

Minutes of the meeting of the **Cabinet** held in Committee Room 2, East Pallant House on Tuesday 1 December 2015 at 9.30 am

Members Present: Mr A Dignum (Chairman), Mrs E Lintill (Vice-Chairman), Mr R Barrow, Mr B Finch, Mrs G Keegan and Mrs S Taylor

Members not present: Mrs P Hardwick

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)

91 **Chairman's announcements**

The Chairman announced that

- Mrs Hardwick had sent her apologies for absence as she had been admitted to hospital for an emergency operation. The Cabinet members sent their good wishes for a speedy recovery.
- This was the first meeting to be recorded and audio-cast as agreed by the Cabinet at their meeting on 6 October 2015.

92 **Minutes**

RESOLVED

That the minutes of the meeting of the Cabinet held on 3 November 2015 be signed as a correct record.

93 **Urgent Items**

There were no urgent items for consideration at this meeting.

94 **Declarations of Interests**

Mr Finch declared a personal and prejudicial interest as a member of Southbourne Parish Council and the Neighbourhood Plan Steering Group in agenda item 9 (Making the Southbourne Parish Neighbourhood Plan). He withdrew to the public seating area while that item was discussed and took no part in the discussion or vote.

Mr Barrow declared a personal and prejudicial interest as former employee and pensioner of the named company in agenda item 20 (Development Site, The Grange, Midhurst). He withdrew from the Committee Room while that item was discussed and took no part in the discussion or vote.

95 **Public Question Time**

No public questions had been submitted.

96 **Corporate Plan Annual Review**

Further to minute 701 of 6 January 2015, the Cabinet considered the report circulated with the agenda (copy attached to the official minutes).

Mr Dignum introduced the report, explaining that the Corporate Plan was the broad framework for the Council's policies. The review this year had been primarily an update of the existing Plan, in particular a careful review of the measurable targets. The four existing priorities were summarised on page 14 of the Agenda papers. The report recommended adding a fifth this year: 'Prudent management of the council's finances'. Everything the Council did should be subject to a financial soundness test because it was being trusted with residents' money.

The objectives under each priority were also summarised on page 14, and then a series of targets were set out under each priority. Their attainment or otherwise would be a measure of whether the policies had made a useful difference.

Mr Barrow commended the Plan, but suggested that target 2.1 under 'Improve and support the local economy' (page 18), should be made more specific. It read "Increase the percentage of businesses achieving a rating of 3 or above for food safety compliance". He would consult the Head of Housing and Environment Services and put forward a target percentage for inclusion in the Plan.

In answer to a question about monitoring of progress, Mr Mildred (Corporate Improvement Manager) explained that a six monthly report was made to the Overview and Scrutiny Committee and results were also published in the Annual Report. The Cabinet suggested that a note should be added to the Corporate Plan to make it clear that, unless otherwise stated, references to 'year' related to 'financial year (April to March)'.

RECOMMENDED TO COUNCIL

That the revised Corporate Plan for 2015-2018 be approved, as set out in the appendix, subject to inclusion of a more specific target for businesses food safety compliance (target 2.1 under "improve and support the local economy") and addition of clarification that "year" relates to financial year.

97 **Financial Strategy and Plan 2016/17**

The Cabinet considered the report circulated with the agenda (copy attached to the official minutes). In the absence of Mrs Hardwick, Mr Dignum introduced the report.

He commented that it was not the ideal time to be presenting a Financial Strategy because the Chancellor of the Exchequer had only just announced the comprehensive spending review, setting out the Government's own plans for the next 4 years. It was not yet clear how the Council would fare compared with the

average real reduction of 24% in Government funding for Local Government planned over the next 4 years. There were three components in that funding: New Homes Bonus (NHB), Business Rates and Revenue Support Grant.

NHB receipts could be cut by far more than 24%. The Government's favoured option as it goes out to consultation was a 2/3 cut, probably from 2017/18.

Local Government as a whole would keep 100% of business rates receipts by 2020, but it was not clear what proportion the Council would retain of business rates receipts in Chichester District.

Revenue Support Grant would, as expected, be reduced to zero by 2020 but the pace of elimination over the 4 years was not known.

