

Public Document Pack

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A meeting of the **Cabinet** will be held in Committee Room 2 at East Pallant House on **Tuesday 6 February 2018 at 09:30**

MEMBERS: Mr A Dignum (Chairman), Mrs E Lintill (Vice-Chairman), Mr R Barrow, Mr J Connor, Mrs J Kilby, Mrs S Taylor and Mr P Wilding

AGENDA

1 **Chairman's Announcements**

The chairman will make any specific announcements for this meeting and advise of any late items which will be given consideration under agenda item 13 (a) or (b).

Apologies for absence will be taken at this point.

2 **Approval of Minutes** (pages 1 to 9)

The Cabinet is requested to approve as a correct record the minutes of its meeting on Tuesday 9 January 2018, a copy of which is circulated with this agenda.

3 **Declarations of Interests**

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

4 **Public Question Time**

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

RECOMMENDATIONS TO THE COUNCIL

5 **Budget Spending Plans 2018-2019** (pages 10 to 17)

The Cabinet is requested to consider the agenda report and its four appendices in the agenda supplement and to make (a) the following recommendations to the

Council and (b) in addition resolutions with regard to the matters indicated:

A - RECOMMENDATIONS TO THE COUNCIL

- (1) That a net budget requirement of £12,988,300 for 2018-2019 be approved.
- (2) That Council tax is increased by £5 from £150.81 to £155.81 for a band D equivalent in 2018-2019.
- (3) That the Investment Opportunities Reserve is increased by £820,200.
- (4) That, should the final settlement differ from the provisional settlement, any increase or decrease be dealt with by adjusting the transfer to the Investment Opportunities Reserve above.
- (5) The capital programme, including the asset renewal programme (appendix 1c and 1d).

B - RESOLUTIONS BY THE CABINET

The Cabinet is recommended in the agenda report to give further consideration to and make resolutions with regard to:

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

6 Consideration of Consultation Responses and Modifications to Chichester District Council's Infrastructure Business Plan 2018-2023 (pages 18 to 21)

The Cabinet is requested to consider the agenda report and its two appendices* in the agenda supplement and to make the following recommendations to the Council:

That the Council:

- (1) Approves the proposed responses to the representations received and subsequent modifications to the Infrastructure Business Plan as set out in appendix 1.
- (2) Approves the amended Infrastructure Business Plan including CIL Spending Plan attached as appendix 2.

*[**Note** The appendices attached to the agenda report are as follows:

- (1) Appendix 1: Summary of Representations and Proposed Modifications to the IBP
- (2) Appendix 2: Chichester District Council's Infrastructure Business Plan 2017-

2022 as modified - CIL spending plan extract only (the entire document, which is lengthy, may be viewed electronically on Chichester District Council's website within the committee papers page for this meeting although a monochrome hard copy will be available in the Members Room at East Pallant House)]

7 Draft Treasury Management Strategy 2018-2019 (pages 22 to 25)

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

That the Council approves:

- (1) The Treasury Management Policy and Treasury Management Strategy Statement for 2018-2019 as contained in appendix 2 of the agenda report.
- (2) The Investment Strategy 2018-2019 as detailed in the Treasury Management Strategy Statement.
- (3) The Prudential Indicators and Limits for 2018-2019 included in appendix 2 of the agenda report.

KEY DECISIONS

8 Disposal of 2 The Gardens College Lane Chichester (pages 26 to 30)

The Cabinet is requested to consider the agenda report and its two appendices, the second of which is Part II restricted* for the information of members and relevant officers only (printed on salmon paper), and to make the following resolution:

That the property be declared surplus to requirements and the Head of Commercial Services be authorised to proceed with the disposal of the land and property at 2 The Gardens College Lane Chichester by auction as set out in section 5 of the report.

[***Note** 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*]

9 East Pallant House Options Appraisal (pages 31 to 37)

The Cabinet is requested to consider the agenda report and its Part II restricted* appendix, which is for the information of members and relevant officers only (printed on salmon paper), and to make the following resolution:

- (1) That Chichester District Council continues to use East Pallant House as the primary office accommodation for the organisation.
- (2) That officers continue to identify opportunities to provide office accommodation for partners, voluntary sector or commercial organisations as those opportunities arise to ensure office space is fully utilised and

operating costs are kept to a minimum.

[***Note** 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*]

OTHER DECISIONS

10 **Article 4 Directions for Chichester Conservation Area** (pages 38 to 43)

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

- (1) That the implementation of an “Immediate” Article 4 direction to cover minor alterations as set out in appendix 1 to the agenda report to dwellings within the Chichester Conservation Area be approved.
- (2) That the implementation of a “non-immediate” Article 4 direction to cover installation of solar panels on buildings within the Chichester Conservation Area be approved.
- (3) That decisions to confirm and implement the directions referred to in (1) and (2) above be taken by the Head of Planning Services following consultation with the Cabinet Member for Planning Services and the ward members for the Chichester Conservation Area within six months of the Directions being made.

11 **Contaminated Recycling Bin Policy** (pages 44 to 48)

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

- (1) That the Contaminated Recycling Bin Policy as endorsed by the Waste and Recycling Panel be approved.
- (2) That delegated authority be granted to the Chichester Contract Services Manager to issue fixed penalties or other notices for waste and waste-receptacle related offences including (but not limited to) powers under the *Clean Neighbourhoods and Environment Act 2005* and sections 46A to 46D of the *Environmental Protection Act 1990* (as amended).

12 **Local Strategic Statement 3 and Statement of Common Ground** (pages 49 to 51)

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

That the approach to addressing strategic planning issues within West Sussex and Greater Brighton through the production of Local Strategic Statement 3 and a Statement of Common Ground be endorsed, as set out in the report to the West Sussex and Greater Brighton Strategic Planning Board (attached as an appendix to the agenda report).

13 **Late Items**

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

14 **Exclusion of the Press and Public**

The Cabinet is asked to consider in respect of agenda item 15 (Amendment to Scope of Negotiations for Concessions Contract) making a resolution that the public including the press should be excluded from the meeting on the following grounds of exemption in Schedule 12A to the *Local Government Act 1972* namely Paragraph 1 (information relating to any individual) and Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

[**Note** The confidential exempt Part II report for agenda item 15 is attached for members of Chichester District Council and relevant officers only (printed on salmon paper)]

15 **Amendment to Scope of Negotiations for Concessions Contract** (pages 52 to 55)

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

That the Cabinet approves an extension to the scope of the negotiations it has previously authorised in accordance with the proposal contained within section 5 of the agenda report.

*[**Note** The grounds for excluding the public and press during this item are that it is likely that there would be a disclosure to them of 'exempt information' of the description specified in Paragraphs 1 (information relating to any individual) and 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A to the *Local Government Act 1972*]

NOTES

- (1) The press and public may be excluded from the meeting during any item of business wherever it is likely that there would be disclosure of "exempt information" as defined in section 100A of and Schedule 12A to the *Local Government Act 1972*.
- (2) The press and public may view the report appendices which are not included with their copy of the agenda on the Council's website at [Chichester District Council - Minutes, agendas and reports](#) unless they contain exempt information.

(3) Subject to the provisions allowing the exclusion of the press and public, the photographing, filming or recording of this meeting from the public seating area is permitted. To assist with the management of the meeting, anyone wishing to do this is asked to inform the chairman of the meeting of their intentions before the meeting starts. The use of mobile devices for access to social media is permitted, but these should be switched to silent for the duration of the meeting. Those undertaking such activities must do so discreetly and not disrupt the meeting, for example by oral commentary, excessive noise, distracting movement or flash photography. Filming of children, vulnerable adults or members of the audience who object should be avoided. [Standing Order 11.3 of Chichester District Council's *Constitution*]

(4) A key decision means an executive decision which is likely to:

- result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates or
- be significant in terms of its effect on communities living or working in an area comprising one or more wards in the Council's area or
- incur expenditure, generate income, or produce savings greater than £100,000

NON-CABINET MEMBER COUNCILLORS SPEAKING AT THE CABINET

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

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



Minutes of the meeting of the **Cabinet** held in Committee Room 2 at East Pallant House Chichester West Sussex on Tuesday 9 January 2018 at 09:30

Members Present

Mr A Dignum (Chairman), Mrs E Lintill (Vice-Chairman), Mr R Barrow, Mr J Connor, Mrs J Kilby, Mrs S Taylor and Mr P Wilding

Members Absent

Officers Present

Mr M Allgrove (Planning Policy Conservation and Design Service Manager), K Chapman (Planning Policy Officer), Mrs T Flitcroft (Principal Planning Officer (Local Planning)), Mr A Frost (Head of Planning Services), Mrs L Grange (Housing Delivery Manager), Mr D Hyland (Community and Partnerships Support Manager), Mr J Mildred (Corporate Policy Advice Manager), Mr S Oates (Economic Development Manager), Mr P E Over (Executive Director), Mrs L Rudziak (Head of Housing & Environment Services), Mrs D Shepherd (Chief Executive), Mr G Thrussell (Senior Member Services Officer), Mr J Ward (Head of Finance & Governance Services) and Miss C Williams (Community Liaison Officer)

455 Chairman's Announcements

Mr Dignum welcomed the members of the public, the press representatives and Chichester District Council (CDC) members and officers who were present for this meeting. He summarised the emergency evacuation procedure.

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

There were no late items for consideration at this meeting.

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

[**Note** Minute paras 456 to 469 below summarises the consideration of and conclusion to agenda items 5 to 15 inclusive but for full details please refer to the audio recording facility via this link:

<http://chichester.moderngov.co.uk/ieListDocuments.aspx?CId=135&MId=979&Ver=4>]

456 **Approval of Minutes**

The Cabinet received the minutes of its meeting on Tuesday 5 December 2017, which had been circulated with the agenda.

There were no proposed changes to the minutes.

Decision

The Cabinet voted unanimously on a show of hands to approve the aforesaid minutes without making any amendments.

RESOLVED

That the minutes of the Cabinet's meeting on Tuesday 5 December 2017 be approved without amendment.

457 **Declarations of Interests**

No declarations of interests were made at this meeting by either Cabinet members or other CDC members who were present as observers.

458 **Public Question Time**

No public questions had been submitted for this meeting.

459 **Commissioning of West Sussex Community Advice Services**

The Cabinet received and considered the agenda report.

This item was introduced by Mrs Lintill.

Mr Hyland and Miss Williams were in attendance for this matter.

Mrs Lintill summarised the contents of the report and emphasised the importance of CDC continuing to support, subject to the funding arrangements, this very valuable service.

Mrs Lintill informed the Cabinet of the following proposed resolution in response to recommendation in para 2.2 of the report:

'That support be agreed in principle for the future commissioning of a Community Advice Service beyond the proposed bridging period outlined in section 5.1 of the agenda report subject to partner funding be made available.'

