership to reduce the number of unemployed people in the district. The Getting People into Work Strategy had been initially developed three years ago. Paragraph 3.5 of the report set out some of its successes. The updated strategy would pursue six priorities, as listed in paragraph 4 of the report. No additional resources were being requested.

Mr Oates (Economic Development Manager) described the implementation of the Strategy in more detail and answered members' questions.

Mr Dignum noted that the Council's investment of £10,000 pa for three years from the New Homes Bonus had unlocked funding from the Department of Work and Pensions (DWP). Mr Oates explained that the DWP had been unable to commit funding beyond the general election, but hoped to be able to renew their funding for the remaining two years of the project.

Mr Cullen thanked Mr Oates and the Choose Work team. He added that the Council had received three Local Authority Small Business Friendly Awards from the Surrey & West Sussex region of the Federation of Small Businesses (FSB) awards:-

- Winner - The 'Best Small Business Friendly Programme or Campaign' Award
- Highly Commended - Best Small Business Friendly Procurement Policy
- Appreciation of Commitment to the West Sussex Prompt Payment Campaign 2015

RESOLVED

That the refreshed *Getting People into Work Strategy* be approved and its delivery through Chichester in Partnership be supported.

738 Early Help Implementation

Referring to minute 553 of 25 February 2014, the Cabinet considered the report circulated with the agenda (copy attached to the official minutes). Mrs Lintill introduced the report. She reminded the Cabinet that they had agreed to support the aspirations of West Sussex County Council's Early Help Action Plan, within available resources. Since then, the Education Task and Finish Group had reported to the Overview and Scrutiny Committee and recommended that the Council makes a commitment to support family friendly policies, and should consider how it could support Early Years and Early Help strategies which support families with young children seeking or identified as needing help. Appendix 2 to the report set out the structure of Family Support Networks, and it was proposed that the Community Interventions Manager should be nominated as the single point of contact for the Council.

Mrs Bushby (Community Interventions Manager) explained her role in making sure that referrals were of good quality and correctly placed and in bringing together resources so they could be used most effectively.

Mrs Apel (Chairman of the Overview and Scrutiny Committee) supported the recommendations and reported back on her observation of the Children & Young People's Services Select Committee of West Sussex County Council.

RESOLVED

- (1) That the recommendations of the Education Task and Finish Group, endorsed by Overview Scrutiny Committee (see paragraphs 4.5.1 and 4.5.2), are supported through the Early Help Action Plan.
- (2) That the structures and local implementation (see Appendix 2) of the WSCC Early Help Action Plan be supported.
- (3) That the Community Interventions Manager be nominated as the single point of contact for liaison between CDC and the Family Support Network.

739 Exclusion of the Press and Public

The press and public were not excluded for any part of the meeting.

The meeting ended at 10.47 am

CHAIRMAN

Date:

