

**NOTES OF THE VIRTUAL MEETING OF THE
FINANCE WORKING GROUP
HELD ON TUESDAY 15 JUNE 2021 AT 2.00PM**

- PRESENT:** Councillors Scicluna, Barrie and K Hughes
- EX-OFFICIO:** The Mayor (Councillor J Hughes), Councillor Plowman
(Chairman of the Planning and Conservation Committee)
- ALSO IN ATTENDANCE:** Councillor Quail, Deputy Town Clerk (Responsible Finance Officer), Property Manager, Member Services Support Officer and Natassa Evans (owner, NE Events)

The Mayor in the Chair for the first item.

1. ELECTION OF CHAIRMAN FOR 2021-2022

It was proposed, seconded, put to the vote and **AGREED** that Councillor Anne Scicluna be elected Chairman of the Finance Committee for the remainder of the Council year. There were no other nominations.

2. APPOINTMENT OF VICE-CHAIRMAN

It was proposed, seconded, put to the vote and **AGREED** that Councillor Heather Barrie be appointed Vice-Chairman of the Finance Committee for the remainder of the Council year. There were no other nominations.

In accordance with Standing Orders, the Chairman and Vice-Chairman were asked to indicate membership of the Sub-Committees reporting to the Finance Committee.

The Chairman indicated that she wished to be a member of the following Sub-Committees, namely Personnel and Property. However, the Vice-Chairman indicated that she did not wish to serve on these Sub-Committee. It was therefore **AGREED** that the Chairman be a member of all the Sub-Committees but that the Vice-Chairman would not.

3. APOLOGIES AND RECORD OF ABSENCE

Apologies for absence were received from Councillors Apel, Dignum and Harry.

Councillor Joy was absent from the meeting.

4. PROPERTY SUB-COMMITTEE EXPRESSIONS OF INTEREST FOR MEMBERSHIP

The Chairman called for expressions of interest in membership of the Property Sub-Committee.

After a short discussion the Working Group asked the Member Services Support Officer to contact the 2020/21 council year Members of the Property Sub-Committee and report the responses to the Chairman.

5. MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 6 APRIL 2021

RESOLVED that the Minutes of the Meeting held on 6 April 2021, having been circulated, be approved and signed as a correct record at a later date. Councillor K Hughes wished to record that he had given his apologies for this meeting.

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

Councillor Plowman declared a personal interest as a Member of Chichester District Council and also as a member of the Over the Rainbow organising committee.

7. UPDATE FROM THE PREVIOUS MINUTES

(a) **Minute 122(a)** – Speed Indicator Device (SID)

The Deputy Town Clerk advised Members that the SID had now arrived at the Council House and that Officers were in the process of completing the necessary paperwork as well as identifying potential locations for installation around the city.

The Chairman asked whether a storage location had been identified.

The Deputy Town Clerk advised that this had not happened yet. The Property Manager agreed to assist with the identification of somewhere to store the SID so that it remained easily accessible.

(b) **Minute 122(b)** – Council House exterior works

The Property Manager informed Members that the project had now been completed with the exception of some repairs to the roof behind the Town Clerk's office.

He further informed Members that this would be completed once the scaffold that had been left in place to enable the installation of additional solar panels on the Assembly Room roof, had been removed.

The Working Group were pleased to note that the project had cost a total of approximately £53,000 against an initial projected cost of £87,110.

(c) **Minute 122(c)** – Council House portico

The Chairman confirmed that this project was now on hold pending a more suitable financial situation and further communication between Councillors and city residents about the background to the project.

(d) **Minute 122(d)** – City Council website upgrade

The Member Services Support Officer gave the Working Group a short demonstration of the new website that had been built.

Members were advised that the project was now nearing completion with the main area of work remaining being a refresh of the photographs on the site.

Areas of the new website that were highlighted were:

- flexibility of the design to allow sections of the site to be moved around.
- access for users to an array of assistive features for visually impaired and other disabled people.
- access to pages from multiple menus to make the site easy to navigate
- changes to the Committee and Council pages to bring all the agendas and minutes together on a single page with information about the respective grouping.
- calendars and event diaries now possible to highlight Council and Committee meeting dates as well as dates of events taking place in the Council House.

