

MINUTES OF THE FINANCE COMMITTEE MEETING

HELD ON TUESDAY 14 JANUARY AT 5.30PM

- PRESENT : Councillors Barrie, Dignum, Harry and Scicluna
- EX OFFICIO : The Mayor (Councillor Plowman)
The Deputy Mayor (Councillor J Hughes)
Councillor Apel
- APOLOGIES : Councillors K Hughes and Joy
- ALSO PRESENT : Councillor Sharp
Rod Hayler – Director – HO² Commercial Property Consultants
- IN ATTENDANCE : Town Clerk, Deputy Town Clerk, Member Services Support Officer

105 APOLOGIES

As recorded above.

106 MINUTES

The Minutes of the Finance Committee Meeting held on 26 November 2019, having been previously circulated, were signed by the Chairman as a correct record.

107 DECLARATIONS OF INTEREST BY MEMBERS OF THE COMMITTEE IN MATTERS ON THE AGENDA FOR THIS MEETING

Councillors Apel, Barrie, Dignum, and Plowman declared a personal interest as Members of Chichester District Council. Councillors Plowman and Scicluna declared a personal interest as members of the Murray Club.

At this point the Chairman moved to deal with Agenda Items 18 and 20 to allow the City Council's Property Valuer to leave the meeting before other items of internal interest.

108 PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960

RESOLVED that, in the view of the confidential nature of the business to be transacted, the public (including the Press) be excluded from the meeting for Agenda Item 20(i) only because of the nature of the business to be transacted, namely confidential business matters.

109 THE MARKET HOUSE

- (i) The Chairman introduced Rod Hayler from HO² Commercial Property Consultants. Mr Hayler was asked to attend the meeting to advise Members on the matters raised by Orion Developments (Southern) Ltd in connection with the Market House.

The Town Clerk advised Members that these matters related to a proposal from Orion Developments that the City Council grants an increase in the term of the Head Lease on the Market House to 125 years from the original 99 years.

Mr Hayler gave Members a precis of his report regarding the revaluation of the head lease for the Market House following the request from Orion Developments (Southern) Ltd to extend the term to 125 years.

The Committee was advised by Mr Hayler that, in his opinion, this extension would result in a marriage value (the term for the increase in the value of the lease) with 50% of this value being due to the City Council. The Committee were further advised that, as Orion Developments (Southern) Ltd had asked for the extension it would be standard practice for them to cover fees and legal costs for both parties.

Members agreed that, while this was a very significant change, the lease terms would ensure that the City Council would benefit from a stable base rent plus a share of any additional rents and increases for the duration of the new lease period.

It was proposed, seconded and RESOLVED that the terms of the lease extension be accepted on the basis of the report and briefing from Mr Hayler.

The Chairman and Committee thanked Mr Hayler for his report and the succinct briefing he had given to Members.

- (ii) The Town Clerk drew the Committee's attention to the additional item regarding the Market House, namely, whether the Committee wished to recommend to Council that Orion Developments (Southern) Ltd be required to provide progress reports on the letting of unit 4 in the Market House to each Finance Committee.

Members were advised that the Town Clerk had, earlier that day, received a report from Orion Developments (Southern) Ltd's property agent advising that the marketing of unit 4 was still ongoing but that it was proving difficult to find a long term tenant. This was a particular problem as the unit itself had been stripped of most of its equipment by the previous tenant and would therefore require a significant investment from any new tenant before trading started.

The Committee then discussed possibilities for some City Council investment to help bring the unit up to a more reasonable condition. Ideas were also discussed for alternative uses such as gallery space, short term or pop-up tenants.

The Town Clerk suggested to Members that any ideas Councillors had for alternative uses should be forwarded to him for dissemination to all Councillors and communication to Orion Developments (Southern) Ltd.

Following this discussion it was RECOMMENDED to Council that Orion Developments (Southern) Ltd be required to provide updates on the status of letting unit 4 to each Finance Committee.

Mr Hayler left the meeting.