Mr Hyland alluded briefly to the complicated funding arrangements.

Mrs Taylor and Mr Dignum expressed their strong support for this excellent service.

Decision

The Cabinet voted unanimously on a show of hands to support the recommendation to be made to the Council and in addition the resolutions which are set out below.

RECOMMENDED TO THE COUNCIL

That the availability of £74,000 per annum for up to two years to achieve a bridging contract with the existing provider for the Community Advice Service be approved.

RESOLVED

- (1) That the continuation of the Funding Partnership to commission Community Advice Service across West Sussex beyond 2018 with West Sussex County Council as the lead authority and subject to confirmation of funding by other partners be agreed.
- (2) That support be agreed in principle for the future commissioning of a Community Advice Service beyond the proposed bridging period outlined in section 5.1 of the agenda report subject to partner funding being made available.
- (3) That authority be delegated to the Head of Community Services to agree the terms of reference for the Funding Partnership and changes to the Service Specification in agreeing a Bridging Contract.

460 Revised Corporate Plan 2018-2021

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

This item was introduced by Mr Dignum.

Mr Mildred was in attendance for this matter.

Mr Dignum summarised the contents of the report and referred the Cabinet to the draft Corporate Plan 2018-2021 document on pages 1 to 7 of the agenda supplement.

Mr Dignum informed the Cabinet of the following two proposed amendments to appendix 1 to the report, namely on page 4 in the Objective 2 actions for the Priority to 'Manage our built and natural environments and maintain a positive sense of place': (a) in 2.2 insert 'aim to' between 'will' and 'achieve' and (b) in 2.3 insert 'endeavour to' 'will' and 'increase'.

Mr Barrow said that he understood the rationale for the foregoing amendments to page 4 but he wished to emphasise that this should not be interpreted (for it was certainly not the case) as CDC thereby weakening its resolve to achieve the 50% recycling rate target by 2020.

Mr Dignum invited each head of service present if he or she wished to comment on any of the five priority objectives in the revised Corporate Plan but none of them did so. Mrs Grange, however, mentioned briefly about the prospective coming into force of the *Homelessness Reduction Act 2017*.

The following officers then introduced briefly the respective initial project proposal document (IPPD) which was appended to the report: Mr Riley (CCS Vehicle Wash Project); Mr Oates (Midhurst Vision and Selsey Vision); Mrs McKay (Bracklesham Bay Land/Asset Opportunities and The Old Bakery Petworth); Mrs Bushby (Social Prescribing – connecting people to services and support in local places); Mr Bennett (Preparation for 2019 Reduction in Membership and Preparation for the 2019 Member Induction).

Where relevant the aforementioned officers answered members' questions and comments on points of detail.

Mr Mildred pointed out that it was likely that in addition to the IPPDs considered at this meeting other projects related to the Chichester Vision would come forward during 2018-2019.

Decision

The Cabinet voted unanimously on a show of hands to support the recommendations to be made to the Council and also the resolution which are set out below.

RECOMMENDED TO THE COUNCIL

- (1) That the revised Corporate Plan for 2018-2021 as set out in appendix 1 to the agenda report (as amended above) be approved.
- (2) That £130,000 from Chichester District Council's General Fund Reserve be approved to fund the two projects as set out in para 5.7 of the agenda report.

RESOLVED

That the new project proposals for 2018-2019 as set out in appendices 2 to 9 to the agenda report be agreed in principle subject to full Project Initiation Document (PID) approval.

461 Revised Local Development Scheme 2018-2021

The Cabinet received and considered the agenda report.

This item was introduced by Mrs Taylor.

Mr Allgrove was in attendance for this matter.

Mrs Taylor summarised the contents of the report. She drew attention to an incorrect date in the Overview table in para 6.2 on page 39 of the agenda supplement: at the

end of the first sentence in the second line of the Role and Subject field, '2034' should in fact read '2035'. This would be duly amended.

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

Decision

The Cabinet voted unanimously on a show of hands to support the recommendation to be made to the Council which is set out below.

RECOMMENDED TO THE COUNCIL

That the revised Local Development Scheme 2018-2021 be approved.

462 **Site Allocation - Development Plan Document 2014-2029 - Proposed Modifications Consultation**

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

This item was introduced by Mrs Taylor.

Mrs Flitcroft and Mr Allgrove were in attendance for this matter.

Mrs Taylor summarised the contents of the report and referred to the two categories of proposed modifications set out in the two appendices; the modifications but not the documents would be the subject of a forthcoming consultation.

The officers did not add to Mrs Taylor's presentation.

The Cabinet noted from Mrs Flitcroft that in appendix 1 the title on page 44 should be amended to substitute 'Proposed' for 'Inspector's' so that it read 'Schedule of Proposed Main Modifications to Site Allocation Development Plan Document For Consultation'.

Decision

The Cabinet voted unanimously on a show of hands to support the recommendations to be made to the Council which are set out below.

RECOMMENDED TO THE COUNCIL

- (1) That the Site Allocation Development Plan Document Further Proposed Main Modifications (set out in appendix 1 to the agenda report) and the Further Proposed Minor Modifications (set out in appendix 2 to the agenda report) be approved for public consultation, subject to amending the heading to the document in appendix 1 by substituting 'Proposed' for 'Inspector's'.
- (2) That authority be delegated to the Head of Planning Services, following consultation with the Cabinet Member for Planning Services, to enable

minor editorial and typographical amendments to be made to the document prior to publication.

463 Statement of Community Involvement

The Cabinet received and considered the agenda report, the two appendices in the agenda supplement and the revised version of page 101 in appendix 1 which was circulated in the second agenda supplement.

This item was introduced by Mrs Taylor.

Mr Allgrove was in attendance for this matter.

Mrs Taylor summarised the contents of the report by explaining the nature and purpose of the Statement of Community Involvement (SCI) and the minor amendments made to the SCI as a result of a public consultation in 2017. She drew attention to the substituted page in the second agenda supplement.

Mr Allgrove did not add to Mrs Taylor's presentation.

It was noted that the SCI, if approved by the Council, would be sent to all parishes.

Decision

The Cabinet voted unanimously on a show of hands to support the recommendation to be made to the Council which is set out below.

RECOMMENDED TO THE COUNCIL

That the Statement of Community Involvement (with the diagram on page 101 of appendix 1 being replaced by the amended version in the second agenda supplement) be adopted.

464 Supporting New and Existing Small Businesses

The Cabinet received and considered the agenda report.

This item was introduced by Mr Dignum.

Mr Oates was in attendance for this matter.

Mr Dignum summarised the contents of the report with reference to the three categories of grant scheme available. The proposals would build on the considerable success to date of the Enabling Grant Scheme and the Choose Work Programme and the exciting opportunity represented by the proposed new Shop Front Improvement Grant Scheme and Provision of Retail Training for independent retailers in Chichester District.

Mr Dignum added that he had discussed with officers and was now proposing to the Cabinet that in addition to the retail areas in the four settlements mentioned in para 4.2 of the report there should be added the East Wittering local centre as follows:

insert after 'Selsey' and before the full stop: ', funded from £168,000 and in addition a further £32,000 from reserves for East Wittering local centre'. He said that East Wittering and Bracklesham was worthy of inclusion in view of its extensive retail range offered compared with other settlements of a comparable size and nature.

The Cabinet supported this amendment to para 4.2 and the consequential change to the recommendation in para 2.2 of the report by the addition of a reference to 'and £32,000 from reserves'.

Mr Oates answered a question about the training to be provided to retailers. He confirmed that businesses in the East Wittering local centre would be made fully aware of the opportunity to receive bespoke retail training.

Decision

At the end of the discussion the Cabinet voted unanimously on a show of hands to support the recommendation to be made to the Council and the resolutions which are set out below.

RECOMMENDED TO THE COUNCIL

That (a) the establishment of the Shop Front Improvement Grant Scheme and Provision of Retail Training for independent retailers as set out in sections 4.2 (as amended) and 4.3 to 4.5 of the agenda report supported by £168,800 allocated from the Pooled Business Rates Fund and £32,000 from reserves be approved and (b) the Head of Commercial Services be authorised to approve shop front improvement grants under the Scheme.

RESOLVED

- (1) That the continuation of the Enabling Grant Scheme for new and existing small businesses as set out in section 4.1 of the agenda report supported by £71,428 allocated from the Pooled Business Rates Fund and that the Head of Commercial Services be authorised to approve grants under the Scheme.
- (2) That the allocation of additional funding for Chichester District Council's Choose Work Programme as set out in section 4.6 supported by £32,000 from the Pooled Business Rates Fund be implemented.
- (3) That a record of all grants allocated under the Enabling Grant Scheme and Shop Front Improvement Grant Scheme be reported to the Grants and Concessions Panel to ensure co-ordination of the approval processes.

465 Rough Sleepers Outreach Worker

The Cabinet received and considered the agenda report.

This item was introduced by Mrs Kilby.

Mrs Grange was in attendance for this matter.

Mrs Kilby summarised the contents of the report. She emphasised the benefits of CDC and all relevant agencies and organisations being able together to engage with rough sleepers in a co-ordinated, collaborative manner. The appointment of an outreach worker to succeed the current post-holder was vital to ensure this co-operation and the continuity of support so that the homeless could be assisted as effectively as possible in addressing their immediate and long-term needs.

Mrs Grange did not wish to add to Mrs Kilby's presentation.

Mr Dignum emphasised this very important development. If approved by the Cabinet steps would be taken to achieve immediate recruitment. He said that CDC was concerned for everyone, each of whom had a personal worth.

Decision

The Cabinet voted unanimously on a show of hands to make the resolution which is set out below.

RESOLVED

That the creation of a Rough Sleeper Outreach Worker post at a cost of £40,000 per annum to be funded from the base budget, subject to the annual budget process, be approved.

466 Appointments to Panels, Forums and other Groups 2017-2018

The Cabinet received and considered the agenda report.

This item was introduced by Mr Dignum.

Mr Dignum said that the need for these appointments was self-explanatory in the report.

Decision

The Cabinet voted unanimously on a show of hands to make the resolution which is set out below.

RESOLVED

- (1) That Peter Wilding as the Cabinet Member for Corporate Services (with responsibility for risk management) be appointed to sit on the Strategic Risk Group in place of Philippa Hardwick.
- (2) That Bob Hayes be appointed to succeed Mark Dunn on the Development Plan and Infrastructure Panel.
- (3) That Francis Hobbs be appointed to represent Chichester District Council on Visit Chichester Limited in place of Paul Over.

467 **Section 106 Community Facilities - St Wilfrid's Church Hall Chidham**

The Cabinet received and considered the agenda report.

There was a Part II exempt appendix which was not discussed.