The Working Group was informed that, when the site was ready to launch, the old site would need to be taken down for no more than a day while changes were made in the background.

Members were positive about the new website and thanked the Member Services Support Officer for the work that had gone in to creating it.

Post meeting note: Due to a typing error, the agenda listed the date for the Full Council meeting incorrectly. This has been corrected to Wednesday 23 June 2021 in the minutes.

8. STATEMENT OF ACCOUNTS 2020/2021

A copy of the Statement of Accounts 2020/2021 produced by DCK Beavers Ltd had been circulated to all Members with the agenda.

The Responsible Finance Officer's (RFO) accompanying report explained that the year end accounts to 31 March showed a surplus of £14,778 for the year.

Members were advised that the surplus had been possible due to the reduction in some areas of activity as a result of the Covid restrictions, including city floral planting and casual Officer hours.

The Working Group was informed that the General Reserve now held a balance of £496,404.22 with the City Council's balances totalling £765,647 plus £490,000 invested in the Local Government Property Fund.

The RFO also advised Members that the only budget balance carried forward to 2021/22 would be the Public Realm budget in the sum of £12,409.

The Working Group thanked the RFO for her careful management of the City Council's finances during what had been a particularly difficult period.

After a short further discussion, it was AGREED TO RECOMMEND to Full Council on Wednesday 23 June 2021 that the Statement of Accounts 2020/2021 be approved and signed by the Mayor and the RFO.

9. BUDGETS TO BE CARRIED FORWARD FROM 2020/21 AND BUDGETS TRANSFERRED TO RESERVES

The RFO explained that the only budget being carried forward would be the Public Realm budget in the sum of £12,409.

Members were advised that there would be transfers to the earmarked reserves with local elections (£12,000), computer replacement (£1,500) and solar panel projects (£3,000) being mentioned.

Members were further advised that, over all, the Earmarked Reserves had reduced from £425,740 to £347,514 and that over £130,000 had been spent from the City Council's reserves in the last year including £53,131.55 on CIL projects.

It was RESOLVED that the Public Realm budget be carried forward from 2020/2021 to 2021/2022 financial year as follows in the sum of £12,409.

10. ANNUAL GOVERNANCE STATEMENT (Part 1 of the Annual Return)

A copy of the Annual Governance Statement (Part 1 of the Annual Return) 2020/2021 was circulated with the agenda to all members. The RFO explained that this Statement assured the Auditors that Chichester City Council was managing their accounts correctly.

It was AGREED TO RECOMMEND to Full Council on Wednesday 23 June 2021 that the Annual Governance Statement (Part 1 of the Annual Return) 2020/2021 be approved and signed by the Mayor and the RFO.

11. ACCOUNT STATEMENTS (Part 2 of the Annual Return)

A copy of the Accounting Statements (Part 2 of the Annual Return) 2020/2021 was circulated with the agenda to all members. The RFO explained that the figures on the Statement were extracted from the Statement of Accounts.

It was AGREED TO RECOMMEND to Full Council on Wednesday 23 June 2021 that the Accounting Statements (Part 2 of the Annual Return) 2020/2021 be approved and signed by the Mayor and the RFO.

12. INTERNAL CONTROL POLICY

A copy of the Internal Control Policy for the year ending 31 March 2022 had been circulated to all Members with the agenda.

The RFO explained the Internal Control Policy to the Working Group and drew the Members' attention to section 6, *External Audit Opinion*.

Members were advised that this had previously been reported and that it had been the result of an error when one of the boxes on the return had been completed incorrectly.

Members were also advised that the External Auditors had noted that the cause of the problem had been corrected and that the most recent sequence for document approval and publishing for the public had been followed correctly.

It was AGREED TO RECOMMENDED to Full Council on Wednesday 23 June 2021 that the amended Internal Control Policy be adopted and signed by the Mayor and RFO.

13. INTERNAL AUDIT

The RFO outlined the Internal Audit report that had been circulated with the agenda.

She informed Members that the Internal Auditor had commented on the difficulty of the separation of duties in a small team. Members were also informed that this was a known difficulty but that sufficient controls were in place to prevent any problems arising from this situation.