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

110 UPDATE FROM PREVIOUS MINUTES

(i) Council House lift
(Minute 94 refers)

The Member Services Support Officer updated the Committee on the progress of the works on the Council House lift. He informed Members that, as of close of business on 14 January, the installation had been completed with the exception of testing and two control buttons on the lift control panel.

The lift testing and mop-up installation were scheduled to take place on 15 January. The Committee was advised that if this was all completed satisfactorily then the lift would be returned to full operation on Thursday 16 January 2020.

(ii) Chichester City Council Standing Orders Review
(Minute 47 refers)

The Town Clerk updated Members on the progress of the work being undertaken on the new Standing Orders. He reminded the Committee that they would be based on the Standing Orders for Lewes Town Council as he felt that these were a more user friendly version than the model document issued by NALC (National Association of Local Councils).

Members were also advised that the Town Clerk was working in tandem with the Deputy Town Clerk with regards to the financial Standing Orders and that the draft document would be issued to the Working Group in due course.

(iii) Chichester City Council Business Plan
(Minute 102 refers)

The Town Clerk advised the Committee that Councillor Gershater had offered his personal experience with Business Plans to review the draft City Council Business Plan and that this was currently under way.

Members asked for clarification of what was happening and what the next steps would be.

The Town Clerk advised that the revised document would be sent to all Members in due course and that the Working Group would meet shortly after to agree any further revisions as necessary.

Members were then further advised that once the final document had been agreed it would be sent to a Special Meeting of Council at which it would be the only item on the Agenda.

111 NEW HOMES BONUS – SPECIAL GRANT TERMS

The Mayor (Councillor Plowman) declared a personal interest as a Trustee of the Dears Almshouse Trust.

The Deputy Town Clerk reported that, despite previously discussing the New Homes Bonus grants and associated terms, Chichester District Council had advised that the Minute of the meeting had not specifically stated that the terms had been understood, accepted and approved by the Finance Committee (**Minute 68 – 22 October 2019**).

Members were reminded that these special terms were:

- The Dears Almshouse Trust – £15,000 - the condition applied being that the grant should only be used for landscaping of the new gardens and NOT for the installation of the proposed solar panels.
- Chichester and Selsey Sea Cadets – £9,750 - the condition applied being that the grant should only be used to develop a planning application for the replacement of the existing building on the land currently occupied by the Sea Cadets.

The Committee RESOLVED to note, accept and approve the terms as stipulated for the two New Homes Bonus grants and to direct Officers to monitor the spending of the grants within these terms.

112 PROPOSAL TO INSTALL AN INTERPRETATION BOARD FOR THE KEATS SCULPTURE

Property Sub-Committee Minute 40(e) refers

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

Members RECOMMENDED to the Finance Committee that orders to the total value of £750 be placed with Acorn Workshop and Ali Beckett Design for the production of a Keats interpretation board to be funded from Public Realm.

The Chairman outlined the proposal and advised Members that the sculptor, Vincent Gray, had supplied an initial draft of the wording.

The Committee discussed the proposal and agreed that the original draft was both too long and included photos that were thought to be unnecessary. The Chairman advised Members that Councillor K Hughes had revised and edited the draft to reduce the word count by approximately half which Members thought to be more appropriate.

After some further discussion about the specification of, and location for, the plaque it was RESOLVED that orders be placed to the total value of £750 with Acorn Workshop and Ali Beckett Design for the production of a Keats interpretation board to be funded from Public Realm.

113 STREETLIGHTS IN OXMARKET TWITTEN

Property Sub-Committee Minute 40(f) refers

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

The Sub-Committee RECOMMENDED to the Finance Committee that an order to the value of £1,352.38 be placed with SSE for the installation of two wall mounted lights in the Oxmarket Twitten, to be funded from Public Realm.

The Chairman advised the Committee that, to this point, the City Council had been providing battery powered lights for the purposes of improving safety in the Oxmarket Twitten. These had been well received and it was now felt that a more permanent solution would be more appropriate.

Members agreed that this was something that the City Council should be doing for the welfare of the public in Chichester.

It was therefore RESOLVED to place an order to the value of £1,352.38 with SSE for the installation of two wall mounted lights in the Oxmarket Twitten, to be funded from Public Realm.