This item was introduced by Mrs Lintill.

Mr Hyland and Mrs Rudziak were in attendance for this matter.

Mrs Lintill summarised the report and the reasons for supporting this request for funding to undertake improvements to a community facility which offered a wider range of activities and facilities.

Decision

The Cabinet voted unanimously on a show of hands to make the resolution which is set out below.

RESOLVED

That £57,368 section 106 Community Facilities monies be released to Chidham Parochial Church Council for identified enhancements to St Wilfrid's Church Hall.

468 **Late Items**

There were no late items for consideration at this meeting.

469 **Exclusion of the Press and Public**

There were no restricted items for consideration at this meeting and so no Part II resolution was required to be made.

[**Note** The meeting ended at 10:20]

CHAIRMAN

DATE

Chichester District Council

THE CABINET

6 February 2018

Budget Spending Plans 2018-2019

1. Contacts

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2. Executive Summary

Full Council approved the Five-Year Financial Strategy in January 2018. The key financial principles in the Financial Strategy offer guidelines for making financial decisions over the next few years, and will assist Chichester District Council in achieving balanced budgets over the medium term.

As the Council signed up to the government's four-year multi-year offer, the provisional settlement for the core funding elements were unchanged except for the New Homes Bonus that was slightly lower, but offset by a small increase in the Rural Services Delivery Grant (RSDG) to the figures included in the Council's Financial Strategy considered by Council in January 2018.

The government has announced that as a low taxing authority, Chichester District Council can raise its council tax by £5 or 3% whichever is the greater; £5 equates to 3.32% and would generate an additional £264,000 per year. No council tax freeze grant is being offered for 2018-19. Any proposal to increase council tax by more than £5 would require a referendum.

Full Council will set the budget and council tax in March 2018. This report concentrates on the budget spending plans which are a robust financial estimate of the resources required to deliver council services and the Provisional Local Government Finance Settlement.

3. Recommendations

3.1 That the Cabinet recommends to the Council:

- (a) That a net budget requirement of £12,988,300 for 2018-19 be approved.
- (b) That Council tax is increased by £5 from £150.81 to £155.81 for a band D equivalent in 2018-19.

- (c) That the Investment Opportunities Reserve is increased by £820,200
- (d) That, should the final settlement differ from the provisional settlement, any increase or decrease be dealt with by adjusting the transfer to the Investment Opportunities Reserve above.
- (e) The capital programme, including the asset renewal programme (Appendix 1c and 1d).

3.2 That the Cabinet further considers:

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

4. Background

- 4.1 The report considers the position on the annual budget within the context of the financial strategy which guides the management of the Council's finances during a period of reducing government financial support.
- 4.2 The draft budget preparation process is all-inclusive with the budget managers working with the accountants under the leadership of the Corporate Management Team (CMT). The result is a robust process of ensuring financial resources match service delivery priorities.
- 4.3 The Council's Overview and Scrutiny and Corporate Governance and Audit Committees also nominated members to review the process and progress on the draft budget.

5. Outcomes to be Achieved

- 5.1 The draft spending plans are formulated in accordance with the financial principles of the Financial Strategy as adopted by Council. This results in a robust financial estimate of the resources needed to deliver council services in 2018-2019.
- 5.2 To seek Cabinet approval on the draft spending plans, and to make appropriate recommendations to Council to determine the council tax at its meeting in March.
- 5.3 To set a balanced budget; which is a statutory requirement.

6. Proposal

- 6.1 The purpose of the report is to consider the draft budget spending plans ahead of the Council meeting in March when the council tax and budget will be set for the forthcoming year. The plans, if adopted, will set the spending parameters of services and officers for 2018-2019.

- 6.2 The draft spending plans are based on opting for a Council Tax increase of £5 per band D property; this will generate an additional £264,000 per year for the Council. This will assist the Council to meet its long term objective of protecting public services.
- 6.3 If there is any change in the final settlement, it is recommended that this should be dealt with by adjusting the amount transferred to the Investment Opportunities Reserve.

7. The Provisional Settlement

- 6.1 As the Council accepted the government's multi-year funding offer, the provisional settlement was generally as expected; with the exception of the new homes bonus which was £76,000 lower, and the temporary funding of rural services delivery grant (RSDG) which is anticipated to be slightly higher than the funding set out to Cabinet in December 2017 in the Financial Strategy. As the national RSDG allocation was increased by £15m by government, potentially increasing the allocation to the Council by £35,000.
- 6.2 No further changes were implemented to the new homes bonus scheme as proposed in a recent DCLG consultation paper. So the current arrangements remain with rewarding development that exceeds the baseline set at 0.4% and legacy payments for 4 years. The amount of NHB allocated in the provisional settlement was £2.314m compared to £2.390m in the Financial Strategy, but as this funding is not used to support the revenue budget, instead is set aside to fund capital investment or one off projects so will have a small effect on the resources available, and no impact on the revenue budget.
- 6.3 The provisional settlement for retained Business rates 2018-19 was as reflected in the Financial Model at £2.170m, so no change. There are proposals to amend the top-ups and tariffs to take account of the 2017 revaluation, and compensation for under-indexing the business rate multiplier from a 2% cap to using CPI for 2018-19. For future years, it is currently assumed an additional tariff of £620,000 from 2019-20 and beyond will reduce funding but more detail is awaited on this from the government.

8. Council Spending - Budget for 2018-2019

- 7.1 The Council has a statutory duty to prepare a balanced annual revenue budget, and it is also good financial management to do so within the context of its medium term financial strategy. The key variables in achieving a balanced financial position for 2018-19 are levels of income from fees and charges, budget pressures in some service delivery areas, less predictable income from business rates and use of council reserves.
- 7.2 The revenue estimates for 2018-19 are shown in the summarised Comprehensive Income and Expenditure Statement (CIES) in Appendix 1a. This summary provides the net cost of each Cabinet portfolio and also for the main services within each portfolio area.

- 7.3 The 2018-2019 budget has the Council's Corporate Plan as a central focus. The fact that the budget has been balanced without the use of reserves, or use of the New Homes Bonus, is a credit to the members, staff and management team in, what has proved again to be, a challenging budget round.
- 7.4 The Council's estimated budget requirement for 2018-19, as shown in Appendix 1a, is £12.988m (£10.674m excluding NHB). This represents a spending increase of 5% (or a 14.9% increase when excluding NHB) over the base budget for 2017-18. An analysis of the major movements can be found in Appendix 1b.

Council Tax

- 7.5 The Financial Strategy objective is to set a realistic increase in council tax over the medium term, accepting that such an objective is linked to the continued withdrawal of funding from central government.
- 7.6 The government has confirmed that the threshold increase for Chichester before triggering a referendum is the higher of either 3% or £5 (which equates to an increase of 3.32%). No council tax freeze grant was offered for 2018-19.
- 7.7 Whilst the draft budget shows a contribution to the investment opportunities reserve of £820,200 for 2018-19, the projections for future years in the Financial Strategy model shows that this contribution by 2022-23 will reduce to £44,000, underlining the need to achieve the savings and additional income streams built into the model. Government funding is only known up to 2019-20, after which the model is based on officer's considered projections and estimates based on information currently available. This will change as more detailed information is obtained, especially in relation to the fair funding review and the future of localised business rates, which will change in 2020-21 as the share is expected to change from 50% to 75%. The top-up and tariff mechanism to redistribute retained business rates may also change.
- 7.8 The Cabinet and the Senior Leadership Team (SLT) will continue to work on the delivery of the current approved deficit reduction plan, to ensure that the budget is balanced.

Income from Fees, Charges and Rents

- 7.9 The Council currently receives £16.4m of income each year from fees and charges for services e.g. car parking, trade waste, estates' rents, planning and building control fees. Some income streams have performed well during recent years, but are now finding that the general uncertainties in the economy are having an impact, and some services have in the past struggled to pass on inflationary increases. These issues were highlighted in the Financial Strategy, and a prudent estimate of these income streams has been built into the 2018-19 budget.

Use of Reserves

- 7.10 The Financial Strategy seeks to avoid the use of reserves to support the revenue budget on a recurring basis. Due to the change required in the budget

to mitigate the impact of the accounting standard IFRS 9 the previous allocation of a £1.3m reserve to support the revenue budget has now been repurposed and added to the general fund reserve as approved by Full Council in January 2018. The 2018-2019 budget has been balanced without the need to use reserves, however if the deficit reduction plan or new income streams are not delivered as expected in the Financial Strategy, or further action taken to address any funding gap, then in the medium term the Council will struggle to balance its budget without the use of reserves.

- 7.11 Both SLT and budget managers are required to adhere to robust proactive financial management principles to protect the Council's financial position, including monitoring both in year budgets and considering the medium term financial strategy which is reviewed on a regular basis. This ensures that the Council is able to be proactive rather than reactive to securing the financial stability over the medium term.

Spending

- 7.12 The draft budget requirement is based on revised service levels following the detailed budget process and approved commitments. During this budget cycle a number of cost pressures were identified, amounting to £523,000 which is detailed in Appendix 1d as growth items.

- 7.13 The draft budget requirement is calculated after deducting income from fees and charges. The remaining balance has to be financed from Council Tax, Retained Business Rates, and other Government Grants.

9. Council Spending – Forecast Outturn for 2017-2018

- 9.1 At this point in time, the forecast for 2017-2018 suggests there will be an under-spend of approximately £0.37m against the original budget. This is primarily due to additional income from a new investment property, car parking charges, green waste service and the Careline. Furthermore there is investment income arising from the use of three new external pooled mixed asset bond funds in accordance with the Council's approved Treasury Management Strategy and Investment policy.

- 9.2 The Council has a good track record of managing its finances and controlling budgets.

10. Capital Programme and Asset Renewal Programme (ARP)

- 10.1 The current Capital programme is set out in Appendix 1c. This is based on upon schemes previously approved by Cabinet or Council.

- 10.2 Appendix 1d sets out the next 5 years asset renewal projects. These are funded via contributions from the Council's revenue budget into a reserve set up for this purpose. This ensures the Council is able to fund its replacement assets on a recurring basis. The annual contribution to this fund is now £1.332m in line with the Financial Strategy. All schemes funded from this source will be subject to approval in the normal way as defined in the Council's

Constitution and in the project management process i.e. those over £50,000 will be subject to a Project Initiation Document (PID).

10.3 The anticipated spend on infrastructure projects in accordance with the approved Infrastructure Business Plan (IBP) are contained within Appendix 1c. These projects will be subject to approval in accordance with the Community Infrastructure Levy (CIL) governance arrangements agreed with the Corporate Governance and Audit Committee and adherence to the Council's Constitution.

