

**MINUTES OF THE VIRTUAL SPECIAL MEETING OF THE FINANCE COMMITTEE
HELD ON THURSDAY 30 JULY 2020 AT 2.00PM**

- PRESENT:** Councillors Barrie, Dignum, K Hughes, Scicluna
- EX-OFFICIO:** The Mayor (Councillor Plowman)
Councillor Apel
- APOLOGIES:** Councillors Harry and J Hughes
- ALSO PRESENT:** Councillor Sharp
David Fanchi – Director – Real Estate Finance, Foot Anstey LLP
Rod Hayler – Director – HO² Commercial Property Consultants
- ABSENT:** Councillor Joy
- IN ATTENDANCE:** Town Clerk, Deputy Town Clerk (Responsible Financial Officer),
Property Manager and Member Services Support Officer

30. APOLOGIES FOR ABSENCE

As recorded above

**31. DECLARATIONS OF INTEREST BY MEMBERS OF THE COMMITTEE IN
MATTERS ON THE AGENDA FOR THIS MEETING**

Councillor Plowman, Apel, Dignum and Barrie declared an interest as Members of Chichester District Council.

Councillors Plowman declared an interest as a member of the Chichester Conservation Area Advisory Committee.

At this point, the Chairman moved to take Agenda items 11 to 13 out of order to allow the City Council's legal adviser and property consultant to leave the meeting before other items of internal interest were discussed.

32. PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960

RESOLVED that, in view of the confidential nature of the business to be transacted, the public (including the Press) be excluded from the meeting for Agenda items 12 and 13 only because of the nature of the business to be transacted, namely confidential business matters.

33. THE MARKET HOUSE

The Chairman introduced David Fanchi from Foot Anstey LLP and Mr Rod Hayler from HO² Commercial Property Consultants. Mr Fanchi and Mr Hayler had been asked to attend the meeting to advise Members on the matters raised by Orion Developments (Southern) Ltd in connection to the Market House.

Mr Fanchi outlined the legal position regarding the lease on the Market House in relation to the latest proposal from Orion Developments (Southern) Ltd. Members were reminded that the City Council had previously agreed to a lease extension in

January 2020 (**Minute 109(i) refers**) but that, to date, Orion Developments (Southern) Ltd had not proceeded with this.

Mr Hayler then expanded on some of the details of the latest proposals from Orion Developments (Southern) Ltd and how they related to or were impacted by the proposals agreed to by the City Council in January 2020. Mr Hayler advised Members that when taken on this basis, he considered the proposals currently before the Committee to be an unacceptable option for the Council.

The Chairman asked Mr Hayler whether, if the original offer approved in January were to be re-put to Orion Developments (Southern) Ltd; it would be possible for a time limit for acceptance to be stipulated. Mr Hayler and Mr Fanchi both agreed that this would be the best way to proceed as all previous communications and reminders had gone unanswered by Orion Developments (Southern) Ltd.

The Mayor suggested to Members that, with the current financial situation, the most recent proposal should be rejected. The Committee discussed the recent proposal and also whether the original proposal accepted in January 2020 should be withdrawn.

Mr Hayler and Mr Fanchi answered questions from the Committee and Mr Hayler reiterated that he felt the original January 2020 offer should remain open but strictly limited with a three month expiry.

After a short discussion, it was proposed, seconded and RESOLVED that the most recent proposals from Orion Developments (Southern) Ltd be rejected and that the original offer from January 2020 be restated with a strict three month time limit for Orion Developments to accept or reject that offer.

The Chairman and the Mayor thanked Mr Fanchi and Mr Hayler for their time and advice.

Mr Fanchi and Mr Hayler left the meeting.

34. CITY COUNCIL WEBSITE TENDER

The Member Services Support Officer briefly outlined the website tender process that had been undertaken to date along with brief details regarding the tender submissions that had been received to date.

He advised Members that, once the tender documents had been reviewed, a recommendation on how to proceed would be presented to the Committee, potentially through the calling of a Special Meeting of the Finance Committee.

The Mayor suggested that, as the Committee had been presented with all the headline information, the final decision could be delegated to Officers rather than calling a Special Meeting.

The Town Clerk agreed with this suggestion, especially as calling a Special Meeting would probably take a lot more time and effort than the duration of the meeting itself.

It was therefore RESOLVED that the decision regarding placing an order with the successful website company be delegated to Officers in consultation with the Chairman and Vice-Chairman of the Finance Committee.

The meeting returned to public session with the remainder of the meeting following the original Agenda order.