At this point, the Mayor commented on recent assaults in the poorly lit walkway between Eastgate Square and the New Park Pay and Display Car Park. Members agreed that this issue was something that the City Council should investigate further with regards to improving the lighting in this location.

114 MAINTENANCE COMPOUND ELECTRICAL SUPPLY

Property Sub-Committee Minute 43(a) refers

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

The Sub-Committee RECOMMENDED to the Finance Committee that an order be placed with SSE in the sum of £7,377.22 to provide the specified power supply to the St James Compound, to be funded from the Allotment Reserve.

The Chairman gave a brief summary of this project and outlined to Members that the cost was relatively high due to the need for excavation work to run the supply cable under St James' Road.

The Committee discussed the project and also commented on how much extra work the Property Team were taking on which was felt by Members to be having a positive impact on the City as well as saving the City Council money by bringing a lot of work in house that had previously been contracted out.

Members RESOLVED that an order be placed with SSE to the value of £7,377.22 to provide the specified power supply to the St James compound, to be funded from the Allotment Reserve.

115 CHICHESTER CATHEDRAL CORPORATE FRIENDS MEMBERSHIP

The Town Clerk directed the Committee's attention to a letter received from the Dean of Chichester outlining the Chichester Cathedral Corporate Friends Membership scheme. He advised Members that, because of the wording of the letter, this was a general mailing addressed to all local businesses rather than to the City Council specifically.

The Committee discussed the proposal. Members highlighted areas of funding that the City Council already provided to the Cathedral in support of their work and the running of the Cathedral itself.

It was RESOLVED, in view of these existing funding streams, that the Town Clerk should respond on behalf of the City Council to outline the support already provided to the Cathedral by the City Council and that under these circumstances the City Council would not become members of the Corporate Friends.

116 MURRAY STATUE AND BERNSTEIN MEMORIAL LOCATIONS

The Mayor updated the Committee about the Murray Statue and Bernstein Memorial projects. He informed Members that the Dean and Chapter at Chichester Cathedral had now declined siting of the statue and memorial on the original locations on West Street where the Lime Trees had been removed.

Members were further advised that, while the Cathedral authorities were working with Bernstein in Chichester to find an alternative location for the memorial on Cathedral grounds; they were not able to support a similar relocation for the Murray Statue.

The Mayor also displayed a model of the intended statue and outlined to Members the dimensions and clarified that while the statue's height was fixed (life size), the plinth could be adapted as required.

The Committee discussed potential alternative locations including Priory Park, inside or to the south side of the Council House portico and also the corner of East Street and Market Road in front of the Turners Pies shop.

Members felt that the issue needed to be further investigated and so it was RESOLVED that the matter be deferred to the Property Sub-Committee for additional discussion.

Councillor Apel left the meeting.

117 AUDIT REPORT

The Deputy Town Clerk presented the report from the City Council's Internal Auditor.

Members were advised that the report highlighted several areas that should be focused on, including:

- Standing Orders, Financial Regulations and Payment Controls – the discussion earlier in the meeting was noted as was the fact that updated Standing Orders were planned to be in place in the new financial year (2020-2021)
- Risk Management arrangements – the Deputy Town Clerk advised that the Internal Auditor had recommended that a six monthly risk review would be more appropriate. However, Members were unsure whether this would be of benefit given the extra workload involved and the unlikely chance of risks changing significantly over the course of a year.
- Budgetary Control – it was noted that the processes currently in place allowed for sufficient control and regular monitoring at Committee level of the City Council's budget.
- Petty cash procedures – The Internal Auditor highlighted a lack of written procedures for the management of the petty cash float and records although it was noted that there was no issue with the cash balance. The Deputy Town Clerk advised Members that a set of written procedures would be created shortly.

118 REVENUE BUDGET MONITORING TO 30 NOVEMBER 2019

A copy of the Revenue Budget Monitoring Report to 30 November 2019 had been circulated to all Members with the Agenda.