11. Reserves

11.1 The current Resources Statement is detailed in Appendix 2. This indicates that the Capital Programme and Asset Renewal Programme remain fully funded. This can be read in conjunction with Appendix 3 which is the position statement of the reserves held by the council at 31 March 2017. This statement sets out the different reserves held; their purpose and the authorisation required to spend against those reserves.

12. Capital Prudential Indicators and Minimum Revenue Provision (MRP) Policy

12.1 As part of the budget process the Council needs to ensure that all of its capital and investment plans and any borrowing are prudent and sustainable; taking into account its arrangements for repaying any debt, through its Minimum Revenue Provision (MRP) policy, and consideration of risk and the impact on the authority's overall fiscal sustainability.

12.2 The Council's Treasury Management Strategy and Policy for 2018-19 is set out elsewhere on this agenda, which is linked to the Council's spending plans and the management of its cash flows and investments decisions required of the surplus funds available.

12.3 Appendix 4 sets out the statutory capital prudential indicators and the Council's MRP policy for the coming financial year. It should be noted that the indicators may need to be revised in light of the requirement to develop a new Capital Strategy following guidance recently issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) plus any further guidance which is awaited from the Ministry of Housing, Communities and Local Government (MHCLG).

13. Alternatives Considered

13.1 The Council is legally required to set a balanced budget, hence no alternative to that requirement has been considered, however, the level of Council Tax is a local determination. The criteria set by the Government before triggering a referendum is that Council Tax can be increased by the higher of 3% or £5, therefore members could forego some of the movement to the investment opportunity reserve by reducing the level of increase currently incorporated in the budget proposed for 2018-19. No increase or a lower increase will reduce the Council tax base for future years and so potentially has a long term impact on the tax base.

14. Resource and Legal Implications

- 14.1 The primary objective of this report is to determine the budget spending plans for 2018-19 against a background of ever-tightening financial constraints on public services. The estimates represent robust financial projections for the provision of council services and adhere to the statutory obligation to set a balanced budget.
- 14.2 Section 25 of the *Local Government Act 2003* requires the Section 151 officer ie the Head of Finance and Governance Services to report to members on the robustness of the estimates and the adequacy of reserves when considering the budget and council tax. This is so that members have authoritative advice available to them when making decisions on a budget that sets out estimates of what they plan to spend on each of the services. It is the view of the Head of Finance and Governance that the processes followed are sound and well established, the resultant estimates are robust, and reserves are at an adequate level. Regular monitoring reports are brought to members covering revenue budgets, the capital programme and asset replacement programme, and updates to the Financial Strategy and plan include analysis of the resources and the affordability of the capital programme.
- 14.3 The Head of Finance and Governance is satisfied that the estimates used for Business Rates (the NNDR1) are robust and prudent. This annual return is required by the end of January and therefore will have been submitted to government before the date of the Cabinet meeting. As in previous years this return is required by the MHCLG to be authorised by the Council's Section 151 officer ie the Head of Finance and Governance Services.

15. Consultation

- 15.1 As with last year's budget, the revenue budget spending plans were considered by a task and finish group set up jointly by the Overview and Scrutiny and Corporate Governance and Audit Committees. This enabled earlier involvement with variance reports in December. The debate was very useful in terms of testing the changes in budget from base 2017-18 to draft 2018-19 and issues surrounding the budgets and government funding were explored.
- 15.2 The Draft Budget Spending Plan has been made available via the Council's website at <http://www.chichester.gov.uk/annualbudget> to encourage feedback on the budget and the balance of spending against taxation. This gives an opportunity for any interested party to state their opinion on priorities and resource allocation. Any comments received will be made available to members either at Cabinet, or at Council before the Council Tax and budget are set.

16. Community Impact and Corporate Risks

- 16.1 Where services have been reduced through the council's deficit reduction programme, those services will have assessed the community impact and that will have been reported separately as part of Cabinet's consideration at that time. This report represents the culmination of those previous decisions.
- 16.2 The resources statement currently indicates a surplus of resource after taking into account all commitments. However this statement includes a number of

assumed capital receipts that are not yet secured. These receipts are subject to certain conditions, and therefore there is a risk that they may not be received, or be received at their forecast amount.

17. Other Implications

	Yes	No
Crime and Disorder		✓
Climate Change		✓
Human Rights and Equality Impact		✓
Safeguarding and Early Help		✓

18. Appendices

- 18.1 Appendix 1 Draft Budget Spending Plan 2018-19
(Incorporating appendices 1a to 1d)
- Appendix 1a Draft Summarised Income and Expenditure Account.
- Appendix 1b Analysis of major budget variations
- Appendix 1c Capital and Projects Programme 2018-19 to 2022-23
- Appendix 1d Asset Replacement Forecast 2018-19 to 2022-23
- 18.2 Appendix 2 Capital Programme Resource Statement
- 18.3 Appendix 3 Reserves Statement
- 18.4 Appendix 4 Capital Prudential Indicators and MRP Policy

19. Background Papers

- 19.1 None

THE CABINET

6 February 2018

Consideration of Consultation Responses and Modifications to Chichester District Council's Infrastructure Business Plan 2018-2023

1. Contacts

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2. Recommendation

That the Cabinet recommends to the Council that it:

- (1) Approves the proposed responses to the representations received and subsequent modifications to the Infrastructure Business Plan as set out in appendix 1.**
- (2) Approves the amended Infrastructure Business Plan including CIL Spending Plan attached as appendix 2.**

3. Background

- 3.1. The Infrastructure Business Plan (IBP) has been subject to consultation with the City, Town and Parish Councils, WSCC, Neighbouring Planning Authorities including the South Downs National Park Authority and key infrastructure delivery commissioners. The consultation ran for six weeks from 2 October to 13 November 2017.
- 3.2. The Infrastructure Joint Member Liaison Group met on 12 December 2017 and the Development Plan and Infrastructure Plan Panel met on 11 January 2018. Both groups considered the proposed responses to the representations received as a result of the consultation. Appendices 1 and 2 reflect their views.
- 3.3 Most of the consultation responses relate to:
 - Updates to the text of the IBP;
 - Projects to be deleted as they have been delivered or are no longer required;
 - Updated details for the projects; and
 - New projects to be added.

- 3.4 Since the implementation of the CIL on 1 February 2016, £2,305,308.63 has been collected to date. This includes £115,265.43 (5%) for monitoring, and £1,756,854.55 for District Council CIL spend. At the end of October 2017 the total amount handed over to Parishes was £350,350.64 and there is a further £82,838.00 to be paid across in April 2018.
- 3.5 The Council won two CIL-related appeals this year, which were heard by the Valuation Office Agency, and a third CIL appeal to the Planning Inspectorate is ongoing.
- 3.6 WSCC has completed two projects, IBP/536 – Expansion of existing primary school in the Billingshurst locality within Chichester District (around Loxwood and Wisborough Green), and IBP/661 school access improvements – North of the District which had previously been shortlisted for CIL funding. These projects were funded from S106 funds within the educational locality in Horsham District (because the demand for the places was due to growth within Horsham) and as such they have been removed from the CIL spending plan.
- 3.7 WSCC has confirmed that IBP/334 – a new Secondary School in the district is no longer needed, hence it has been removed from the IBP. Further information is expected from WSCC about which schools in the other localities will be expanded, so more accurate costings will be provided once this information becomes available. WSCC has been asked to show how historic S106 contributions, together with other sources of funding available to them will be used to offset their requests for CIL.
- 3.8 The West Sussex Coastal Commissioning Group (CCG) did not respond to the IBP consultation and has not yet justified the amount of money it is seeking from the CIL. Officers from the District Council and West Sussex County Council are will continue to seek to engage with the CCG to understand their needs and funding sources. At present the amount of CIL allocated to the Medical Centre West of Chichester Project 398 will remain at £1.3m for years 2020/21, although this may need to be re-evaluated when further information on funding is provided.
- 3.9 Sussex Police are still pressing for new police cars and automatic number plate recognition cameras (projects IBP/705; IBP/706; IBP/707) to be funded from CIL. Officers having written to them to explain why their project submissions have not been selected for CIL funding this year with an invitation to resubmit them for further consideration once the housing growth has materialised.
- 3.11 WSCC has put forward 2 new projects. The first, to be funded from CIL is for the re-configuration of the Westhampnett waste transfer station/household waste recycling site in order to increase capacity to meet future demands from planned housing delivery across the area. This project is estimated by WSCC to cost £5m, and they have requested that 50% of this be funded from CIL (£2.5m) for the medium term period 2024-2029. Given the proposed timescale, this does not affect the 5 year IBP CIL Spending Plan. The second is for the Parklands, Chichester daylighting of culvert with landscaping to create natural flood attenuation at a cost of £500,000. At present it is uncertain how this is to be funded.
- 3.12 Chichester District Council's Senior Engineer has asked for the local land drainage East Beach Sea Outfall Project 293 to be brought forward from 2020/2021 to 2018/19. The effect of this change to the IBP CIL Spending Plan, and adjustments

relating to the amount of CIL expected to be collected in relation to the most up to date housing trajectory (November 2017) are shown in table 11 on pages 26-27 of the IBP (see appendix 2).

4. Outcomes to be Achieved

- 4.1 The IBP is a living document, which will be kept under review and rolled forward annually. It includes all the key infrastructure projects within the Local Plan area (and hence excludes the parts of the district within the South Downs National Park – which has its own CIL), monitors their progress and identifies which infrastructure projects have been selected to be funded from the District Council’s CIL in the five year period, together with the City, Town and Parish Councils’ CIL spending plans. Through the production of the IBP, the Council can prioritise the infrastructure that will be delivered utilising CIL funds to meet the needs generated by development.

5. Proposal

- 5.1 The purpose of this report is to consider the representations received as a result of the consultation and suggested modifications to be made to the IBP as highlighted in this report at paragraph 3.3 and set out in Appendix 1, and to approve the IBP CIL spending plan set out at Appendix 2.

6. Alternatives Considered

- 6.1 The alternative is not to have an IBP, or not to have a formal process for selecting projects to be funded from the CIL. Many local authorities that have been collecting CIL allocate it to projects on their Regulation 123 list without having a formal process for doing so. The disadvantage of this approach is that it does not provide ‘up front’ certainty about which infrastructure projects will be funded and no guarantee that the infrastructure delivery commissioner will be able to provide the infrastructure in time to accompany the growth of the area. It also ignores the need to work in partnership with West Sussex County Council and parish councils.

7. Resource and Legal Implications

- 7.1 The CIL spending plan ensures that sufficient money has been collected for the following year, and for the subsequent four years makes very conservative estimates about how much money is likely to be available in order that the projects within it can realistically be delivered. Any interest earned will be retained for CIL projects.
- 7.2 The projects selected for CIL funding must be in accordance with the Council’s published draft regulation 123 list (to prevent projects from being funded from both S106 and CIL sources). This is to accord with the CIL Regulations.