35. COUNCIL HOUSE EXTERIOR REPAIR WORKS

Property Sub-Committee Minute 2(b) refers

To consider the following Recommendation from the Property Sub-Committee:

The Property Sub-Committee RECOMMENDED to the Finance Committee that the contract for the work on the Council House be awarded to Nutbourne Construction SUBJECT TO the financing requirements. Members of the Property Sub-Committee agreed that if the project was funded from Reserves and did not require new borrowing then no further discussion by the Property Sub-Committee would be required.

The Property Manager reminded the Committee about the recent building condition survey that had been commissioned by the City Council and the large number of issues with the fabric of the building that needed addressing in the short term.

He also reminded Members that, in recent years, money had been spent on the maintenance of the building including the lift replacement, leadwork around the Courtroom skylight, replacement of the Courtroom roof and repair to and redecoration of the Mayor's Parlour and the Old Courtroom following water ingress damage.

Members were advised that the project under consideration included works to brickwork, roofing, chimneys and windows that had become necessary to ensure that the building remained water tight and that damage to the fabric of the building from water ingress would be avoided. The Property Manager emphasised to the Committee that he considered this to be essential work that should be undertaken as soon as possible.

The Property Manager outlined the overall cost to the Committee, this being £87,110 including £25,000 in contingencies to cover unexpected works and any requirements added by the Historic Buildings Officer during the process of obtaining consent for the works. Members were advised that the Surveyor had expressed the opinion that not all of these contingencies would be spent so the total could be less than the headline figure.

The Property Manager reported that further cost savings would be possible through use of the City Council's Property Team to undertake some of the minor works outlined in the Surveyor's report. These minor works included exterior painting and the Property Manager advised Members that the low level painting of doors and windows had already been completed during the lockdown period initiated due to the Coronavirus pandemic.

The Chairman agreed that it would be a false economy to delay going ahead with the works and asked if phasing the works might be possible to spread the cost.

The Property Manager advised that the bulk of the works would be on the roof and other high parts of the building and would therefore require scaffolding. He further advised that as the scaffolding represented a significant part of the cost, it would make more sense to undertake the high level work in one phase to avoid the need for further scaffolding at a later date.

The Property Manager suggested that it might be possible to undertake just the essential works at a total cost of £55,000 with the minor works undertaken as and when resources allowed.

Councillor Apel asked the Property Manager to clarify his opinion that the final cost might be less than the headline figure of £87,110. The Property Manager

responded that it was very difficult to estimate at this time but that the contingencies that had been made were generous. He also reiterated that the Surveyor had stated that he thought it unlikely that all the contingencies would be needed.

The Mayor expressed his support for proceeding with the project and suggested that this might give an opportunity to uplight the building to aid with the night scene in Chichester.

The Deputy Town Clerk advised the Committee that following further discussions about the project costs with the Property Manager, and taking in to account a New Homes Bonus application, she was satisfied that everything was being done to make the project as affordable for the City Council as possible.

Councillor Dignum asked the Deputy Town Clerk to confirm that there were sufficient reserves available to cover the project costs in the event that the New Homes Bonus application failed. It was confirmed that the reserves would be sufficient in the event of the application not being approved.

There were no further comments and it was RESOLVED to proceed with the Council House Exterior Repair Works project and that an order be placed with Nutbourne Construction Limited for no more than £87,110 to be paid from the Council House Reserve and New Homes Bonus Grant monies as appropriate.

36. COUNCIL HOUSE PORTICO

Property Sub-Committee Minute 2(d) refers

To consider the following Recommendation from the Property Sub-Committee:

The Property Sub-Committee RECOMMENDED to the Finance Committee that, SUBJECT TO the availability of New Homes Bonus funding, an order be placed with FiftyPointEight in the sum of £6,000 for the first three stages of their proposal – namely Concept Design, Development Design and Submission for Planning Consent and Technical Design and Submission of Building Regulations Application.

The Deputy Town Clerk clarified the purpose of this work would be to complete the preparatory stages that could lead to the glazing and closing in of the Council House portico.

The Chairman expressed support for the project both from the viewpoint of improving the look of the Council House and enhancing the space as well as from viewpoint of the benefits of insulating the Council Chamber in the room above.

Councillor Dignum asked for clarification that the proposal was still that the project's progress was conditional on a successful New Homes Bonus application. The Chairman confirmed that, at the current time, this was the case but other solutions could be proposed if the application failed.

The Mayor expressed his strong support for the project and stated he thought it would be a very positive addition to the Council House and the City Centre.

No further comments were forthcoming and it was RESOLVED that, subject to a successful New Homes Bonus grant application, an order be placed with FiftyPointEight for the sum of £6,000 for the first three stages of the Portico enclosure project (Concept Design, Development Design and Submission for Planning Consent and Technical Design and Submission of Building Regulations Application) to be paid from the New Homes Bonus grant funding.