The Deputy Town Clerk informed Members that this report was currently showing a slightly reduced deficit of £17,959 due in part to some offset surpluses. Members were further advised that the variances in the revenue budget had not changed since the October 2019 Finance Committee meeting

119 PUBLIC REALM PROJECTS

A copy of the Public Realm Projects to date had been circulated to all Members with the Agenda.

The Deputy Town Clerk reported that a total of £22,612.62 had been spent in 2019/2020 with the only outstanding payment being for the replacement of the external Portico noticeboards at a cost of £965.00.

Members were further advised that this total did not include commitments on the Public Realm agreed at this meeting, namely the lighting in the Oxmarket Twitten and the Keats interpretation board.

120 CIL UPDATE

The Deputy Town Clerk reported that the balance of CIL receipts had been further increased by another windfall payment of £39,341.50 received in October 2019 and the overall total received now was £206,357.01.

The Committee was informed that the updated CIL Plan, including new projects added by the City Council, was still being awaited from Chichester District Council.

121 EARMARKED RESERVES UPDATE

A copy of the Earmarked Reserves Balances to date had been circulated to all Members with the Agenda.

The Deputy Town Clerk noted that the balance for the Council House Earmarked Reserve did not take in to account the full cost for the replacement ceiling lantern or the recent repairs to the lift.

122 ITEMS FOR INFORMATION ONLY

(a) MONTHLY RECONCILIATION WITH EVIDENCE OF BANK STATEMENTS TO END OF OCTOBER AND NOVEMBER 2019

RESOLVED to note the monthly reconciliation with evidence of Bank Statements to the end of October and November 2019

(b) LIST OF CHEQUES PAID FOR OCTOBER AND NOVEMBER 2019

RESOLVED to note the cheques paid for October and November 2019

(c) LIST OF BARCLAYCARD PAYMENTS FOR OCTOBER AND NOVEMBER 2019

RESOLVED to note the Barclaycard payments for October and November 2019

123 ITEMS TO BE INCLUDED ON NEXT AGENDA

- Market House – unit 4 leasing updates

124 PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960

RESOLVED that, in the view of the confidential nature of the business to be transacted, the public (including the Press) be excluded from the meeting for Agenda Item 19 only because of the nature of the business to be transacted, namely confidential personnel matters.

125 STAFFING

(i) REQUEST FROM PROPERTY MANAGER TO CHANGE WORKING HOURS TO FULL TIME WORKING

The Deputy Town Clerk summarised the report that had previously been circulated, outlining the business case for increasing the Property Manager's hours from four days a week to five days a week (full time).

Members discussed the increasing range of work and responsibilities being undertaken by the Property team and acknowledged that the experience and qualifications of the team members was having a positive effect on the City

Council's day to day operations as well as allowing more work to be undertaken in house without relying on external contractors.

The Committee felt that while it would have been preferable to have been able to build this added cost in to the agreed budget for 2020-2021, it was nonetheless a necessary step to enable the Property Team to continue to develop in a positive and well managed way.

It was therefore RESOLVED that the Property Manager's working hours would be increased to five days per week with effect from 1st April 2020.

The Mayor, on behalf of the Committee, asked that a note of appreciation be placed in the Minutes to thank the Property Manager and his team for all the hard work they put in to keeping the City Council's assets looking so good and helping maintain such an attractive cityscape for its residents and visitors.

(ii) FINANCE TEAM UPDATE

The Deputy Town Clerk advised the Committee that one of the Finance Team would shortly be starting a sick period of six to eight weeks in the first instance. Members were further advised that the recently appointed additional Finance Assistant had agreed to work additional hours to mitigate some of the shortfall in the Finance Team cover.

It was also noted that the Finance Assistant concerned would be requiring a further period of six to eight weeks for the second part of her treatment.

The Committee asked that their best wishes for a speedy recovery be passed on to the Officer concerned.

The Chairman asked that a note of thanks to Kirsten Easterbrook be minuted in appreciation of her continued good work and willingness to step up to cover the upcoming absence of her colleague.

The meeting closed at 6.48pm

DATE OF NEXT MEETING: TUESDAY 7 APRIL 2020