8. Consultation

- 8.1 The projects within this IBP were identified through informal consultation with West Sussex County Council, key infrastructure providers, and the City, Town and Parish Councils. In the case of the latter workshop sessions were held in April 2017. The IBP was also subject to six weeks consultation from 2 October to 13 November 2017 with WSCC, and the neighbouring planning authorities (including SDNPA), City, Town and Parish Councils and key infrastructure providers, to give them an

opportunity to update, influence and comment on the IBP before it is finalised. The consultation responses are summarised in Appendix 1 of this report.

9. Community Impact and Corporate Risks

9.1 Once approved, this IBP will provide transparency about which projects have been and will be funded from the CIL within the five year rolling plan period and which infrastructure projects will be funded from other sources. It will enable the Council to have more control over the timing of infrastructure to accompany new development. The risks are as follows:

- That the rate of housebuilding changes from that projected;
- That further changes are made to the CIL regulations which will remove types of development from paying the levy, creating a larger funding gap than identified in this IBP;
- That other sources of funding fail to materialise;
- That infrastructure delivery commissioner(s) funding priorities change;
- That identified sources for part-funding are withdrawn;
- That the parish councils do not spend their CIL within five years of receipt and thus the District Council as Charging Authority may ask for its return;
- That the total amount of infrastructure provided is insufficient to mitigate the impact of development.

10. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder		X
Climate Change		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
Other		X

11. Appendices

11.1 Appendix 1: Summary of Representations and Proposed Modifications to the IBP

11.2 Appendix 2: Chichester District Council's Infrastructure Business Plan 2017-2022 as modified. **[Note (1)** Due to its length the entire document may be viewed electronically on Chichester District Council's website on the committee papers page for this meeting but a monochrome hard copy has been placed in the Members Room at East Pallant House and (2) an extract of the document, the CIL spending plan, is circulated with this report]

12. Background Papers

12.1 None.

Agenda Item 7

Chichester District Council

THE CABINET

6 February 2018

Draft Treasury Management Strategy 2018-2019

1. Contacts

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2. Recommendation

2.1. **The Cabinet is requested to consider and recommend the following for approval by the Council:**

(a) **The Treasury Management Policy and Treasury Management Strategy Statement for 2018-2019 as contained in appendix 2 of the report.**

(b) **The Investment Strategy 2018-2019 as detailed in the Treasury Management Strategy Statement.**

(c) **The Prudential Indicators and Limits for 2018-2019 included in appendix 2 of the report.**

3. Background

3.1. The draft Treasury Management Policy Statement introduced by this report was considered by Corporate Governance and Audit Committee on 25 January 2018. A verbal update on this and any comments or amendments requested will be provided to the Cabinet before it considers this report.

3.2. This report will fulfil Chichester District Council's (CDC) legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code and the Ministry of Housing, Communities and Local Government (MHCLG) guidance, when considered by the Council in March 2018.

3.3. CIPFA and the MHCLG consulted on proposals to update the Code and investment guidance late in 2017 and CIPFA has subsequently issued an updated Code early in 2018. As only the updated CIPFA Code has been issued to date, the draft Treasury Strategy presented as an Appendix to this report does not fully reflect any changes made to the Code, or any possible changes to MHCLG Guidance.

- 3.4. If necessary, an updated Treasury and Capital Strategy that takes into account changes to Code and MHCLG Guidance will be presented for approval alongside the first half-yearly update report in 2018-2019.
- 3.5. The Strategy also addresses the changes to the accounting treatment of certain financial instruments arising from the implementation of IFRS9 for the 2018-2019 financial year. Under the current framework movements in the value of collective pooled investment schemes will, in future, be reflected in surpluses and deficits in the 'Provision of Services' line in CDC's accounts.

4. Outcomes to be Achieved

- 4.1. The Treasury Management and Investment Strategies for 2018-2019 are approved in accordance with CIPFA's Treasury Management in the Public Services: Code of Practice, subject to a further update as necessary.

5. Proposal

- 5.1. The draft Treasury Management Strategy is attached to this report and has been amended and updated for the forthcoming financial year with the suggested changes from Arlingclose, CDC's treasury adviser. These changes are explained in appendix 1 to this report.
- 5.2. The Cabinet is requested to comment on whether the strategy represents an appropriate balance between risk management and cost effectiveness.
- 5.3. In considering the draft Treasury Strategy attention is drawn to the CDC's risk appetite statement (Appendix 2) and the accompanying TMP1 (Appendix 3).
- 5.4. The Treasury Management and Investment Strategies will be considered by the Council in March 2018.

6. Estimated Interest Rates

- 6.1. The financial strategy reflects the estimated rate of return for the current and future years:

Assumed returns (%)	2017/18 Revised	2018/19	2019/20	2020/21	2021/22
Internal investments	0.52	0.65	0.75	0.75	0.75
Local Authority property fund (LAPF)	4.38	4.38	3.50	4.00	4.00
External Pooled funds	3.00	3.00	2.50	3.00	3.00

The view of the CDC's treasury advisor is that the Bank Rate is likely to remain at 0.5%, with some risk that rates will fall early in 2019 linked to the date of exit from the European Union. The risk surrounding BREXIT is also the reason why LAPF returns have been reduced for 2019-2020.

7. Alternatives Considered

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

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

8. Resource and Legal Implications

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

9. Consultation

- 9.1. In adhering to the CIPFA Code, the forthcoming financial year's Treasury Management Strategy, Investment Strategy and TMP's has been considered by the Corporate Governance and Audit Committee (CG&AC) at its meeting on 25 January 2018, before being considered by the Cabinet and then the Council for approval. The views of CG&AC will be reported orally to the Cabinet.

10. Community impact and corporate risks

- 10.1. The statutory and regulatory framework under which the treasury management function operates is very stringent, and each authority has to decide its own appetite for risk and the rate of return it could achieve.
- 10.2. The relevant risks associated with treasury investments, updated for IFRS9, are included in Treasury Management Practice (TMP) 1 which is included with this report as Appendix 3.

11. Other Implications

	Yes	No
Crime and Disorder		✓
Climate Change		✓
Human Rights and Equality Impact		✓
Safeguarding		✓
Other (please specify) 1. Compliance with the Local Government Act 2003 2. Non-compliance or loss of an investment due to default by a counterparty could affect the financial wellbeing of the council dependent on the size of the loss and the ability to fund losses from its unallocated reserves.	✓	

12. Appendices

- 12.1. Appendix 1 – Summary of amendments between 2017-2018 and 2018-2019
- 12.2. Appendix 2- Treasury Management Policy Statement, Treasury Management Strategy Statement, Treasury Prudential Indicators and Annual Investment Strategy for 2018-2019.
- 12.3. Appendix 3 – Treasury Management Practices (TMPs) Extract of TMP 1 Risk Management.
- 12.4. Appendix 4 – Treasury Management Glossary

13. Background Papers

- 13.1. None.

Chichester District Council

THE CABINET

6 February 2018

Disposal of 2 The Gardens College Lane Chichester

1. Contacts

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2. Recommendation

- 2.1. That the Cabinet declares the property surplus to requirements and authorises the Head of Commercial Services to proceed with the disposal of the land and property at 2 The Gardens College Lane Chichester by auction as set out in section 5 of the report.**

3. Background

- 3.1. In late summer 2016, Chichester District Council (CDC) obtained vacant possession of the property and surrounding land known as 2 The Gardens College Lane Chichester. The property was previously occupied by a former member of staff who chose to vacate.
- 3.2. 2 The Gardens is the southernmost of two council-owned properties situated on College Lane Chichester. It comprises a two-storey detached residential property with living and dining rooms plus kitchen on the ground floor with two bedrooms and a bathroom on the first floor together with surrounding land. The property has pedestrian access only via College Lane. A location plan and photograph are attached at appendix 1.
- 3.3. CDC is currently responsible for all current costs associated with the property including any maintenance and repairs as summarised in appendix 2 (Part II exempt).
- 3.4. The property is now considered surplus as there is no ongoing operational requirement for its retention.
- 3.5. In planning terms, the site as a whole is not considered to have much development potential, particularly due to it being heavily wooded and located within a conservation area. It is intended to include covenants in the conveyance preventing intensified use of the site without first seeking the CDC's consent.

4. Outcomes to be Achieved

- 4.1. Capital receipt from the sale of the property.

- 4.2. Cost saving to CDC via reduced maintenance liability as indicated in appendix 2 (Part II exempt).

5. Proposal

- 5.1. That the property and land known as 2 The Gardens College Lane Chichester (shown edge red in appendix 1) be declared surplus to CDC requirements and that the property is put into auction as the most appropriate method of disposal due to the type and condition of the property. This method is considered the route most able to provide a demonstrable disposal at best consideration.
- 5.2. That a reserve price, as outlined in appendix 2 (Part II exempt) be placed on the property. There is potential for the sale price to exceed the reserve which could fall outside of the delegation to the Head of Commercial Services and therefore the Cabinet's authority is required.

6. Alternatives Considered

- 6.1. Passing the site over to become part of Oaklands Park – This was deemed to be of negligible benefit to the CDC.
- 6.2. Passing the property over to the CDC Housing team was ruled out as the property requires repair works and does not suit the requirements for temporary housing.
- 6.3. Transferring the property to a registered housing provider was also ruled out for the same reasons as outlined in paragraph 6.2 above.
- 6.4. It is not considered financially viable for CDC to refurbish and/or develop this site.

7. Resource and Legal Implications

- 7.1. There will be a requirement for resource from the legal services team both in respect of initial legal title research and the preparation of the legal pack for auction.

8. Consultation

- 8.1. CDC's Green Spaces and Street Scene Manager and Divisional Manager for Housing Services were consulted. Neither had any identified operational use for the property and neither objected therefore to its disposal.