Given these uncertainties, the 5 year Financial Model in Appendix 1 to the report was the best forecast that could be made at present. The underlying assumptions were that: no NHB would be received from new homes completed from 2017/18, but NHB from previous housing completions would be received for the full six years; no radical change was expected in business rates except the anticipated growth from new enterprises; Revenue Support Grant would fall steadily to zero by 2020/21.

The Model assumed no increase in Council Tax. Whether this would be sustainable in later years would depend on whether there were unforeseen cost pressures or income setbacks after 2017/18. On the current forecast, significant savings would be needed to offset a deficit in 2020/21. Major elements in the forecast included the expected gain if a decision was made to outsource leisure services, and a significant additional cost, perhaps of £700,000 per year from 2018/19, to meet the EU objective of 50% recycling by 2020.

On present forecasts, it appeared that an increase in council tax in 2016/17 would not be necessary, but no decision could be made until the Government policies were clearer. Moreover, not raising council tax had implications in later years. If the allowed 2% increase was not made then it was foregone forever; it could not be made up later.

All the Council's policies conformed to the principles of prudent finance itemised in Sections 6 and 7 of the report.

Mr Dignum drew attention to paragraph 7.2(c) . The Corporate Governance and Audit Committee had endorsed the maintenance of a minimum level of general reserve of £5m.

As reported in paragraph 4.7, the Council had purchased a number of property assets which helped to reduce dependence on central government funding, in addition to the economic and community benefits such investment brought to the district. Officers were currently investigating investment opportunities in Property funds including one specifically designed for local authorities. These were pooled investments in property offering greater diversity and were backed by assets providing security over the longer term. Although offering slightly lower income returns than in house investments (circa 5% versus up to 8 – 9%), they did offer

relatively good returns for the long term, with only modest capital risk as opposed to traditional Treasury Management deposits. More detailed proposals, including a recommended level of investment in a property fund, would be brought forward in due course. Such investment returns would help to support the revenue budget in future years.

Based on current figures, the report also recommended remaining for another year in a pool for business rates with other West Sussex councils.

Mr Finch referred to the assumptions on pay settlements in paragraph 4.6 of the report, and added that bench-marking and other data was being analysed and a report would be brought to a future meeting with recommendations to ensure the Council kept ahead of the hiring curve. He commended the proposed financial strategy and plan and advocated an objective of not increasing council tax.

In answer to questions, Mr Ward confirmed that the 2% increase in council tax allowed for social care applied only to upper-tier authorities. He confirmed that he would provide an update of the financial model, explaining variances, after the local government settlement had been announced. No announcements had been made that the Government intended any clawback of Council's reserves, and the Government was considering allowing the use of capital receipts to support revenue spending, which was not currently allowed.

RECOMMENDED TO COUNCIL

That:

- (1) The key financial principles and actions of the 5 year financial strategy be as set out in paragraph 6 of the Cabinet report.
- (2) That the current 5 year Financial Model at Appendix 1 be noted.
- (3) That a minimum level of general fund reserves of £5m be set, having considered the recommendations from the Corporate Governance & Audit Committee.
- (4) That this authority continues to participate in a West Sussex Non-Domestic Rates (NDR) pool, until such time as the government fully localise NDR, at which point the situation will be reviewed.
- (5) That the current resources position, as set out in Appendix 2, be noted.
- (6) That a decision on the level of Council Tax for 2016/17 be deferred until the details of the Local Government settlement are known.

98 Chichester Market

Further to minute 736 of 3 March 2015, the Cabinet considered the report circulated with the agenda (copy attached to the official minutes, except for confidential Appendix 2).

Mrs Keegan introduced the report. She reminded the Cabinet that the existing operator of the market in the Cattle Market car park had expressed concern about its continuing viability after several years of decline. Accordingly, the Cabinet had authorised consultation with key partners on its possible re-location. That consultation had taken place, with stallholders, city centre businesses and residents. The report described the differing views received.

The Task and Finish Group had also considered market operations elsewhere, especially Winchester where relocation to the pedestrian precinct had attracted £8m additional revenue to businesses.

The objective would be to use the market to add value to the city centre. The recommendation was to seek tenders for a trial market on Wednesdays in the pedestrian precinct, keeping the Saturday market in the Cattle Market car park, and defining the standards which stallholders would be expected to meet in terms of appearance and goods to be sold.