37. COUNCIL HOUSE ENERGY AND WATER AUDIT

Property Sub-Committee Minute 2(j) refers

To consider the following Recommendation from the Property Sub-Committee:

The Property Sub-Committee RECOMMENDED to Finance Committee to place an order to the value of £1,590 + VAT for the energy and water audit with Save Money Cut Carbon to be funded from the Council House Improvement Budget.

The Property Manager explained the background to the proposed Energy and Water Audit and informed Members that this had in part been informed by the Council's declaration of a climate change emergency. He advised Members that the intention would be to identify where financial, energy and emissions savings could be made. He further advised that this could include changes to the heating management system, air conditioning system, continued conversion to LED lighting as well as implementing water and waste saving measures.

The Mayor and other Members indicated their support for this as part of the Council's response to the climate change emergency.

Councillor Sharp suggested that, if the audit were to go ahead, a press release and supporting publicity could be a useful trigger for other organisations to investigate undertaking similar activities. Members were supportive of this suggestion.

It was RESOLVED that an order for the Energy and Water Audit be placed with Save Money Cut Carbon for the sum of £1,590 + VAT, to be paid from the Council House Improvement Budget.

Councillor Dignum left the meeting

38. LITTEN GARDENS PAVING

Property Sub-Committee Minute 4(a) refers

To consider the following Recommendation from the Property Sub-Committee:

The Property Sub-Committee RECOMMENDED to Finance Committee that the Property Manager should obtain two further quotes for the work specified and that an order be placed with the preferred supplier for the amount quoted, to be paid from the Public Realm budget.

The Property Manager advised that he had received a quote for £5,000 for the uplift of the outer crazy paving path at Litten Gardens and to replace it with a compacted gravel path. He informed Members that this would be a similar surface to those used in stately homes and other parks and it would be water permeable for improved drainage.

The Committee were informed that two further quotations had been obtained as a comparison exercise. These had been in the amounts of £18,000 and £27,000. The Property Manager advised that, due to the significantly different quote, he would be contacting the first company to confirm full understanding of the remit and the cost they had quoted on that basis. He informed the Committee that he would be unwilling to spend much above the £5,000 original quote and that if the original company confirmed that they would undertake the work for that amount, he would recommend that the Committee accept it and authorise the work to proceed.

Members were advised that, if the quote were to rise significantly, he would recommend programming in the work to be undertaken by the City Council's Property Team in a phased approach over the autumn/winter.

The Committee RESOLVED to delegate the decision to Officers in consultation with the Chairman and Vice-Chairman such that if original quote was confirmed then the order could proceed on that basis. The Chairman requested that any significant changes to costs or specifications should be referred back to the Committee.

39. ST JAMES PROPERTY TEAM MAINTENANCE COMPOUND

Property Sub-Committee Minute 7(a) refers

To consider the following Recommendation from the Property Sub-Committee:

The Property Sub-Committee RECOMMENDED to Finance Committee that the solar power scheme proceed at an estimated cost of £2,500. It was further RECOMMENDED to Finance Committee that a secure cabin, as specified, be purchased at a cost of £3,000. Both recommendations to be funded from the Allotment Reserve.

The Property Manager reminded Members that approximately £7,400 had previously been allocated to install an electrical supply to the Property Team's maintenance compound at St James allotments. Members were advised that following a site survey by SSE, the quote had been increased significantly which the Property Manager had decided to reject on the basis of it being poor value for money.

The Committee were informed that SSE had now issued a refund and the Property Manager requested that some of these funds be reallocated for two enhancements to the maintenance compound.

The Property Manager advised that part of the original intention for installing the power supply had been for recharging power tool batteries and being able to undertake repair and maintenance tasks on site. The intention had also been to install a hut/shelter for the Property Team to use for breaks and during bad weather which the power supply would also have supported.

Members were informed that Stephen Hawkins, one of the Property Maintenance team, had designed a solar energy system that would enable the team to charge tools, undertake maintenance tasks and power the hut/shelter. It had been estimated that this would cost £2,500.

Member were further informed that a suitable secure hut/shelter could be obtained for installation on site for £3,000.

The Mayor was fully supportive of the proposal for its lower cost and the environmentally friendly solution that had been designed.

With no further comment from Members, it was RESOLVED that the Property Manager should proceed to purchase a suitable site hut/shelter for £3,000 and it was further RESOLVED that the bespoke solar energy system should be purchased at a cost of £2,500. Both to be funded from the Allotment Reserve.

40. REALLOCATION OF RESIDUAL NEW HOMES BONUS FUNDS RESULTING FROM A FAILED GRANT ALLOCATION

The Deputy Town Clerk informed Members that the Rugby Club had been allocated £5,000 in the 2019/2020 grant year for acoustic dampening works to be undertaken at their club house.

Members were further informed that, following issues with the works not adhering to the conditions imposed by the City Council at the time of allocating the grant, the money remained unclaimed and, in the opinion of Chichester District Council and the Deputy Town Clerk; likely to remain unclaimed.

The Deputy Town Clerk reported that Chichester District Council had advised that there should be no problem with the reallocation of this grant money to the Council House external repairs project.

The Mayor was supportive of the proposal and reminded the Committee that the grant that had been awarded for the Council House repairs on the basis of the remaining funds, not the amount applied for. He suggested that the extra allocation would help top this up and also help the City Council meet the cost of the overall project.

Councillor Apel asked for clarification of the reasons before the failed allocation. The Town Clerk summarised the issue for Members.

The Chairman asked Members if they supported the proposal and it was RESOLVED that the £5,000 New Homes Bonus grant money remaining from the failed allocation be reallocated to the Council House External Repairs Project.

41. COUNCILLOR EXPENDITURE REIMBURSEMENT

The Chairman advised that the Deputy Mayor had requested that the Finance Committee discussed the issue of City Councillor expenses and allowances. The Committee were reminded that Member allowance had been discussed previously and that the City Council had decided not to pursue the matter further.

The Mayor sought to clarify what the Deputy Mayor had asked and advised that he thought it was more the issue of expenses rather than an allowance that could be the issue. He also advised Members that he felt very strongly that any attempt by Councillors to implement allowances in the current social and economic climate would reflect very badly on the City Council. Members were in general agreement that implementing an allowance would not be a wise course of action.

Members discussed the Deputy Mayor's concerns with sympathetic opinions being expressed.

The Member Services Support Officer summarised his report for Councillors. Members were reminded that Councillors were within their rights to claim expenses and subsistence costs for attending events on behalf of the City Council and that forms would need to be submitted to make these claims.

The Committee were informed that the process to implement allowances for all Members in addition to the Chairman of the Council (The Mayor) would require the creation of a remuneration panel at Chichester District Council and that, if it were to proceed, all Councillors with the exception of the Chairman would receive the same allowance.

The Member Services Support Officer outlined two possible suggestions including a hybrid Mayor/Deputy Mayor allowance and the City Council supplying a set of printer ink and some paper to Members directly in support of the administrative work undertaken through the year by Members of the City Council.

The Committee was also reminded that Officers were quite happy to print and post/deliver sets of papers to Members if they preferred not to use their own equipment for the purpose.

Members then discussed the issues around the supply of ink and paper and expressed concerns that they didn't want a system where they were counting individual sheets printed and what ink was used.

The Member Services Support Officer clarified that there would be no expectation for Members to count sheets of paper and claim for pages used. He further advised that completing claim forms was only required for mileage and subsistence and that this was a legal requirement as the claims had to be processed through the City Council's accounts and also be available for Audit inspection.

The Town Clerk further supported the provisions outlined given the dramatic changes that had occurred within the roles of Parish Councillors over time and the extra demand on their personal resources.

The Committee was advised that the City Council would undertake to supply every Councillor with a set of ink cartridges and sufficient paper for one year, each year, and that a budget had been identified for this purpose. This would be managed by the Member Services Support Officer.

42. CHICHESTER DISTRICT COUNCIL HIGH STREET RECOVERY GROUP

The Town Clerk updated Members regarding the discussions he had been having with Councillors and Chichester District Council about City Council representation on the District Council's High Street Recovery Group.

He advised that the usual protocol would be to discuss the matter at the Community Affairs Committee. Members were further advised that the urgency of the issue meant that the date of the next Community Affairs Committee on the 7th of September would be too far away.

The Town Clerk then reported that the issue had also been discussed at the Planning Committee meeting on the 23 July 2020 and that that Committee had appointed the City Council's Planning Adviser as the Officer representative on the High Street Recovery Group. He expressed his support for this appointment.

The Town Clerk asked Members if a Councillor representative had been appointed at the same meeting and also noted that the number of Members of Chichester District Council and its related groups who were also Members of the City Council; would mean that such an appointment would need to be carefully considered.

The Chairman informed Members she had been having technical difficulties during that meeting and had not managed to fully participate at that point.

The Mayor advised that no specific appointment had been made but that it had been suggested that either the Chairman of the Finance Committee or the Chairman of the Planning and Conservation Committee would be suitable appointees.

The Chairman informed the Committee that she would be willing to attend the High Street Recovery Group on behalf of the City Council.

The Mayor recommended that the Committee proceeded on this basis and it was **RESOLVED** that the Chairman of Finance would be the City Council's Councillor

representative on the Chichester District Council High Street Recovery Group with Anna Whitty, the City Council's Planning Adviser, as the Officer representative.

The meeting closed at 3.04pm

DATE OF NEXT ORDINARY MEETING: TUESDAY 15 SEPTEMBER 2020