The RFO then advised the Working Group that, normally at this time, she would be recommending the reappointment of the Internal Auditor for the coming year.

Members were advised that some investigation had resulted in the identification of potential alternatives for the Internal Audit which may be available at reduced cost.

The Working Group asked the RFO to continue her investigations and report back with her proposal at the next Finance meeting in September.

It was then AGREED TO RECOMMEND to Full Council on Wednesday 23 June 2020 that the Internal Audit plan for the financial year 2021/2022 be approved.

14. At this point, Councillor Plowman asked the Chairman to call for a vote of thanks to the RFO for her efforts in managing the City Council's finances.

The Chairman agreed. A vote was called and it was unanimously AGREED to record a vote of thanks in the minutes to express the Working Group's appreciation of the efforts made by the RFO in ensuring the City Council's finances were maintained in a healthy condition despite the prevailing difficult pandemic conditions.

15. INVESTMENT REGISTER

A copy of the investment register had been circulated to all Members with the Agenda.

The RFO advised that the Investment Register showed the purchase of the units in the Property Fund and the price per unit.

The Working Group was reminded that the City Council had purchased a total of £490,000 of units in the CCLA Local Authorities Property Fund in 2017.

Members were informed that, due to volatility during the pandemic, the paper value of the investment was now £459,053. Members were reminded that, with the returns that had been received, this investment was not currently showing an actual loss.

Members were also informed that, due to the spread of the investments in the fund, the City Council had still received approximately £20,000 in returns over the previous 12 months.

16. UPDATE ON INVESTMENTS

The RFO updated Members on the progress of the review of the City Council's investments.

The Working Group was reminded that the investment being reviewed was the £554,217.15 in the Public Sector Deposit Fund and that advice had been sought from Tim Reedman at Reedman Wealth Management.

Members were advised that Mr Reedman had introduced the City Council to Flagstone whose product carried a 0.25% management fee and would enable access to a range of instant-access, notice and fixed term savings accounts from a panel of banks.

Members were informed that, following a discussion with the Chairman of Finance, it had been decided not to proceed as the investment decisions would have rested with the RFO and would not carry sufficient security for the Council's investment.

The RFO advised the Working Group that, as she was not a qualified investment manager, she would not feel comfortable with this kind of detailed management of the Council's investments. She informed Members that she had asked other local authorities for advice and reported that, generally, they paid a fund manager a small fee to give the advice on where was best to invest council funds.

The Working Group was asked to agree to the RFO making further investigations in to this. She informed Members that she understood that Petersfield Town Council made use of Rathbones, a Chichester based company, and that she had emailed the company for further information.

The RFO advised Members that she had identified another possibility of five year climate bonds issued by West Berkshire County Council which offered 1.2% return on funds invested in climate bonds. She further advised that, while the return looked promising, the funds would still be unsecured.

The Working Group agreed that, as the money being invested was public money, it was important that care was taken to invest it in the best way possible.

After a short discussion, Members asked the RFO to continue her investigations and to report back to the next meeting with a progress update.

17. MINUTES OF THE PROPERTY WORKING GROUP

The Working Group noted the minutes of the Property Working Group that had been held on Monday 10 May 2021, that had previously been circulated to Members.

It was RESOLVED that the minutes of the Property Working Group meeting held on 10 May 2021, having been previously circulated, be approved and adopted.

18. OVER THE RAINBOW FUNDING

Members were advised that a request had been received for funding to support the public Over the Rainbow event being held in Priory Park on 30 September 2021.

The Chairman introduced Natassha Evans of NE Events who had been helping the Rotary Clubs of Chichester with the organisation of the event. She advised Ms Evans that the Members would listen to her presentation in support of the application then would ask her to leave the meeting while the funding was discussed.

Ms Evans then gave the Working Group a short Powerpoint presentation giving further details about the event and the activities that were planned.

Members were reminded that the event was the result of a promise made by Councillor Plowman, during his time as the Mayor of Chichester; to hold a thank you party for the community for stepping up during the pandemic. Members were further reminded that the intention was to highlight the contributions made by NHS and other frontline workers.

Some of the key points of the presentation included:

- the event would be free entry and open from 5pm to 8pm. It was hoped that between 1000 and 2000 people would attend, dependent on capacity management.
- there would be a number of parades/processions including:
 - a school children parade around the park which would end on the castle mound with the children forming in to a giant rainbow.

- a parade by NHS and frontline staff, lead by a samba band, finishing in front of the castle mound.
- a torchlight procession along the top of the City Walls.
- “Chichester Town Square” featuring a 17 piece band.
- a specially commissioned song being performed called “March On”.
- food from UK Harvest with Fenwicks Café remaining open to provide drinks.
- the presentation of the City Council’s Covid19 Awards by the current Mayor, Councillor John Hughes; with the Town Crier, Councillor Plowman, making the announcements.

Members were advised that the Rotary Clubs of Chichester would be responsible for event management, insurance and would undertake marshalling duties. They were further advised that each part of the event had been assigned to a named person and that she, Ms Evans, would be over all coordinator.

Ms Evans informed the Working Group that she was currently in discussion with the District Council about having the necessary licences in place to enable an ongoing “Chichester Day” celebration, should the Over the Rainbow format be proven to work.

Councillor K Hughes asked about involvement by local NHS staff.

The Working Group was informed that the event planning had been undertaken in close liaison with NHS management at St Richards, with timings being agreed that would allow the maximum number of NHS staff to join in with the event. The Working Group was further informed that it was hoped that approximately 400 NHS staff from all departments would be able to participate.

The Chairman thanked Ms Evans for her presentation.

Members were informed that, because the timing of the Over the Rainbow event meant it would miss out on the standard Discretionary Grant application process, the Community Affairs Working Group meeting held on 7 June 2021 had deferred the matter to the Finance Working Group to assess the application and make any funding recommendations to Full Council on 23 June 2021.

The Mayor confirmed his support for the application and advised the Working Group that he felt the event should go ahead.

Members discussed concerns about the event impacting on the residents of the area around Priory Park. It was generally agreed that, because the event was timed for 5pm to 8pm and would not involve loud music late in to the night; that residents would not have too many concerns.

Councillor Plowman confirmed that he had discussed Over the Rainbow with some of the residents near Priory Park and that they had expressed support, particularly because of the community-based nature of the event.

After a short further discussion, the Working Group **AGREED TO RECOMMEND** to Full Council on Wednesday 23 June 2021 that the Grant application from Over the Rainbow be approved in the sum of £2,000 to be funded from the Discretionary Grants budget.

The Deputy Town Clerk confirmed that the recommendation would require confirmation at Full Council before the monies could be paid out.

19. MAYORS HARDSHIP FUND

Councillor Plowman updated the Working Group on the Mayors Hardship Fund.

He informed the Working Group that he had found his involvement with the Hardship Fund to be profoundly moving and that during its existence it had allocated £11,133, including an initial amount of £5,000 from the City Council; to applicants in desperate need with an average allocation of approximately £250.

He also expressed his thanks to the Chichester Welfare Trust for their help and support in running the Hardship Fund.

Members were advised that the Mayor's Hardship Fund had now closed and that a new fund called The Second Chance Fund, was in the process of being set up and that this would be run by the Rotary Club with the aim of supporting people who had been rehomed but had no possessions or the ability to purchase basic household items.

20. ITEMS FOR INFORMATION ONLY

(a) MONTHLY RECONCILIATION WITH EVIDENCE OF BANK STATEMENTS TO FOR MARCH 2021

RESOLVED to note the monthly reconciliation with evidence of Bank Statements for March 2021

(b) LIST OF CHEQUES PAID FOR MARCH 2021

RESOLVED to note the cheques paid for March 2021

(c) LIST OF BARCLAYCARD PAYMENTS FOR MARCH 2021

RESOLVED to note the Barclaycard payments for March 2021

21. ITEMS FOR INCLUSION ON THE NEXT AGENDA

- Internal Audit provision
- City Council investments options

At this point, the Chairman advised that the Supplementary agenda would be discussed before the meeting went in to closed session.

22. CHICHESTER BID RANGER FUNDING – 2021/22 AND BEYOND

- a) Request for a provisional commitment from the City Council to continue to fund the BID Rangers for the next five years – 2022/27.
- b) Request for immediate increase in the City Council's funding of the BID Rangers from £12,064 to £15,834 per annum to fund 50% of the extra cost of increasing Ranger cover from 3 days per week to 4.

The Deputy Town Clerk informed Members that the Vice-Chair of Chichester BID had asked the City Council to give a provisional commitment to support the BID Rangers in to the next five year term for the BID as they were preparing for the vote by levy payers in late 2021 that would decide the future of the BID.

Members were reminded that the Ranger funding came from the Public Realm budget and that, normally, this funding would need annual approval.

The Deputy Town Clerk advised Members that where longer term arrangements were in place, such as the City Council's contributions to cemetery running costs, a memorandum of understanding would normally be in place to formalise the agreement.

The Working Group was further advised that the requested increase in the budget had not been taken in to account in the main 2021/22 budget. Members were informed that, as this funding was included in the Public Realm budget which had also had a carry forward from 2020/21, the money was available should they agree the increase.

Councillor Plowman expressed concerns about the requested funding increase. He advised Members that he felt that the Rangers should be funded by the BID levy payers and that the City Council should focus its support on the Community Wardens, provided by Chichester District Council and also part funded by the City Council.

Councillor Plowman also expressed concerns about the more military style uniform worn by the Rangers as he felt this gave the wrong impression.

Councillor K Hughes asked about evidence supporting the effectiveness of the BID Rangers. The Member Services Support Officer screen-shared the latest report that Chichester BID had submitted to the Community Affairs Working Group on 7 June 2021 showing the statistics generated by the Rangers' activities.

Members were advised that the Rangers had supported businesses experiencing higher levels of crime during the pandemic but it was not known whether the crime levels would be sustained once lockdowns started to ease.

The Mayor asked about where the rest of the funding for the Rangers came from.

The Chairman advised that the businesses paying the BID levy made up the other funding and agreed with Councillor Plowman that perhaps the BID should be responsible for more of the Ranger funding.

Councillor Plowman reminded Members that, with the BID vote in late 2021, there was no guarantee that the BID and the Rangers would continue. He also informed the Working Group that he felt that the Council should keep its options open in terms of extra funding in case the money was required in other areas such as the Community Wardens.

In response to a discussion about the requested increased funding, the Member Services Support Officer confirmed that the BID had been running a trial of four days a week at its own expense and that the request was to help support the four day support going forward.

After a further short discussion, it was **AGREED TO RECOMMEND** to Full Council on 23 June 2021 that the City Council respond to the Chichester BID requests as follows:

- a) Defer giving provisional commitment until later in the year after the BID re-election results were known and BID's future for 2022/27 was secured.
- b) Approve the increase in the BID Ranger funding for the current financial year only, ending on 31 March 2022. This increase of £3,770 to be funded from the Public Realm budget as per the rest of the Ranger funding.

The meeting returned to the remaining main agenda items.

23. 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 because of the confidential nature of the business to be transacted, namely financial and staffing matters

24. THE MARKET HOUSE – BUSINESS RATES REVALUATION

The Deputy Town Clerk advised the Working Group that Orion Developments (Southern) Ltd had successfully applied for a revaluation of the Business Rates on unit 4 of the Market House.

Members were also advised that an invoice for a share of the cost of this revaluation had also been received.

The Working Group queried whether this had been expected and it was confirmed that the Town Clerk had discussed this with Orion Developments (Southern) Ltd but that no undertaking had been given.

Members were supportive of the revaluation and the positive effect it would have on the ability to lease unit 4.

The Working Group did not support helping with the costs of the revaluation as they considered it to be a business cost that would benefit Orion Developments more directly.

25. FINANCE TEAM STAFFING UPDATE

The Deputy Town Clerk reported that, following the retirement of one of the finance assistants, and the imminent departure of the second finance assistant, the opportunity had been taken to combine both vacancies in to a single post offering 25 hours per week.

She advised Members that the vacancy had been advertised with six candidates shortlisted for interview. She further advised that the Member Services Support Officer would be assisting her with interviews on Friday 18 June 2021.

DATE OF NEXT ORDINARY MEETING: TUESDAY 14 SEPTEMBER 2021

The meeting closed at 3.25pm