Cabinet members supported the proposal but asked how standards would be controlled. Mr Foord (Licensing Manager) explained that this could be done through conditions on street trading consents,

Cabinet members also expressed concern that the very popular Little London car park was proposed to be used for stall-holders' vehicles for the Wednesday market and enquired what impact this would have on car park receipts. Mr Legood (Valuation and Estates Manager) explained that this was difficult to forecast because vehicles displaced from one car park usually went to another. However, the gross reduction in income was estimated at £16,000 pa, which would be off-set by the additional availability of spaces in the Cattle Market car park. The Little London car park was used by stall-holders of other markets in the precinct, but consideration could be given instead to the use by stall-holders of the Baffins Lane or Cattle Market car parks.

RECOMMENDED TO COUNCIL

- (1) That tenders be sought for the operation of the Traders market from 1 April 2016, including the introduction, on a trial basis for one year, of a precinct traders market on Wednesdays with the Saturday market remaining at the Cattle Market Car Park location.

RESOLVED

- (2) That, subject to (1) above, tenders be sought on the basis of the market being run by a market operator who will be authorised to trade by way of the grant of a Street Trading Consent.

Plan and Infrastructure Panel on 19 November 2015 (copy attached to the official minutes).

Mrs Taylor introduced the report. She reminded the Cabinet that the Chichester District Local Plan had been adopted in July 2015. The policies contained therein provided the framework for site specific proposals as set out in the Site Allocation Development Plan Document (DPD) and other planning documents. The primary purpose of the Site Allocation DPD was to deliver small scale residential sites and employment sites as set out in the Chichester Local Plan: Key Policies.

The Site Allocation DPD would identify potential sites for development within the city of Chichester and the parishes. Parishes that had Neighbourhood Plans (NP) that had reached pre-submission stage were not included. Parishes that had not reached pre-submission stage by mid August of this year were included. However, if by the end of March 2016 a NP had reached pre-submission stage, then any identified sites, if different within the draft DPD, would be removed.

Only sites with a minimum site size of 0.25 hectare or capable of accommodating at least five dwellings had been considered. The methodology for choosing the sites was set out in the Site Allocation Methodology (Background Paper).

If approved, the draft Site Allocation DPD. would go out for consultation from 7 January until 18 February 2016. The responses to this consultation would be evaluated and reflected in the Pre-Submission Site Allocation DPD which would be subject to further consultation for a period of six weeks.

The Site Allocation DPD would then be formally submitted for Examination by an independent Planning inspector to consider the soundness of the document in light of representations arising from the Pre-submission stage.

In addition to assessing potential sites for residential and employment development, the draft DPD reviewed the Settlement Boundaries from the 1999 Chichester Local Plan, with the exception of Parishes undertaking a neighbourhood plan and parishes with a strategic development location.

Therefore, throughout the process there were opportunities for the parishes and other parties to comment on the contents of the Site Allocation DPD

The Cabinet's attention was also drawn to the amendments proposed by the Development Plan and Infrastructure Panel.

RECOMMENDED TO COUNCIL

- (1) That the draft Site Allocation Development Plan Document, as set out in Appendix 1 as amended by the update circulated on 24 November 2015, be approved for consultation for a period of six weeks from 7 January until 18 February 2016.

- (2) That authority is delegated to the Head of Planning Services to enable minor editorial and typographical amendments to be made to the document prior to its publication.

100 **Making the Southbourne Parish Neighbourhood Plan**

Further to minute 47 of 8 September 2015, the Cabinet considered the report circulated with the agenda (copy attached to the official minutes).

Mrs Taylor introduced the report, drawing attention to the results of the referendum on 5 November 2015: The turn-out had been 27.38% and, of those who voted, 87% were in favour of the Plan. This exceeded 50% and was, therefore, sufficient for the Neighbourhood Plan to be made part of the Development Plan. She congratulated the Southbourne Parish Council and all those who had contributed to the drafting of the Plan on the successful result of their hard work.

The Chairman added that, although the turnout was lower than in the other neighbourhood plan referendums that had been held, Southbourne was a much bigger community and the weather on the day of the referendum had been bad.

RECOMMENDED TO COUNCIL

That the Southbourne Parish Neighbourhood Plan be made part of the Development Plan for Chichester District (excluding the area within the South Downs National Park).