9. Community Impact and Corporate Risks

- 9.1. None

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change		X
Human Rights and Equality Impact		X
Other (please specify)		X

11. Appendix

11.1. Appendix 1 – Site plan and photographs

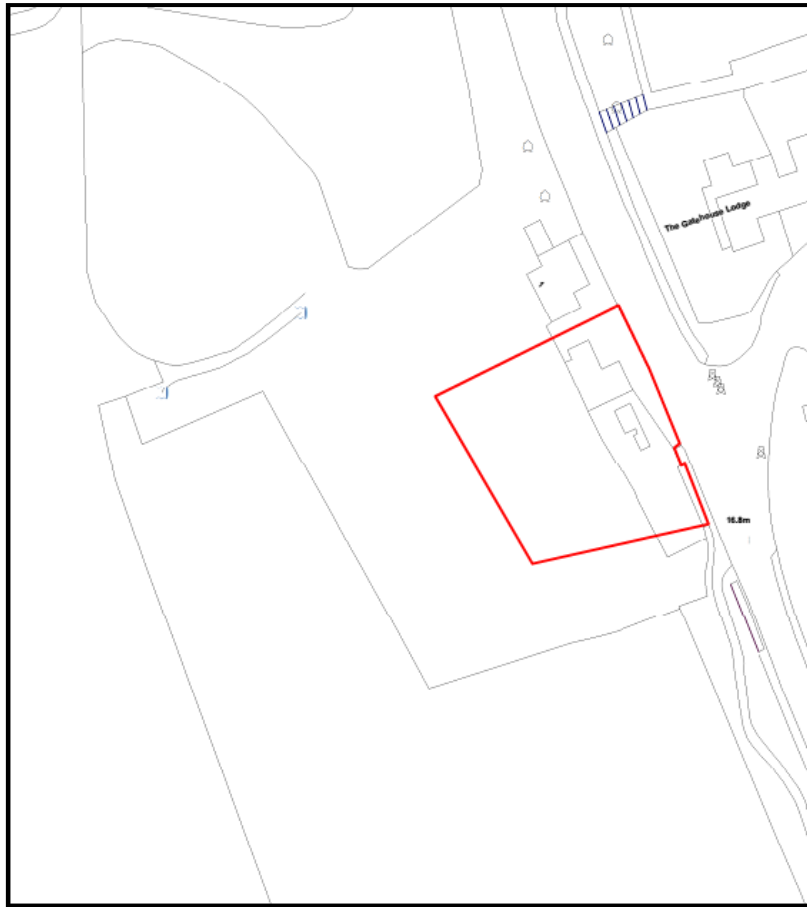
11.2. Appendix 2 (exempt) – Repair and Maintenance Costs and Proposed Reserve Price

12. Background Papers

12.1 None.

APPENDIX 1

LOCATION PLAN



PHOTOGRAPH



Document is Restricted

Chichester District Council

THE CABINET

6 February 2018

East Pallant House Options Appraisal

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2. Recommendation

- 3.1 That Chichester District Council continues to use East Pallant House as the primary office accommodation for the organisation.**
- 3.2 That officers continue to identify opportunities to provide office accommodation for partners, voluntary sector or commercial organisations as those opportunities arise to ensure office space is fully utilised and operating costs are kept to a minimum.**

3. Background

- 4.1 At its meeting on 7 February 2017, the Cabinet approved an initial project proposal document (IPPD) to prepare an options appraisal for the future use of East Pallant House (EPH). This options appraisal was based on the following factors:-
 - (a) As a result of the New Ways of Working initiative (NWOW) and staff being enabled to work remotely, the office space requirements at EPH reduced and in 2014 the North Wing was leased on a commercial basis.
 - (b) NWOW also enabled staff to work at any workstation within EPH. This resulted in the current ratio of 8 desk:10 staff and 9 desks :10 FTE. An analysis of desk occupancy undertaken as part of this options appraisal demonstrates this ratio could be further reduced to 0.7 desks:FTE, This could potentially release a further 400sqm (4,300sq ft) of office space assuming that the listed former Georgian merchants' house was the area vacated.
 - (c) The North Wing that is currently leased is excluded from the options appraisal.

- 4.2 As part of this project a local firm of commercial property advisors, specialising in the investment and development of commercial property were retained to advise the project team on likely asset valuations, income and development potential.

4. Outcomes to be Achieved

- 5.1 EPH net internal area is 3,380sqm (36,380 sq ft) of usable office space on a site of 0.35 hectare (0.86 acres). Chichester District Council (CDC) owns the freehold of EPH therefore the costs of ownership are operational and maintenance costs and NNDR. One of CDC's key objectives is the prudent management of resources and the requirement to ensure best value for money is achieved. The outcome of the options appraisal was therefore to investigate whether an opportunity exists to either use EPH in a more economical way, or whether disposal of the site could realise a capital receipt to provide additional income in addition to funding alternative accommodation.

5. Proposal

- 6.1 This report outlines the options considered and recommends CDC retains the site but further develop the NWOW concept to maximise office space and seek to reduce operational costs through commercial letting of identified space where opportunity exists. This proposal is based on the analysis of forecasted capital receipt/commercial rent and the projected costs associated with an alternative location.

6. Options Considered

- 7.1 The following options were appraised. A cost analysis for each option is attached as Appendix 1 to this report (Part II exempt information).

Option 1: Do Nothing

- 7.2 Prior to the NWOW project, CDC's operating costs, including asset replacement, NNDR, maintenance contracts, facilities staff and utilities were £885,000. Following initiatives as part of NWOW, these costs have been reduced to £663,000 pa. As there is potential to explore further opportunities of this nature with a workforce now equipped to work flexibly, this option was not considered to meet the Council's objective of managing our resources prudently.

Option 2: Retain EPH site and review options for future potential gains from further development of flexible working.

- 7.3 As stated above, there is potential to reduce the desk:FTE ratio still further and to lease out additional office space to partners, voluntary sector or commercial organisations basis to off-set some of the existing operational costs. This would require retaining the larger office spaces to support flexible workstations and vacating some of the smaller offices (in the Georgian building) for letting as serviced offices. Rents for serviced offices in Chichester currently range from £269 - £323/sqm (£25-30 per sq ft.) (inclusive of service charges). Consultants have advised that rental income in excess of £25.00 per sq ft would be achievable, provided the accommodation is refurbished to a good standard. The

project team have identified potentially 400sqm (4,300 sq ft) that could be made available with potential income of £108,000 pa being achieved (before voids). The capital cost of refurbishment (estimated at £130,000 total which could be phased) could be funded by provision already within the asset replacement programme. This would require a carry-forward of these funds to 2018-2019. Serviced offices tend to be relatively short term leases (up to 3 years) which would require an allowance of 40% voids to be built into the business model. This would provide a 2 year pay-back. This option would not provide a reduction in the repairs and maintenance budget since CDC, as landlord would still be required to maintain these serviced offices to an acceptable standard. Provision is made within the repairs and maintenance budget for EPH of which a proportion would be allocated to maintain these serviced offices.

- 7.4 If EPH is retained, there is also opportunity to reduce operational costs further by implementing a programme of works to fund improvements that reduce costs with a 3-5 year payback. These works will be taken into account as part of the repairs and maintenance programme for EPH.
- 7.5 In addition to the above, the project team have been in discussion with another interested tenant which could provide the opportunity to generate further income by leasing meeting room space.

Option 3: Appraise option of disposing of all or part of the EPH site and achieving a capital receipt to fund future investment to finance alternative accommodation and revenue income

- 7.6 EPH is designated as a building for commercial office space in planning terms. Consultants advised a sale value of £3.4m if sold as a commercial office space; however over recent years several larger office occupiers in the city have downscaled and the majority of enquiries for office premises in Chichester are typically for smaller sites of between 93sqm – 186sqm (1,000-2,000 sq ft). A higher sale value of £3.7m may be achieved if sold as a residential site; however to satisfy local planning policy requirements CDC would be required to market the site as a commercial premises for 2 years to demonstrate any lack of interest before a change of use to residential could be applied for. Other types of use were explored with consultants, including hotel and nursing home, none of which indicated a better land value than the residential option.
- 7.7 The project team investigated the costs associated with relocating to alternative premises to vacate EPH. New build costs were discounted as the cost of capital investment required was in excess of the forecasted capital receipt. Rental options were investigated with the requirements that any alternative would need to be located near public transport links with easy access for staff and customers and adequate space for committee and meeting rooms. The space requirement would be approximately 2,230 sqm (24,000 sq ft) (excluding reception space) and the project team sought to identify commercial or partner opportunities.
- 7.8 Discussions were held with WSCC which currently owns and occupies Northleigh House in the city centre (2,787sqm/30,000 sq ft) with potential to share the WSCC Council Chamber for formal committee meetings. Detailed rental costs have not been provided, however WSCC does have a similar arrangement with a comparable public body and applying those rental terms did

not make the option financially viable once the costs of relocating, undertaking adaptations and re-siting of the ICT infrastructure were factored into the cost model.

- 7.9 The forecasted income and costs associated with this option are based on comparable headline consultant advice which is supported by the CDC Estates Service. From an investor or developer perspective EPH would provide a rare and untested opportunity for Chichester and consultants anticipate there would be high levels of interest and the property could achieve a figure in excess of those reported, particularly if there was a competitive situation, although it is likely that any bids for alternative uses would be conditional on obtaining a successful planning consent. The only way to fully test the market and obtain an accurate capital appraisal would be to speculatively market the site.

8. Resource and Legal Implications

- 8.1 Option 2 does not raise any legal implications for the organisation. Any third party leases would be prepared by CDC Legal Services and managed by the CDC Estates Service. Management of serviced offices would require resources from within the Estates team and Facilities Team. These resources would be assessed dependent upon the number of serviced offices provided. Any adaptations would be internal to the building and whilst they would not require planning permission, listed building consent may be required depending upon the extent of the adaptations.

9. Consultation

- 9.1 The Joint Employee Consultative Panel has been advised of progress at each meeting during the options appraisal process. At its meeting on 14 December 2017 the staff side were advised that option 2 would be recommended to the Cabinet. The JECP supported this option. All staff were presented with an update on the work of the project at the last round of staff briefings.
- 9.2 The Overview and Scrutiny Committee at its meeting on 16 January 2018 resolved to support Option 2.

10. Community Impact and Corporate Risks

- 10.1 With the current political environment there is increased uncertainty in relation to many factors which have historically acted as drivers of the property investment, development and letting markets. CDC could invest in the refurbishment of office space and not find the interest from organisations to enter into a short-term let. The potential capital receipt from the site could be in excess of the consultant's forecast of £3.7M or indeed, could be less. Without entering into a competitive environment this potential is unknown in any positive form. Entering into a leasehold situation where CDC no longer own the accommodation they occupy, could put the organisation in a position of vulnerability.

11. Other Implications

Crime and Disorder		None
Climate Change A programme of works to reduce operational costs would focus on lowering energy levels which would have an environmental impact.	Yes	
Human Rights and Equality Impact The advantage of option 2 is that customers will be unaffected in terms of access to services.		None
Safeguarding and Early Help		None
Other		None

12. Appendices

Appendix 1 – Cost Analysis of Options – Part II Exempt

13. Background Papers

None

Document is Restricted

Chichester District Council

THE CABINET

6 February 2018

Article 4 Directions for Chichester Conservation Area

1. Contacts

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2. Recommendations

- 2.1. That the implementation of an “Immediate” Article 4 direction to cover minor alterations as set out in appendix 1 to this report to dwellings within the Chichester Conservation Area be approved.
- 2.2. That the implementation of a “non-immediate” Article 4 direction to cover installation of solar panels on buildings within the Chichester Conservation Area be approved.
- 2.3. That decisions to confirm and implement the directions referred to in paras 2.1 and 2.2 above be taken by the Head of Planning Services following consultation with the Cabinet Member for Planning Services and the ward members for the Chichester Conservation Area within six months of the Directions being made.

3. Background

- 3.1. The review of Chichester Conservation Area was completed in 2016 including extensions to the Character Areas outside of the City walls (5, 6, 7 and 8) and a new Character Area (9) covering Whyke.
- 3.2. The revised Conservation Area Appraisal and Management Proposals for Chichester Conservation Area were approved by the Cabinet on 6 September 2016 and confirmed in the London Gazette on 22 December 2016. The Cabinet resolved to implement immediate Article 4 (1) and non-immediate Article 4 (2) Directions on the whole of the Chichester Conservation Area, as amended, after a period of consultation. Details of the Article 4 Directions were included as Appendix 5 to the previous Cabinet report.
- 3.3. When officers came to implement the Article 4 Directions it was noted that the legislation referred to in the Cabinet report was incorrect. On 15 April 2015, the *Town and Country Planning (General Permitted Development) (England) Order 2015* came into force, superseding the *Town and Country Planning (General Permitted Development) Order 1995*. The Article 4 Directions have been updated to account for this change in legislation.

4. Outcomes to be Achieved

- 4.1. Comprehensive and up-to-date coverage of character appraisals and management proposals for the conservation areas within the area for which Chichester District Council is the local planning authority, in accordance with the approved programme.

5. Proposal

- 5.1. Following the adoption of the conservation area appraisal and management proposals for Chichester Conservation Area in June 2016, it has been necessary to amend the Article 4 Directions in accordance with the *Town and Country Planning (General Permitted Development) (England) Order 2015*. These are set out in the Appendix to this report.
- 5.2. If approved, the Article 4 Directions will be implemented in accordance with statutory procedures including advertisement in the local press and London Gazette.
- 5.3. It is therefore recommended that the Council proceeds to implement immediate and non-immediate Article 4 Directions, as set out in the appendix to this report, on the whole of the Chichester Conservation Area, as amended, and that decisions on whether to confirm the immediate Direction and implement the non-immediate Direction be taken in light of any further representations received during the formal consultation period.

6. Alternatives Considered

- 6.1. The alternative would be to not implement the Article 4 Directions or to implement them despite references to out of date legislation. Not implementing Article 4 Directions could lead to gradual erosion of the character of the conservation area through small scale alterations to unlisted buildings within these areas.

7. Resource and Legal Implications

- 7.1. Article 4 of the *Town and Country Planning (General Permitted Development) Order 2015*, provides the Council (or the Secretary of State for Communities and Local Government) with the power to make a Direction in a specified area which can remove some or all of permitted development rights which would otherwise be available.
- 7.2. The review of the Article 4 Directions has been undertaken in-house with existing staff resources. There will be costs in relation to issuing notices in relation to the Article 4 Directions which will be met from existing service budget resources.

8. Consultation

- 8.1. The proposal to update the Article 4 (1) Directions in line with 2015 legislation has involved a change in wording, but not resulted in any significant changes to require further consultation. Details of the consultation carried out were set out in the report to the Cabinet in September 2016.

9. Community Impact and Corporate Risks

- 9.1. The community impact and corporate risks were set out in the Cabinet report in September 2016. The potential risk of legal challenge due to the references to out of date legislation has been negated by bringing this report to Cabinet for decision.

10. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder		X
Climate Change		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
Other		X

11. Appendices

- 11.1. Appendix – Details of proposed Article 4 directions

1. Details of the Article 4 Direction covering Chichester Conservation Area

1.1. It is recommended that an immediate Article 4(1) Direction be served withdrawing the following classes of "Permitted Development" as outlined in the **Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended)**:-

- i) **Class A, Part 1 of Schedule 2:** Consisting of the enlargement, improvement or other alteration to a dwellinghouse, where any part of the enlargement, improvement or alteration would front a relevant location.
- ii) **Class C, Part 1 of Schedule 2:** Alteration to the roof of a dwellinghouse where the alteration would be to a roof slope that fronts a relevant location.
- iii) **Class D, Part 1 of Schedule 2:** Consisting of the erection or construction of a porch outside any external door of a dwellinghouse where the external door in question fronts a relevant location.
- iv) **Class E, Part 1 Schedule 2:** The provision within the curtilage of the dwellinghouse of any building or enclosure, swimming or other pool required for a purpose incidental to the enjoyment of the dwellinghouse as such, or the maintenance, improvement or other alteration of such a building or enclosure where the building or enclosure, swimming or other pool to be provided would front a relevant location, or where the part of the building or enclosure maintained, improved or altered would front a relevant location.
- v) **Class F, Part 1 of Schedule 2:** Development consisting of (a) the provision within the curtilage of a dwellinghouse of a hard surface for any purpose incidental to the enjoyment of the dwellinghouse as such; or (b) the replacement in whole or in part of such a surface where the hard surface would front a relevant location.
- vi) **Class G, Part 1 of Schedule 2:** Consisting of the installation, alteration or replacement of a chimney on a dwellinghouse.
- vii) **Class H, Part 1 of Schedule 2:** Consisting of the installation, alteration or replacement of a microwave antenna on a dwellinghouse or within the curtilage of a dwellinghouse where the part of the building or other structure on which the antenna is to be installed, altered or replaced fronts a relevant location.
- viii) **Class A, Part 2 of Schedule 2:** Consisting of the erection, construction, maintenance, improvement or alteration of a gate, fence, wall or other means of enclosure where the gate, fence, wall or other means of enclosure would be within the curtilage of a dwellinghouse and front a relevant location.
- ix) **Class C, Part 2 of Schedule 2:** The painting of the exterior of any part of (i) a dwellinghouse or (ii) any building or enclosure within the curtilage of a dwellinghouse which fronts a relevant location.

- x) **Class C, Part 11 of Schedule 2:** Any building operation consisting of the demolition of the whole or any part of any gate, fence, wall or other means of enclosure where the gate, fence, wall or other means of enclosure is within the curtilage of a dwellinghouse and fronts a relevant location.

1.2. Under paragraph 2(10) of Schedule 3 “relevant location” means a highway, open space or waterway.

1.3. It is recommended that due to the fairly unified and the predominantly residential character of the Chichester Conservation Area that the Direction if approved should cover the whole of the conservation area including the additions to the areas agreed by Cabinet in December 2016.

2. It is recommended that a non-immediate Article 4 Direction be served withdrawing the following classes of "Permitted Development" as outlined in The Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended):-

- i) **Class A, Part 14 of Schedule 2:** consisting of the installation, alteration or replacement of microgeneration solar photovoltaic (PV) or solar thermal equipment on any roof slope on –

i) a dwellinghouse or block of flats; or

ii) a building situated within the curtilage of a dwellinghouse or a block of flats

where the part of the building on which the equipment is to be located fronts a relevant location

2.1. Under paragraph 2(10) of Schedule 2 “relevant location” means a highway, open space or waterway.

2.2. It is recommended that to preserve the character of the conservation area that the Direction if approved should cover the whole of the area including any additions agreed by Cabinet.

3. Procedures for making an Article 4 Directions

3.1. Under Parts 1 and 2 of Schedule 3, the procedure for making Article 4 directions requires a Notice in relation to the Direction to be made:-

- by local advertisement;
- by site display at no fewer than two locations within the area to which the direction relates for a period of not less than six weeks; and
- by serving the notice on the owner and occupier of every part of the land within the area to which the direction relates.
- In the case on non-immediate Directions notified to the Secretary of State for Communities and Local Government.

- 3.2. Immediate Directions come into force as soon as the Notices are issued. A period of at least 21 days is given to those affected by the direction to make representations to the Council and they must be given some consideration before confirmation. If there are no objections then the Council can seek to confirm the direction, but at least 28 days must have lapsed since the notice was given. Confirmation of the Direction must be done within 6 months. Non-immediate Directions only come into force once the Direction has been confirmed. As soon as practicable after the Direction has been confirmed the local planning authority shall send a copy of the confirmed Direction to the Secretary of State.
- 3.3. It is also recommended that, in addition to formal, legally required consultation, the Council also sends explanatory leaflets and letters to affected households informing them in plain English how the Article 4s affect them and why the Council is issuing them. The leaflet will explain the restrictions but would also point out some of the potential positive implications. This will detail the intrinsic benefit of helping to preserve the character of the area, along with less obvious effects such as the potential positive effect on the value of properties that fall within the enlarged Conservation Area.
- 3.4. A further Notice confirming the Directions will also need to be advertised in a local paper and served on the owner and occupier of every dwelling house within the area in so far as this is practicable.
- 3.5. If the Directions are made it is intended that the effectiveness of the controls should be monitored and reviewed through recording the present and future condition of the buildings concerned to help inform future decisions regarding rolling out Article 4 Directions more widely across the District's conservation areas.

Chichester District Council

THE CABINET

6 February 2018

Contaminated Recycling Bin Policy

1. Contacts

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2. Recommendation

- 2.1 That the Cabinet approves the Contaminated Recycling Bin Policy as endorsed by the Waste and Recycling Panel.
- 2.2 That the Cabinet grants delegated authority to the Chichester Contract Services Manager to issue fixed penalties or other notices for waste and waste-receptacle related offences including (but not limited to) powers under the Clean Neighbourhoods and Environment Act 2005 and sections 46A to 46D of the Environmental Protection Act 1990 (as amended).

3. Background

- 3.1 At its meetings held on 7 August 2017 and 29 November 2017, the Waste and Recycling Panel considered an updated approach for responding to consistent levels of contamination in domestic recycling bins.
- 3.2 Contamination occurs when the wrong items are placed in the burgundy recycling bin. When the recycling collected is of poor quality, the whole truck load can potentially be rejected and sent to landfill which is a more expensive disposal route and adversely affects the environment. It can also impact the amount of recycling support payment received which is based on recycling quality and tonnage.

4. Outcomes to be Achieved

- 4.1 This initiative complies with sections 46A to 46D of the Environmental Protection Act 1990 as amended by the Deregulation Act 2015. This is a civil enforcement power that local authorities have been given by the above mentioned legislation. The initiative will address those households who persistently put items in their recycling bin that have the potential to contaminate an entire collection round and result in the load being rejected by the recycling plant and sent to landfill. This will support the Council in meeting the national recycling target of 50% recycling by 2020.

5. Proposal

- 5.1 In order to provide clarity for residents, collection crews, and for the staff who handle enquiries and complaints, it is necessary to have a clear policy on how we respond to contaminated bins.
- 5.2 Whilst the current approach (as outlined in steps 1-3 of the Appendix) works for the majority of cases, there is no defined policy for responding to bin contamination that occurs on a regular basis. In these circumstances further action may be necessary. The policy for contaminated recycling bins has therefore been updated and is based on two stages as outlined in the Appendix.
- 5.3 Stage two of the policy includes the potential issue of a fixed penalty. The Waste and Recycling Panel recognise that stage two will only be considered on the rare occasion that there has been a breach to section 46 of the Environmental Protection Act 1990.
- 5.4 The Waste and Recycling Panel recommends that the Cabinet approves the Contaminated Recycling Bin Policy. The Cabinet is also requested to grant delegated authority to the Chichester Contract Services Manager, to issue fixed penalties or other notices for waste and waste-receptacle related offences including (but not limited to) powers under the Clean Neighbourhoods and Environment Act 2005 and sections 46A to 46D of the Environmental Protection Act 1990 (as amended).

6. Resource and Legal Implications

- 6.1 This policy in the Appendix will operate under the provisions of sections 46A to 46D of the Environmental Protection Act 1990 (as amended).
- 6.2 Delegated authority is required for the Chichester Contract Services Manager to issue fixed penalties or other notices for waste and waste-receptacle related offences including (but not limited to) powers under the Clean Neighbourhoods and Environment Act 2005 and sections 46A to 46D of the Environmental Protection Act 1990 (as amended).

7. Consultation

- 7.1 This policy and associated processes were discussed and consulted upon at the Waste and Recycling Panels on 7 August 2017 and 29 November 2017 who supported this initiative and recommend Cabinet adopt this policy.

8. Community Impact and Corporate Risks

- 8.1 This policy supports the governments' target to recycle 50% of household waste by 2020 and the Council's objective to manage our built and natural environments.

9. Other Implications

Crime and Disorder		None
Climate Change Reducing landfill and increasing the rate of recyclables supports our natural environment.	Yes	
Human Rights and Equality Impact The policy aims to encourage and support households to recycle prior to the commencement of the enforcement process.		None
Safeguarding and Early Help		None
Other		None

10. Appendices

- 10.1 Appendix - Proposed Policy for Responding to Contaminated Domestic Recycling Bins.

11. Background Papers

- 11.1 None.

Policy for Responding to Contaminated Domestic Recycling Bins

Residents in Chichester District can recycle a whole range of items owing to the technology at the Materials Recycling Facility. When the wrong items are placed in the burgundy recycling bin, we refer to this as contamination. We take the issue of contamination very seriously because if the recycling we collect is poor quality, the whole truck load could be rejected and sent to landfill. This is more expensive for council tax payers and has an adverse effect on the environment.

Whilst bin contamination levels across the district are generally low, we appreciate that residents can inadvertently put the wrong items in their recycling bin and we provide advice and information to help residents in their efforts to recycle. Unfortunately, there are occasions where some bins are contaminated on a regular basis and will remain unemptied unless the items are removed by the resident. In these circumstances further action may be necessary. The Council's policy for contaminated recycling bins is therefore broken down into two stages and is detailed below. At every point we encourage residents having difficulty understanding the recycling procedures to contact the Waste and Recycling Team for additional advice and support either via telephone: 01243 534619, email: wasteandrecycling@chichester.gov.uk or website: www.chichester.gov.uk/recyclingadvice.

The Council will take a staged and measured approach to such incidents as follows:

Stage One

1. If the collection crew find a noticeable amount of contaminants in the recycling bin it will not be emptied. The crew will report the issue using their in-cab system and tie an information tag to the handle of the bin explaining why it was left unemptied.
2. We will write to the resident explaining why the recycling bin was left unemptied; specifying the items recorded via the in-cab system. The letter will ask the resident to take out the wrong item(s) from the bin and explain how to dispose of the item(s) correctly. Recycling advice is provided for future reference.
3. We will not return to empty any bin that has been left unemptied due to contamination until the next scheduled recycling collection. We will then empty the bin providing the contaminants have been removed by the resident. We appreciate that the resident may have extra recycling on the next scheduled recycling collection that will not fit in the recycling bin. We will remove this provided it is not contaminated, loosely tied in a black sack and placed next to the recycling bin.
4. If the resident continues to contaminate their recycling bin after the first letter has been issued, we will issue further communication to the resident. This communication will include:
 - a. A reminder letter explaining why the recycling bin was left unemptied; specifying the items recorded via the in-cab system.
 - b. If the issue continues, we will visit the resident's property on a scheduled recycling collection day, and check the contents of the recycling bin. We will speak to the resident if present and provide advice and guidance.
 - c. We will write to the resident detailing the outcome of the site visit and provide information on what will happen next including reference to the possible issue of a fixed penalty.

If the resident continues to present a contaminated recycling bin and this has caused, or is likely to cause, a nuisance; or has been, or is likely to be, detrimental to any amenities of the locality, the Chichester Contract Services Manager will consider moving to stage two of the policy.

Stage Two – as provided by sections 46A to 46D of the Environmental Protection Act 1990, as amended (EPA 1990)

5. A written notice will be issued to the resident identifying the breach of section 46 of the EPA 1990 and how this has caused, or is likely to cause, a nuisance; or has been, or is likely to be, detrimental to any amenities of the locality.
6. The resident has 30 days to comply with the requirement as set out in the written notice.
7. If the breach continues after 30 days or the resident commits a similar breach of section 46 within 12 months of the written notice, a notice of intent will be issued. The notice of intent will set out the reasons for considering a fixed penalty. The resident has 28 days to make representation to the Council as to why they should not be penalised.
8. After 28 days, if no representations are made to the Council or representations are made but the Council rejects them, a final notice will be issued. The final notice will specify why the fixed penalty is being issued, that the resident must pay £75.00 within 28 days, how to pay and the consequences of not paying.
9. The resident can pay a reduced charge of £60.00 if they pay within 14 days and this option will be set out in the final notice.
10. The resident has the right to appeal to the First-tier Tribunal, details of which will be set out in the final notice.
11. If the fixed penalty is not paid within 28 days (or 14 days if the resident chooses the early payment option) and no appeal is made to the First-tier Tribunal, the Council may decide to issue a civil claim in the County Court.
12. If the appeal to the First-tier Tribunal is made and the Tribunal rejects the fixed penalty, no further action will be taken.
13. If the appeal to the First-tier Tribunal is made and the Tribunal confirms the fixed penalty, the resident has a further 28 days to pay the fixed penalty or for a second appeal to the Upper-tier Tribunal.

Chichester District Council

THE CABINET

6 February 2018

Local Strategic Statement 3 and Statement of Common Ground

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2. Recommendation

2.1 That the Cabinet endorses the approach to addressing strategic planning issues within West Sussex and Greater Brighton through the production of Local Strategic Statement 3 and a Statement of Common Ground, as set out in the report to the West Sussex and Greater Brighton Strategic Planning Board (attached as an appendix to the agenda report).

3. Background

3.1 The background to the proposed approach to strategic planning within the West Sussex and Greater Brighton area is set out in paragraphs 1-18 of the report to the West Sussex & Greater Brighton Strategic Planning Board (Appendix 1) which was considered by the Board at its meeting in September 2017. This explains that whilst the Board has successfully prepared and subsequently reviewed its Local Strategic Statement (LSS1 and 2) it is now appropriate for the Board to consider preparation of a high level evidence based plan which addresses strategic cross boundary issues. Paragraph 7 refers to the need for authorities to agree a Statement of Common Ground setting out how the authorities intend to work together to meet housing requirements that cut across authority boundaries.

3.2 It should be noted that in the Government's recent consultation 'Planning for the right homes in the right places', amendments to the National Planning Policy Framework's (NPPF) tests of soundness are proposed which include that:

- plans should be prepared based on a strategy informed by agreements over the wider area; and

- plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground.

3.3 The government's consultation paper also includes further detail on the need to agree a Statement of Common Ground and that this will be set out in a revision to the NPPF. Notably there will be the requirement that the Statement of Common Ground will set out the 'process for agreeing the distribution of housing need (including unmet need) across the wider area, and agreed distributions (as agreed through the plan-making process)'.

4. Outcomes to be Achieved

4.1 The main outcome to be achieved is that the Council fulfils its responsibility to address strategic planning issues with partner authorities. This will assist the Council's ability to demonstrate that it has met the 'Duty to Cooperate', although there will also be a need to engage with other authorities not part of the West Sussex and Greater Brighton Strategic Planning Board, i.e. principally Havant to the west and Waverley to the north.

4.2 The Council will only be able to successfully complete the Local Plan Review and adopt a new Plan if it can demonstrate it has met the 'Duty to Cooperate'.

5. Proposal

5.1 It is proposed that the Council supports preparation of a high level strategic plan (LSS3) for the area covered by the Strategic Planning Board for the period 2030-2050 and the associated evidence base. The detail of the proposal is set out at paragraphs 19 to 26 of the attached report.

5.2 It is also proposed that the Council formally endorses the recommendations within the report (A-I) that were agreed by the Board at its meeting in September 2017. In respect of recommendations E and F which relate to the cost of funding an Adviser and commissioning technical work, it has been agreed by the West Sussex Leaders Board that £450,000 should be allocated for these purposes over a three-year period from the business rates pool.

6. Alternatives Considered

6.1 The Council could deal with strategic planning issues on a bi-lateral basis with relevant individual authorities. However, it is considered that this approach would considerably increase the risk that the Council could not demonstrate it had met the 'Duty to Cooperate' nor the proposed new tests of soundness, thereby increasing the risk that it would not be able to achieve an up to date Local Plan through the Local Plan Review.

7. Resource and Legal Implications

7.1 Funding has been approved by the West Sussex Leaders Board for the cost of an adviser to the Strategic Planning Board and the technical work required to

complete LSS3, as outlined in para 5.2 above. Other resource requirements associated with this work can be met by staff within the Planning Policy Team.

7.2 If the partnership approach through the Strategic Planning Board is not agreed it is likely that there will be a significant increase in the amount of staff time needed.

8. Consultation

8.1 The proposed approach set out in this report has been agreed by the Development Plan and Infrastructure Panel.

9. Community Impact and Corporate Risks

9.1 The proposed approach to strategic planning will assist in meeting identified needs for housing and employment land in a sustainable planned way, including assessments of the need for infrastructure to support that development. If this approach is not agreed there will be an increased risk that the Council will not be able to demonstrate it has complied with the 'Duty to Cooperate'.

10. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder		X
Climate Change		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
Other		X

11. Appendices

11.1 Report to West Sussex and Greater Brighton Strategic Planning Board – Future direction and role of the Strategic Planning Board

12. Background Papers

12.1 None

Agenda Item 15

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

Document is Restricted