101 **Fishbourne Parish Neighbourhood Plan**

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

Mrs Taylor introduced the report, explaining that this represented further progress in the devolution of planning to parish level. She drew attention to the modifications recommended by the Examiner, set out in the Appendix, which had been agreed by the Fishbourne Parish Council, and to the Examiner's recommendation that the Plan as modified should proceed to referendum.

RESOLVED

- (1) That the Decision Statement as set out in the Appendix be published.
- (2) That the Examiner's recommendation that, subject to modifications as set out in the decision statement, the Neighbourhood Plan proceed to referendum be approved.

102 **Electric vehicle charging in the Council's car parks**

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

Mr Barrow introduced the report, as the next stage in the Council's aim to encourage the use of electric vehicles and improve air quality, and to respond to the Government's aspiration that the UK should be a world leader in the use of Ultra Low Emission Vehicles (ULEVs). At present, there were two electric vehicle charging points (EVCPs) in the Council's car parks, both at East Pallant House. Their use was free of charge and had no time restrictions, with the result that they tended to be occupied all day by the same vehicles.

The report proposed the installation of new EVCPs, and that users should be charged for parking, electricity and related transactional fees. It was not known how the introduction of charges would affect demand, but the aim was that the service would be revenue neutral. An application would be made to the Office for Low Emission Vehicles (OLEV) for 75% grant towards installation costs, but the Cabinet was asked to authorise match funding.

The appendix to the report set out the proposed locations for the EVCPs, being an equal mix of "rapid" 22kW EVCPs (which charged a vehicle in an hour) and "fast" 7kW EVCPs (which took three hours), depending on the suitability of the available electricity supply. However, he was open to reconsideration of the proposed locations. For example, the type of EVCP in the Avenue de Chartres car park might depend on the enforcement arrangements as this was a pay on foot car park; the EVCP for Midhurst was intended for the North Street car park and The Grange car park might also be considered. The shoppers car parks in central Chichester had not been included, as they were high value spaces and users might prefer to charge their vehicles at home.

Mrs Keegan supported the proposal. She felt that the absence of charges at present created an incentive for people to leave their cars all day at an EVCP. These spaces should be regarded as a utility and charged accordingly. Subject to electricity supply, the fastest chargers should be installed.

In discussion, Cabinet members felt that the number of proposed EVCPs at the Avenue de Chartres car park should be reduced to two, releasing one for installation at The Grange, Midhurst or one of the other gateway car parks in Chichester. It was agreed that the Head of Housing and Environment Services in consultation with the Cabinet Member for Environment and in consultation with Parking Services, should be empowered to make reasonable adjustments to the table in the Appendix. It was also agreed to authorise the Head of Commercial Services to determine the charges.

RESOLVED

- (1) That up to two bids be made to The Office for Low Emission Vehicles (OLEV) to enable the installation of electric vehicle charging points (EVCPs) in selected District Council owned car parks, as set out in the Appendix subject to reasonable adjustments by the Head of Housing and Environment Services in consultation with the Cabinet Member for Environment.

- (2) That a 25% match fund budget for the bid(s) to OLEV to a maximum of £45,000 be approved, funded from the car parks budget.
- (3) That the Head of Commercial Services be authorised to give appropriate notice of any revised charges pursuant to the Off-street Parking Places (Consolidation) Order 2015 (or to the relevant Parking Places Order at the time) and the Road Traffic Act 1984, to include limiting the time appropriate to the relevant charging period where possible.
- (4) Should for any reason the grant bid not be successful, or if only a partial award is made, then the Head of Housing and Environment Services is authorised, following consultation with the Cabinet Member for Environment, to utilise the approved funding in appropriate locations to deliver a reduced scheme.

103 **Determination of the Council Tax Base for 2016-2017**

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

In the absence of Mrs Hardwick, Mr Dignum introduced the report. He reminded the Cabinet of its previous decisions on locally defined discounts, which were to be confirmed in recommendations 3.1 and 3.2. He drew attention to Appendix 1, which set out the numbers of properties in each category as Band D equivalents. A Band D equivalent was the Council tax due on a Band D house, equating to about £1500.

- The 10% discount for Second homes had been removed in 2011 and equated to 345 Band D equivalents, or about £0.5m.
- The 50% empty Homes Premium yielded only 50 Band D equivalents, about £75,000.
- The number of properties that had been empty and unfurnished for less than 6 months equated to 253 Band D equivalents.
- The number of properties that had been empty and unfurnished and under structural repair for up to 12 months amounted to 76.6 Band D equivalents.

The Council made a grant to parish councils to offset their loss of tax base due to the discounts, set out in appendices 2 and 3. This grant was reduced each year in line with the reduction in funding the Council received from central government and for 2016/17 this was estimated at 10.9%.

RESOLVED

- (1) That the council tax discounts to apply for the 2016/17 financial year are:-
 - (a) Nil discount for second homes (to include those with planning restrictions – (Prescribed classes A & B))
 - (b) Nil discount for vacant, unoccupied and substantially unfurnished properties to include those properties which would previously have qualified for Class C exemption (Prescribed class C)

- (c) 100% discount for unoccupied properties which would previously have qualified for Class A exemption (properties in need of or undergoing major repair)
- (2) That an Empty Home Premium of 50% be charged for the 2016/17 financial year.
- (3) That no additional locally defined classes of discount should be determined for the 2016/17 financial year.
- (4) In order to comply with Section 35 of the Local Government Finance Act 1992, that the following resolutions are made:
 - i. No item of expenditure shall be treated as “special expenses” for the purposes of Section 35 of the Local Government Finance Act 1992;
 - ii. This resolution shall remain in force for the 2016/17 financial year;
 - iii. The calculation of the Council’s taxbase for the year 2016/17 is approved;
 - iv. The amounts calculated by the Council as its council taxbase for the year 2016/17 for its area and each part of its area shall be those set out in appendices 1 and 2 to this report;
 - v. In order to offset some or all of the costs of Council Tax Reduction to local precepting authorities (Parish Councils), a grant is distributed as outlined in appendix 3 and described in paragraphs 6.4 to 6.5 of this report.

104 **Review of Street Trading controls in Chichester City Centre**

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

Mr Barrow introduced the report. He reminded the Cabinet that, at its meeting on 3 March 2015, it had asked the General Licensing Committee to undertake a review of the current guidance and charges in relation to street trading controls. The General Licensing Committee had done so at its meeting on 21 October 2015. In July, a formal request had been received from the City Centre Partnership for the designation of Crane Street and part of St Martins Street, Chichester, as ‘consent streets’ because city centre businesses wished to increase trade and vibrancy in these side streets.

Cabinet Members supported the request of the City Centre Partnership.

RESOLVED

- (1) That officers be authorised to undertake the necessary steps to vary the existing designation of Crane Street and part of St Martins Street, Chichester pursuant to Paragraph 2 of Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982 from prohibited streets to consent streets.
- (2) That following that process Council be requested to approve the re-designation.

105 **Methods of Income Collection**

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

Mr Finch introduced the report, explaining that, following representations he had received from members, he wished to change recommendation 2.1 in order to make it clear that the Council wished to adopt a persuasive rather than a coercive approach to discourage payments by cheque.

He explained that, although payment by cheque was declining and online and telephone payments were increasing, 3.5% of payments were still made by cheque. Cheques required additional administrative and processing time, and hence added to the costs to council taxpayers. It was intended, therefore, to reach out to people who paid by cheque to encourage them to use one of the other methods of payment, always allowing for exceptional circumstances.

Mrs Taylor welcomed the proposed amendment to the recommendation, because some vulnerable individuals would find it difficult to cease paying by cheque. Mr Finch pointed out that roughly 55% of cheques received related to payment of business rates and council tax, and were not from vulnerable individuals. The intention was to reach out to individuals and explain how easy it was to use other methods.

With the consent of the Chairman, Mr Shaxson stated that the proposed modification of recommendation 2.1 allayed some of his concerns. The report suggested that around 70 – 80 cheques a day were received, which was not insignificant. However, even if businesses changed their methods, there was still a large number of individuals who currently paid by cheque for reasons that were not known to the Council.

Mr Finch replied that the Council had not researched why people paid by cheque, but active intervention would provide data on this. He felt that inertia was a major reason. Mrs Dodsworth (Head of Business Support Services) added that some client groups used cheques where payment was made on behalf of someone else, e.g. careline customers and planning agents.

The Chairman concluded that it was not the Council's purpose to make things difficult for the elderly and vulnerable, but payment by cheque should be discouraged in a sensitive way.

It was pointed out that recommendation 2.1 was not needed as recommendation 2.2 covered the situation.

RESOLVED

That alternative methods of payment be actively promoted to customers currently paying by cheque.

106 **Chichester Wellbeing**

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

Mrs Lintill introduced the report, explaining that the recommendation sought financial provision from reserves to under-write the costs of the Wellbeing Service for the first quarter of 2016/17, just in case the funding from West Sussex County Council (WSSCC) had not been confirmed in time. She very much hoped that the use of reserves would not be necessary. She drew attention to paragraphs 3.1 and 3.2 of the report which explained why this was necessary and emphasised that this was a successful service and she did not believe there was any reason to doubt that WSSCC would continue to fund it. However, contingency plans were in place to deal with any reduction in funding.

RESOLVED

That funding of £51,253 from reserves be authorised, in order that the costs of the Wellbeing service for the period 1 April – 30 June 2016 are covered to ensure the continuation of the service until funding is confirmed by West Sussex County Council Public Health.

107 **Financial Monitoring 2015-16**

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

In the absence of Mrs Hardwick, Mr Dignum introduced the report, explaining that the monitoring report revealed a good news story with the year-end prediction of a £1.16m surplus in place of a break-even budget. Heads of Service had updated their forecasts for their year-end out-turns. These reflected the buoyant state of the district economy with car parks fuller than expected and more planning applications coming in. Investment income had increased, thanks to the recent investment in Crane Street, Chichester, and some other income sources had improved. Costs had been well-controlled.

RESOLVED

(1) That the 2015-16 forecast revenue outturn position on the Council's General Fund (Appendix 1) be noted.

(2) That the progress made to date on the 2015-16 capital projects (Appendix 2) be noted.

108 **Chichester District Car Parking Forum**

RESOLVED

Further to minute 62 of 6 October 2015, that the following be appointed as District Council representatives to the Chichester District Car Parking Forum:-

Chichester: Tony Dignum
Selsey/Witterings: John Connor
Midhurst: Steve Morley
Petworth: Eileen Lintill
Bosham: Penny Plant

and that Mrs Sam Tate be appointed as the representative from businesses in the Manhood Peninsula.

109 Exclusion of the Press and Public

RESOLVED

That the public, including the press, be excluded from the meeting for the following item on the grounds that it is likely that there would be a disclosure to the public of 'exempt information' of the description specified in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A to the Local Government Act 1972 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.

110 Development Site, The Grange, Midhurst

Further to minute 468 of 3 September 2015, the Cabinet considered the report circulated with the agenda (copy attached to the official minutes).

Mrs Keegan introduced the report, reminding the Cabinet that on 3 September 2013 they had resolved that two companies be shortlisted from those bidding for the Grange development site, with the Council then entering into a conditional contract for sale with one of the parties and a sale to be concluded on the grant of planning permission to that selected company. Subsequently a conditional contract had been exchanged with a development company, subject to a pre-let agreement with a foodstore operator.

Since that time there had been significant changes to the foodstore market, which had been widely reported in the national press, with the rise in online sales and low-price retailers. Many foodstore operators had withdrawn from the acquisition of sites and in some cases abandoned planned store developments. These changes had affected the Grange site and the proposed agreement the development company had intended to complete with a foodstore operator. The development company had withdrawn its offer and submitted a much lower one.

Following receipt of the revised offer, the officers had revisited the offer submitted by the unsuccessful shortlisted company to ensure that both companies were given equal opportunity to confirm their position in view of the changed market conditions.

Discussions with both companies had resulted in one freehold offer and one leasehold offer being submitted.

The leasehold offer would require the Council to develop a foodstore and lease it to the operator. The build cost would tie up a large proportion of the Council's capital reserves for an uncertain yield and considerable risk. The freehold offeror had done little background work at this stage and officers were not confident that it would come to fruition.

Mr Over reported receipt of a representation from the Midhurst Community urging the Council to achieve an agreement with the foodstore operator who had been involved in the previous negotiations.

With the Chairman's consent, Mr Morley and Mr Shaxson addressed the Cabinet. Both acknowledged that circumstances had changed.

RESOLVED

That none of the offers presented are acceptable in their current form and that officers be authorised to take the site back to market for disposal and then to bring a further report to Cabinet.

The meeting ended at 12.00 pm

CHAIRMAN

Date: