

Committee Manager : Erica Keegan (Ext 37547)

5 July 2017

CABINET

A meeting of the Cabinet will be held in Committee Room 1 (Pink Room) at the Arun Civic Centre, Maltravers Road, Littlehampton, on **Monday 17 July 2017 at 5.00 pm** and you are requested to attend.

Members : Councillors Mrs Brown (Chairman), Wensley (Vice-Chairman), Bence, Charles, Clayden, Haymes, and Wotherspoon.

A G E N D A

1. APOLOGIES FOR ABSENCE
2. DECLARATIONS OF INTEREST

Members and Officers are reminded to make any declarations of personal and/or prejudicial interests that they may have in relation to items on this Agenda.

You should declare your interest by stating :

- a) the item you have the interest in
- b) whether it is a personal interest and the nature of the interest
- c) whether it is also a prejudicial interest
- d) if it is a prejudicial interest, whether you will be exercising your right to speak under Question Time

You then need to re-declare your interest and the nature of the interest at the commencement of the item or when the interest becomes apparent.

3. QUESTION TIME

- a) Questions from the public (for a period of up to 15 minutes).
- b) Questions from Members with prejudicial interests (for a period of up to 15 minutes).

4. MINUTES

To approve as a correct record the Minutes of the meeting held on 19 June 2017 (previously circulated).

5. BUDGET VARIATION REPORT

To consider any reports from the Head of Corporate Support (*Standard item*).

6. LITTLEHAMPTON LEISURE CENTRE

At their meeting on 10 April 2017 Cabinet noted that the final tenders for the leisure centre project would be presented to Cabinet on 17 July 2017 (C/056/100417). This report seeks approval for the award of contract for the main construction work, the allocation of budgets to fund the project, and expenditure of external funding.

7. PROPERTY INVESTMENT STRATEGY

This report describes proposals for implementing a Property Investment Strategy. The strategy aims to generate revenue income from capital investment and is a direct response to the uncertainty of government funding in future years.

8. ARUN WELLBEING HEALTH PARTNERSHIP - 21 JUNE 2017

To receive and note the Minutes of the meeting of the Arun Wellbeing Health Partnership held on 21 June 2017 (attached).

ITEMS PUT FORWARD BY THE OVERVIEW SELECT COMMITTEE / WORKING GROUPS

9. HOUSING AND CUSTOMER SERVICES WORKING GROUP - 6 JULY 2017

To consider the recommendations to Cabinet contained in the Minutes of the meeting of the Housing & Customer Services Working Group held on 6 July 2017. These Minutes will be circulated *separately* to the agenda.

10. ENVIRONMENT & LEISURE WORKING GROUP - 17 JANUARY 2017

To consider the recommendations to Cabinet contained in the Minutes of the meeting of the Environment & Leisure Working Group held on 17 January 2017 which, due to an administrative error, were not reported to previous meetings of Cabinet.

Note : *Indicates report is attached for all Members of the Council only and the press (excluding exempt items). Copies of reports can be obtained on request from the Committee Manager) or accessed via the website at www.arun.gov.uk .

Note : Members are reminded that if they have any detailed questions would they please inform the Chairman and/or relevant Director in advance of the meeting.

AGENDA ITEM NO. 6**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17 JULY 2017****PART A : REPORT****SUBJECT: Littlehampton Leisure Centre****REPORT AUTHOR: Rachel Alderson – Principal Landscape Officer DATE: June 2017 EXTN: 37946****EXECUTIVE SUMMARY:**

At their meeting on 10 April 2017 Cabinet noted that the final tenders for the leisure centre project would be presented to Cabinet on 17 July 2017 (C/056/100417). This report seeks approval for the award of contract for the main construction work, the allocation of budgets to fund the project, and expenditure of external funding.

RECOMMENDATIONS:

It is recommended to Cabinet that the following are approved:

1. To award the main construction contract for delivery of the new leisure centre to Willmott Dixon Construction Ltd. and to give delegated authority to officers in Legal Services to enter into the necessary legal agreements.
2. To note the award of contract for the appointment of a Clerk of Works/Supervisor and that a piling rig has been reserved for the main contract work.
3. To draw down the combined contribution of £40,987.13 from planning decision LU/116/13/PL for expenditure on the Littlehampton leisure centre project, and that any further Section 106 contributions which are received and which relate to the provision of swimming pool and leisure facilities at Littlehampton are also drawn down for allocation to the project.
4. To enter into a contract with Sport England and approve expenditure of external funding, should the application to the Sport England Strategic Facilities Fund be successful.

It is recommended to Full Council to approve:

5. A supplementary estimate for the remaining cost of delivering the new leisure centre project; the final figure to be confirmed at the Full Council meeting.
6. To note the final contract sum for the delivery of the new leisure centre; final figure to be advised at the Full Council meeting.
7. To underwrite the full cost of delivering the leisure centre project should the application to the Sport England Strategic Facilities Fund be unsuccessful.

1. BACKGROUND:

Cabinet received a project update at their meeting on 10 April 2017 regarding the non-material amendment to the approved planning application, ref. LU/314/16/PL and LU/52/17/NMA. Cabinet Decision C/056/100417 noted the project progress and that the project team has been progressing stage 4 of the design and preparing packages to tender the project, in order to report on the final tender value on 17 July 2017.

1.1 Planning Application & Building Control

Further information has been submitted to discharge a number of planning conditions prior to construction work commencing. Due to the application being made on behalf of the Council, the conditions will be formally discharged by the Development Control Committee. The majority of applications do not follow this process. The first application to discharge conditions, LU/147/17/DOC, will be presented to the Development Control Committee on 21 June 2017 and sets out the drainage strategy proposals and plans to protect the public sewer.

A second application for the remaining conditions has been submitted, LU/177/17/DOC and will be listed on the 19 July 2017 agenda. This application includes landscape proposals for the site, habitat mitigation strategy, foul and surface water disposal, details of construction equipment, kitchen design, and external lighting.

A Building Control application has been submitted, ref. LU/174/17/BR, to enable the project plans to be checked for compliance against current standards.

1.2 Project Costs

At a special meeting on 22 February 2017, Council approved Arun's 2017/18 budget, including an estimated £15.1million for the new Littlehampton Leisure Centre. Together with the £0.9m budget already in place, this gave a total budget of £16.0m which has been set aside for the project. This was a provisional estimate, based on the best information available at the time.

Project costs have been continually reviewed against the designs throughout the course of the pre-construction phase. Sport England benchmarked the scheme information in March 2017 against around 60 similar projects to ensure the designs represented value for money. In its value for money assessment Sport England considered the base cost to provide a favourable comparison with their expectation for this project.

A number of site abnormalities were identified during the pre-construction phase, which are unique to the location of the new centre. For example, site surveys highlighted poor ground conditions which have resulted in a piled solution for the building foundations. The building also needs to be set at a higher level to minimise flood risk.

1.3 Procurement

Due to the economic benefits to the Council, three separate contracts are being awarded for the delivery of the project:

- Enabling works contract
- Main construction contract
- Final demolition and reinstatement contract

A meet the buyer event was held on 15 June 2017 to create opportunities for local business involvement with the project.

1.4 Site Preparation Works

Following the discovery of a collapsed sewer in the car park of the existing leisure centre, Southern Water is carrying out essential repair works to the pipe between June and August 2017. Plans are in place to ensure access for construction traffic for the leisure centre project and minimise disruption to customers of the existing centre.

Asbestos surveys were carried out following closure of the sports dome in April. Removal of the asbestos identified will be undertaken as part of the early site works. Archaeological trenches excavated on site did not reveal anything of historical importance. A number of trial holes have been excavated associated with the discharge of planning conditions. As a result of these a diversion of the smaller sewer will be carried out in the south-east corner of the site. This work will be carried out in tandem with the enabling works.

A package of early works has been procured and Cabinet Member Decision ICM/076/130417 approved the award of the enabling works contract. The work includes setting up site hoarding and tree protection, demolition of the sports dome and installation of the piling mat. The enabling works are programmed to commence at the end of June for a period of approximately 9 weeks.

1.5 Stakeholder Engagement

Work to relocate the boat storage area of the Arun Youth Aqua Centre was undertaken in April 2017. The first phase of the work involved the installation of new fencing and boat anchorage points. The next phase will provide the club with new boat storage and changing facilities. Willmott Dixon Construction (WDC) has donated the materials for this work as part of their community engagement.

ADC, WDC and STEM Sussex hosted a meeting for local teachers on 23 May 2017 at the current leisure centre. STEM Sussex works in partnership with employers and schools to enthuse and inspire young people about science, technology, engineering and maths (STEM). Teachers were presented with information about the leisure project and took part in discussions in how the project team can support learning in schools and promote career opportunities in the construction industry. Since the meeting some schools have made contact with WDC to discuss the possibilities in more detail and arrange events for their pupils.

WDC has visited HMP Ford, as part of the company's own 'Ready for the Gate' initiative, which aims to help offenders feel more prepared for future employment and be aware of what prospective employers are looking for. Staff from WDC interviewed 12 offenders, giving an introduction to construction and potential employment opportunities and provided assistance with CV's and interview technique.

Stakeholders have received a project update outlining key forthcoming milestones. Further information will be issued during the course of the project.

1.6 Project Milestones

The project programme identifies the following key milestones:

Enabling Works	June – August 2017	Demolition of sports dome Site preparation
Main Works	September 2017	Commencement of main construction contract
	Autumn 2017	Piling complete
	Spring 2018	Foundations complete
	Summer 2018	Frame complete Building watertight
	Autumn 2018	Fit out complete Testing and commissioning
	Spring 2019	Completion

2. **PROPOSAL(S):**

2.1 Tender Process and Main Contract Award

It is widely known that construction costs have increased during the recent period of economic uncertainty and since the cost estimate set out in the project Feasibility Study.

The project team has reviewed the design in line with costs throughout the pre-construction phase and worked to mitigate potential cost increases, while at the same time ensuring that the approved facilities mix is not compromised.

A full range of procurement packages was issued to tender for different elements of the project, through the Willmott Dixon supply chain. The submissions have been closely monitored by the Council's appointed cost consultants. Firmer information is now available following the tender process and the overall project costs are confirmed to exceed the approved project budget of £16.0m. The funding required to meet the full project costs will be subject to a supplementary estimate at Full Council, where the figure will be confirmed. The additional costs identified are unique to this project and are outlined in Appendix 1.

It is proposed to award the main construction contract to Willmott Dixon Construction Ltd. for the delivery of the new Littlehampton leisure centre. The project team are continuing with negotiations to ensure value for money and have provided the revised costs to Sport England for review. The final contract sum will therefore be presented at Full Council.

2.2 Supervisor/Clerk of Works Contract Award

Cabinet Decision C/047/080216 resolved that delegated authority be given to award contracts in respect of professional and technical fees up to a value of £1,440,000. Decision C/013/250716 noted the award of contracts for the framework contractor and client representative. In line with proposals set out in C/047/080216 tenders have also been received for the appointment of a Supervisor/Clerk of Works who will review

technical specifications and ensure quality of workmanship, during both the enabling works and main works. Delegated authority has been given for the award of this contract. The total revised value of contracts awarded under this delegated authority is therefore in the region of £1,165,500. It is recommended that Cabinet note this contract award.

2.3 Piling Rig

In order to maintain the programme for the delivery of the project a piling rig has been reserved prior to the award of the contract. Cabinet are asked to note that a letter of comfort has been issued to this effect.

2.4 Provisional Items

During the public consultation there was support for the inclusion of a sauna. While this did not form part of the core facility mix the project team requested that this be included as a provisional item within the tenders. It is proposed that this is incorporated within the contract sum for the new leisure centre.

The cost benefits of all elements of the building have been assessed against the facility mix the Council has committed to deliver, which included the consideration of alternative technologies. Cabinet were advised during Public Question Time at their meeting on 13 April 2017 that the inclusion of low carbon technologies would be reviewed following the receipt of final tenders. A range of different renewable and low carbon options are being considered, including Combined Heat and Power (CHP) and Air Source Heat Pumps (ASHP) and it is proposed to include an allocation within the contract sum for this purpose.

2.5 Section 106 Funds

Planning application allocated the following Section 106 Funding from the Hollyacre Development in Littlehampton, ref. LU/116/13:

- £18, 093.06 contribution towards swimming pool facilities
- £22,894.07 contribution towards sports hall facilities

It is therefore proposed that the combined contribution of £40,987.13 from planning decision LU/116/13/PL is drawn down for expenditure on the Littlehampton leisure centre project, and that any further Section 106 contributions which are received and which relate to the provision of swimming pool and leisure facilities at Littlehampton are also drawn down for allocation to the project.

2.6 Sport England Grant Application

An application for Sport England funding has been submitted for consideration by Sport England's Investment Committee in July 2017. As well as setting out the design and operational details of the new centre, the application also focusses on how it will contribute to Sport England's strategy 'Towards an Active Nation 2016-2021'.

Cabinet Decision Notice C/019/171016 approved the submission of a grant application to Sport England. Should the application be successful it is proposed to enter into a contract with Sport England and approve the expenditure of external funding. It is also proposed that the Council should underwrite the full cost of delivering the leisure centre project should the application be unsuccessful.

3. OPTIONS:

1. To approve the recommendations as set out.
2. To not approve the recommendations and jeopardise the delivery of the leisure centre project.

4. CONSULTATION:

The following Stakeholder Engagement has taken place:

- User Group Meetings held on 9 & 14 September 2016
- Members Exhibition on 29 September 2016
- Planning Public Consultation 3 – 10 October 2016
- Correspondence to local residents ahead of tree removal work – February 2017

Members of the public also had the opportunity to comment on the scheme as part of the planning application process. The non-material amendment application is not subject to the same consultation process, however, all documents are available to view on the Planning Portal. A link to the revised application was displayed on the leisure centre webpage and stakeholders were notified of the amendment.

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council	✓	
Relevant District Ward Councillors	✓	
Other groups/persons (please specify) The Environment and Leisure Working Group receive project updates at each meeting. The following stakeholders have been consulted and updated on the project throughout the pre-construction phase: Sports clubs, user groups, Friends of Mewsbrook Park, Arun Youth Aqua Centre, Freedom Leisure, Sport England, general public	✓	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability	✓	
Asset Management/Property/Land	✓	
Technology		✓
Safeguarding		✓
Other (please explain)		✓

6. IMPLICATIONS:

- Financial – the Council is committed to funding the new leisure centre; as explained in the report a supplementary estimate is required to meet the full cost of delivering the project.
- Legal – the delivery programme is linked to dates set in the Leisure Operating Contract. The Arun Youth Aqua Centre will require a revised lease for the relocated boat store. The Council will be required to enter in to a contract with Sport England should the funding application be successful.
- Sustainability – future maintenance requirements will be taken into account as part of the project.
- Asset Management/Property/Land – the Council will own the new leisure centre and have responsibility for its future maintenance.

7. REASON FOR THE DECISION:

To enable the delivery of the new Littlehampton leisure centre in accordance with the project programme.

8. BACKGROUND PAPERS:

[Leisure and Cultural Strategy 2013 - 28](#)

[Full Council 15 May 2013, Final Resolution, Minute 522, Strategy 1, Stage 2](#)

[Leisure, Tourism & Infrastructure Working Group \(30 June 2014\)](#)

[Cabinet Report \(21 July 2014\) – A New Leisure Centre for Littlehampton](#)

[Detailed Feasibility Study 2015](#)

[Cabinet Report \(16 November 2015\) - Capital Prioritisation Programme](#)

[Cabinet Report \(8 February 2016\) – A New Leisure Centre in Littlehampton](#)

[Environmental Services & Community Development Working Group \(28 June 2016\)](#)

[Environment & Leisure Working Group \(6 September 2016\)](#)

[Cabinet Report \(17 October 2016\) – Project Update](#)

[Environment & Leisure Working Group \(1 November 2016\)](#)

[Environment & Leisure Working Group \(17 January 2017\)](#)

[Environment & Leisure Working Group \(14 March 2017\)](#)

[Cabinet Report \(10 April 2017\) – Littlehampton Leisure Centre](#)

[Environment & Leisure Working Group \(27 June 2017\)](#)

Appendix 1

**Littlehampton Leisure Centre
Additional Costs Update**

No.	Area of Additional Costs	Comments
1	Ground conditions	<ul style="list-style-type: none"> • The geotechnical surveys identified that the ground conditions on site required piled foundations. • Survey work and consultation with the Environment Agency highlighted the need for the design of the leisure centre to mitigate against flood risk.
2	Provisional items	<ul style="list-style-type: none"> • The inclusion of a sauna is being proposed following the public consultation. • It is proposed to incorporate low carbon technology to improve the energy efficiency and environmental impact of the building.
3	Utility services & external works	<ul style="list-style-type: none"> • The Council has committed to opening the new leisure centre prior to the current centre being demolished. The incoming supplies of utility services (electricity, gas etc.) and the provision for surface water storage and discharge need to be upgraded to allow two leisure centres to be operated at the same time. • The site levels need to be adjusted to accommodate the design.
4	Client revisions	<ul style="list-style-type: none"> • The pre-construction phase has identified the need for further fixtures, fittings and equipment beyond the budget allocation, to ensure the new leisure centre is adequately equipped. • Enhanced materials are required to improve the longevity of the building.
5	Sewer diversion	<ul style="list-style-type: none"> • Following initial site surveys and examination of drainage records, trial holes were undertaken and a diversion of the smaller sewer is required.
6	Inflation	<ul style="list-style-type: none"> • The uncertain economic climate during the pre-construction phase has impacted on the project costs.
7	Contingency	<ul style="list-style-type: none"> • A sum will be allocated to allow for any unforeseen client costs incurred during the construction phase.

AGENDA ITEM NO.7**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17 JULY****PART A : REPORT**

SUBJECT: Property Investment Strategy
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REPORT AUTHOR: Paul Broggi – Property & Estates Manager DATE: 15 June 2017 EXTN: 37506
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EXECUTIVE SUMMARY:

Prolonged austerity is driving an important shift in local government, austerity combined with cost pressures mean that Councils need be more self- sufficient to enable them to meet their statutory obligations.

In response to this the Council needs to consider alternative methods of generating income streams to replace the shortfalls in government funding. These aims are reflected in the objectives of Arun's 2020 Vision.

This report describes proposals for implementing a Property Investment Strategy. The strategy aims to generate revenue income from capital investment and is a direct response to the uncertainty of government funding in future years.

To achieve the objectives of the Property Investment Strategy, it is recommended that a Property Investment Fund is established. Due to the nature of property investment, it is critical that the availability of funding and the decision making processes that support it enable officers to respond quickly to investment opportunities.

The Property Investment Fund will not require any external borrowing as funds generated from existing Land and Property disposals will be used. Any additional rental income generated through future property investments will create a revenue stream for the Council. The scale of investment will therefore be determined by the available funds and it is envisaged that this will be grown steadily.

This report will cover the key aspects for Members to consider.

RECOMMENDATIONS:

1. That Cabinet approves and recommends to Full Council the broad principles of the Property Investment Strategy.

2. That Cabinet approves and recommends to Full Council the establishment of a Property Investment Fund (as outlined in this report) to support the achievement of the objectives outlined in the Property Investment Strategy.

3. The Constitution be amended to give delegated authority to the Director of Place in Part 4 (Officer Scheme of Delegation), Section 2, Paragraph 4.0 to read:

“ Authority to approve the acquisition of commercial properties from the Property & Investment Fund up to a maximum value of £750,000 per acquisition in consultation with

the Cabinet Member for Technical Services and the Section 151 Officer, subject to a viable business case.”

And that the Group Head of Council Advice and Monitoring Officer is authorised to make any consequential amendments to the Constitution.

4. The processes and procedures for approving, reporting and monitoring the investments made via the Property Investment Fund.

1. Background:

Prolonged austerity is driving an important shift in local government. The early years of austerity have been characterised by authorities taking action to reduce costs as Central Government funding has been cut by more than 40% by 2017-18.

To respond to this challenge many local authorities are considering alternative revenue streams to replace shortfalls in funding and deliver both their statutory and non-statutory responsibilities in new and innovative ways.

The Property Investment Strategy provides a set of broad principles for future investment by the Council in commercial property, with the aim of generating additional revenue for the Council.

2. Property Investment Strategy

The Property Investment Strategy is included as an Appendix (Appendix 1) to this report and covers the following:

- Purpose
- Background
- Strategy Aim
- Key considerations for acquisitions
- Financial considerations
- Property Investment Risk
- Corporate Implications
- Governance Arrangements

Members are asked to consider the proposals in the attached Property Investment Strategy.

2. PROPOSAL(S):

1. That Cabinet approves and recommends to Full Council the broad principles of the Property Investment Strategy.

2. That Cabinet approves and recommends to Full Council the establishment of a Property Investment Fund (as outlined in this report) to support the achievement of the objectives outlined in the Property Investment Strategy.

3. The Constitution be amended to give delegated authority to the Director of Place in Part 4 (Officer Scheme of Delegation), Section 2, Paragraph 4.0 to read:

“ Authority to approve the acquisition of commercial properties from the Property & Investment Fund up to a maximum value of £750,000 per acquisition in consultation with

the Cabinet Member for Technical Services and the Section 151 Officer, subject to a viable business case.”

And that the Group Head of Council Advice and Monitoring Officer is authorised to make any consequential amendments to the Constitution.

4. The processes and procedures for approving, reporting and monitoring the investments made via the Property Investment Fund.

3. OPTIONS:

1. That Cabinet do not approve or recommend to Full Council the broad principles of the Property Investment Strategy

2. That Cabinet do not approve or recommend to Full Council the establishment of a Property Investment Fund (as outlined in this report) to support the achievement of the objectives outlined in the Property Investment Strategy.

3. That Cabinet do not approve or recommend to Full Council the required amendments to the Constitution.

4. That Cabinet do not approve or recommend to Full Council the processes and procedures for approving, reporting and monitoring the investments made via the Property Investment Fund.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify)		X

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)

	YES	NO
Financial	X	
Legal	X	
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land	X	
Technology		X
Safeguarding		X
Other (please explain)		X

6. IMPLICATIONS:

7. REASON FOR THE DECISION:

Agreement and operation of a successful Property Investment Strategy will assist in preserving and improving the financial and other resources available to the Council in support of the Council's 2020 Vision and beyond.

A successful property investment strategy will see generation of additional revenue income for the Council that can be utilised to underpin both statutory and non-statutory services delivered to the community. This is considered to be in the best interests of the Council.

8. BACKGROUND PAPERS:

None



Appendix 1

Arun District Council Property **Investment Strategy** **2017 - 2022**

Contents

Property Investment Strategy

1. Purpose
2. Background
3. Strategy Aim
4. Key considerations for acquisitions
5. Financial Considerations
6. Property Investment Risk
7. Corporate Implications
8. Governance Arrangements

1. Purpose

The purpose of this strategy is to set out the following:

- The Council's objectives for acquiring property assets as a form of investment.
- The financial implications of the Property Investment Strategy and the establishment of a Property Investment Fund.
- The key risks associated with property as an investment and the processes that will be undertaken to identify, assess and mitigate those risks.
- The Corporate implications of the Property Investment Strategy.

2. Background

The current uncertainty regarding Central Government funding means that Councils need to identify alternative methods of generating income.

As a result there has been increasing pressure on Councils to generate income from their assets. The aim of the Property Investment Strategy is to provide a broad set of principles for the Council to undertake property acquisitions with the aim of generating a return for the Council.

- **Asset Portfolio**

Arun's current general fund asset portfolio comprises corporate properties that are occupied by Council departments, properties which are leased out and properties that are used for community facilities together with land and structures for communal use.

The portfolio consists of 109 properties that generate income for the Council. Annual income generated is circa £575k from the rental of these properties. These properties consist of:

- Properties predominantly held for service delivery (these assets also create an income stream from rental of part of the buildings), generating an income of £28,160;
- Lease properties, generating an income of £487,662;
- Leased properties – Concessionary Rentals (these properties have been let at a less than market value to organisations that provide a service to the community), generating an income of £10,589;
- Concessions, generating an income of £48,776.

- **Asset Reviews Process**

Asset reviews are undertaken to establish the extent to which assets are to be retained, disposed of or amended to bring the performance of those assets into line with the Council's policies and requirements. Where possible, this involves lease restructuring, reviewing existing use and lease terms. This can sometimes be restricted by the terms of the lease and each case must be reviewed individually.

As part of the Asset Review process the Council has reviewed its accommodation at the Civic Centre in Littlehampton and has relocated staff within the building in order to free up ground floor office space.

The Council's review its general fund assets on an on-going basis. Many existing leases are fixed under contract and so the Council is unlikely to be successful in obtaining variations to these leases unless the leaseholder(s) were in agreement. As and when leases are either due to end or they come up for rent review Property & Estates are taking a commercial approach in order to ensure that best value is attained.

3. Strategy Aim

The aim of the Strategy is to ensure a long-term increased source of income from a balanced property investment portfolio. This income stream can then be used by the Council to maintain, extend or improve service delivery.

The strategy for acquiring property investments will aim to:

- Maximise rental income and minimise operational and management costs to ensure the best return is generated for the Council.
- Pursue opportunities to increase financial returns (rental receipts and capital appreciation) and improve the investment value of commercial assets.
- Promote collaborative working with adjoining owners, developers and other external stakeholders in order to maximise value.

The Property Investment Strategy covers a 5 year period (2017 – 2022) and will be reviewed and updated bi-annually.

4. Key considerations for acquisitions

There are a number of factors that determine the return on an individual property and these will be considered for each potential investment.

These factors are:

- **Covenant Strength** – the ability of the tenant to pay the rent on time and in full. It is important to note that the Council will not invest in properties where the occupiers are generally seen to be undertaking activity which is contrary to its corporate values.
- **Lease length** – the unexpired length of the term of the lease is important in ensuring that the landlord's revenue stream is uninterrupted.
- **Rate of return**- the rate of return from the property (rental receipts), will need to be at least comparative to the returns that could be earned from alternative investments (subject to adjustments for risk and potential growth).
- **Risk**- the level of associated risk and the Council's appetite for risk must be considered. Generally, the level of risk will be higher where the return is higher. Whether this risk is acceptable to the Council must be considered in conjunction with the associated return.
- **Growth** – the Council will take into account the potential for both revenue and capital growth when assessing the strength of the potential investment.
- **Sector** – the sector of use of the property will be considered to assist in determining risks associated with that specific property sector. It will also be considered for the portfolio as a whole so that risk is adequately diversified.
- **Building age, condition & specification** – this will impact the Council's ability to lease the property and its potential capital appreciation.
- **Location** – the location is critical and will ideally enable the Council to undertake inspections and deal with management issues itself. It is intended that investing in the district should be the primary focus for property acquisitions. However, if the supply or quality of suitable new acquisitions should not be available or they are considered financially unviable within this area, opportunities over a wider geographical area may be considered. In accordance with the Localism Act 2011, the Council has the power to acquire property investments outside the district in line with the proposed Property Investment Strategy. Ultimately, any additional income will contribute to the funding of the Council's service delivery.

- **Other** - The Property Investment Strategy recognises that the financial return is not the sole factor for determining whether to proceed with an investment. It recognises the importance of wider socio- economic impacts i.e. community/ regeneration and will give due regard to these in line with the Council's overall strategic objectives.

5. Financial Considerations

The Property Investment Strategy sets out the broad principles governing the property investments that will be undertaken by the Council in the future.

The aim of these investments is to provide secure, long- term and sustainable income streams for the Council. This will ultimately enable the Council to improve its financial resilience and become less reliant on Central Government funding.

Returns from property can be both income driven (rental receipts), and by way of appreciation of the underlying asset value (capital growth). The total return these two elements provide will be the key consideration in assessing the attractiveness of a property for acquisition.

For each property investment, careful consideration will be given to the property type, age, condition and location, together with the lease structure and covenant strength of the tenant (in respect of leased properties). These are fundamental influences on the property price and returns.

The additional rental income generated from investments will provide the Council with an income stream with a view to maintain, extend or improve service delivery. Income generating activities reduce the potential for further service cuts.

The availability of funds and the speed of the decision making and approvals process is critical to enable officers to respond quickly to investment opportunities in the property market.

5.1 Property Investment Fund

To achieve the objectives of the Property Investment Strategy, it is recommended that a Property Investment Fund is established. The Property Investment Fund **will not require any external borrowing** as funds generated from existing Land and Property disposals will be used.

It is proposed that 75%, of any sale proceeds from land and property disposals, is automatically allocated to the Property Investment Fund within the Property and Estates Budget. Funds will be replenished by ring fencing capital receipts from the sale of non- operational properties identified.

Any expenses directly attributable to any purchase, will in accordance with accounting regulations, be charged to the Property Investment Fund as part of

the cost of acquisition, and will therefore be taken account as part of the overall evaluation of the property acquisition.

6. Property Investment Risk

The Property Investment Strategy recognises that any form of investment is not without risk. The value of any investment can fluctuate over time, especially long- term investments.

The Key Risk factors specific to property investment are:

- **Acquisition Risk** – the Council may incur transaction costs without guarantee of securing the investment (e.g. the Council may be one of several bidders, or is required to pay a premium);
- **Price and cost risk** – once acquired the price or cost of the investment may fluctuate over time, which may in itself reflect variations in demand and supply;
- **Economic/ political risk** – the ability to retain or dispose of an investment may be inhibited by the economic and/ or political environment at any point in time;
- **Market Risk** – the Council's ability to influence the price, financial return or other benefits pertaining to the investment may be limited by the market in which it operates.

Risk management

The consideration of any investment will include a risk assessment that will aim to measure, as objectively as possible, the likelihood and the severity of the impact should the risks identified be realised. This will form part of the decision making process, enabling the potential benefits (financial or otherwise) to be considered in conjunction with the risks.

The Council will acquire property which produces the highest yields possible, whilst carrying an acceptable level of risk.

A process of due diligence will be undertaken prior to each completion as this is critical to the mitigation of most property risks.

The portfolio of property investments will be grown steadily, with a variety of different property assets in order to spread the risk. This represents a relatively low risk- approach to property investment.

Each case will be subject to a business case, demonstrating viability and appropriate approval will be obtained prior to completion of purchase.

Disposal of properties

The decision to sell properties may be triggered by a variety of factors and is not limited to lease events, market forces, portfolio mixes or changes in strategy. The portfolio will be open to continued appraisal and active management with a view to minimising risk and increasing returns

Should the need for any such disposal occur, it is proposed that the procedure set out in the Council's Standing Orders will be adhered to.

7. Corporate Implications

7.1 Legal Considerations

Generally, the Local Government Act 1972 empowers Councils as follows:

“a local authority shall have a power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions”

(Part VII, Section 111).

In exercising this power, the Property and Investment Strategy aims to obtain a mixed portfolio of property investments (land and property) that spreads both the return and risks.

7.2 Resources

The purchase of additional properties will require officer resources (finance, legal and property), related not only to the purchase, but also to their ongoing management.

The Property Investment Fund will be utilised to fund professional/consultancy fees associated with the disposal and/ or acquisition of assets.

It is envisaged that the property investments will be grown steadily and as such it is anticipated that no additional resources will be required.

8. Governance Arrangements

The Councils current governance structure does not allow the Council to react quickly enough to property investment opportunities due to the timescales associated with the Individual Cabinet Member (ICM) decision requirements (prior notice of decision and call in period after the decision).

It is important that the Council is perceived as a serious investor within the property market. It is recommended that the current governance arrangements and the Council's Constitution are revised to ensure that the Council can react quickly to opportunities that arise

It is also recommended that the delegated authority levels within the Constitution are revised to:

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*The authority to approve the acquisition of commercial properties from the Property & Investment Fund **up to a maximum value of £750,000 per acquisition** is delegated to the Director of Place in conjunction with the Cabinet Member for Technical Services and the Section 151 Officer, **subject to a viable business case.***

It should be noted that each case **must** be supported by a business case that proves that the acquisition will be viable, prior to commitment to purchase.

8.2 Reporting & Monitoring

It is proposed that the monitoring and scrutiny of any activity be undertaken by the Audit & Governance Committee via a quarterly report.

Property acquisition and/or disposal matters will also be reported through the Councils Asset Management Group.

Following the recent restructure Property & Estates are working on setting relevant service performance indicators and this will include reporting on increased revenue generation.

ARUN WELLBEING AND HEALTH PARTNERSHIP (AWHP) MINUTES

Date: Wednesday 21 June 2017
 Time: 2 – 4 pm
 Venue: Committee Room 1, Arun Civic Centre
 Chair: Hilary Spencer, Chief Executive Voluntary Action Arun & Chichester

Present:

Claire Dower (Arun Wellbeing, Information Officer) **Hilary Spencer** (Chair of the AWHP and Chief Executive, Voluntary Action Arun and Chichester), **Joy Bradbury-Ball** (Senior Wellbeing Officer, Arun Wellbeing) **Holly Yandall** (Public Health Lead, West Sussex County Council), **Hazel Flack** (Partnership Manager, Arun District Council), **(Sharon Cuerden** (Service Manager, Coastal West Sussex Mind), **Tom Weedon** (Voluntary Sector Relationship Officer, WSCC), **Gary Hardley** (Centre Manager, Age UK West Sussex) **Jeanette Sax** (WSCC Team Manager – Capacity), **Carrie Reynolds** (Community Development Manager, Freedom Leisure), **Russell Tooley** (Leisure & Voluntary Sector Officer, ADC), **Robin Wickham** (Group Head, Community Wellbeing, ADC) **Cllr Marian Ayres** (Arun District Council), **(Nigel Lynn** (Chief Executive, Arun District Council, **Yvonne Grant** (Arun Locality Director, Coastal West Sussex CCG and Fitzalan Medical Centre), **Michelle Burfield** (Domestic Abuse Outreach Worker, My Sisters House) **Bridget Pettitt** (Public Engagement Manager, Coastal West Sussex CCG) **Kate Bailey** (Consultant Public Health, WSCC),

Apologies:

Tim Wilkins (Service user Involvement Officer, Alzheimer’s Society), **Tracey Light** (Principal Community Officer, WSCC Public Health), **Marc Clothier** (Inspector, Sussex Police), **Cllr Ann Rapnik** (Arun District Council), **Susannah Conway** (Senior Adviser NCS, WSCC), **Dawn Fairbrother** (Dementia Action Alliance Coordinator, Alzheimers Society) **Vanessa Taylor-Berry** (Prevention Assessment Team Service Lead, Sussex Community NHS Trust)

Minuted by: **Claire Dower**

1. WELCOME, INTRODUCTIONS & APOLOGIES FOR ABSENCE

Hilary Spencer welcomed everyone to the meeting and members introduced themselves. **Claire Dower** gave the received apologies.

2. REPORT BACK FROM PREVIOUS MEETING/MATTERS ARISING

All actions completed except an action by **Kim Fleming** on sending the Age UK programme to the partnership. Kim has now left Age UK so Gary Hardley will provide the programme.

Holly Yandall clarified that the old stop smoking number should not be used and people should be encouraged to contact their local GP or pharmacy – information on local pharmacies can be found on the Arun Wellbeing website.

<http://arun.westsussexwellbeing.org.uk/topics/smoking/services-for-west-sussex>

3. AWHP SMALL GRANTS – EVALUATION OF 2016 AWARDS

Claire Dower directed the partnership’s attention to page 8 on the agenda which gave an overview of the AWHP Small Grants Fund 2016. Appendix 1 on page 9-11 on the agenda gave a brief evaluation on the 6 successful applicants. Two applicants have not yet provided evaluation and are being chased to provide this.

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Claire spoke about the 2017 AWHP Small Grants Fund. The closing date for this was on 9 June and a total of 9 applications were received. The grants panel will be meeting on the 28 June to consider these applications. It is intended that successful applicants will receive their funding in August. A further update on this will be given at the next AWHP meeting in October.

4. LOCAL COMMUNITY NETWORKS (LCN)

Tina Favier had given her apologies for absence as she was previously going to cover this agenda item. **Bridgett Pettitt** gave the partnership an update on the Local Community Networks and provided handouts on “What is an LCN?” and a map showing the localities of each LCN. This is attached electronically to these minutes.

Holly Yandall commented that as the LCN develops it will create exciting opportunities for partnership working and for the AWHP to get involved in.

Kate Bailey said that there had been a few issues around getting hold of data and this has now been resolved. She said it is important to be mindful of the different roles as the LCN forms and that those working at local level are welcome.

Yvonne Grant commented that she hopes by working with a local structure that it can focus in on the major areas that are important to the community.

Hazel Flack added that due to the frequency of programme board meetings (and that there are two in the Arun district) it can be challenging to commit to attending all of them but that involvement in the various workstream groups as appropriate will be beneficial.

Hilary Spencer commented that VAAC are delighted to be involved in the LCN but expectations of the voluntary service need to be managed.

Jeanette Sax asked if someone was representing the Integrated Prevention and Earliest Help service. **Hazel Flack** replied to Jeanette saying that she knew that in other areas of the county they have a representative but was not sure who was representing Arun – Hazel will raise this with Tina Favier.

ACTION Hazel Flack

Robin Wickham commented that it was positive that GP surgeries are engaging with communities, but was also concerned that it is important to ensure that the right people are invited and attending meetings. **Yvonne Grant** – agreed with Robin and said it is important to know who to invite

Hilary Spencer proposed that the LCN should be a standing item on agendas of the AWHP

5. ARUN DISTRICT DEMENTIA FRIENDLY COMMUNITY

Dawn Fairbrother who was going to present this item but was unable to come at the last moment, sent a written ‘Introduction to Dementia Friendly Communities’, and document on the ‘Facts about Dementia that Affect all Businesses & Employers in Arun’ which are attached in these minutes. Members are invited to attend an initial meeting at Darlington Court Care Home, Durrington, BN16 3SE to discuss the creation of a Dementia Friendly Arun

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District and to contact Julie Bartholomew (contact details on the attachment) if they are planning to attend.

Hilary Spencer mentioned that she sits on the Chichester & Partnership board and was unaware that the Chichester DAA (Dementia Action Alliance) covered Bognor Regis as well, as stated in the circulated document. It was also unclear whether the proposed Arun DAA is for the whole of the Arun District area (ie including Bognor Regis).

Post meeting note: Dawn Fairbrother has confirmed that Bognor Regis is included with the Chichester Alliance set up in 2012, and that the Bognor and Chichester Alliance made the decision that they wished to remain the way they are. The intention therefore is that the Arun Alliance includes Littlehampton, Rustington and Arundel. Dawn also stated that organisations are free to join whichever alliance they wish, or indeed to join more than one.

Hilary also commented that she heard there was a bid for partners to contribute £5,000 to allow this to go ahead in Arun. **Tom Weedon** clarified that this was to allow for a post in Arun, but he has had no further news on how this has developed.

6. REVIEW OF ARUN WELLBEING AND HEALTH PARTNERSHIP

The partnership considered the priorities and terms of reference for the Partnership. It was agreed to focus on the following two universal (all age) priorities (to be reviewed in June 2019).

- Promoting physical activity
- Tackling social isolation

The partnership also considered and made recommendations about the terms of reference of the partnership. The task and finish group will revise the terms of reference based on these recommendations and present them for final approval to the next meeting of the partnership.

ACTION: Hazel Flack

7. ANY OTHER BUSINESS

Gary Hardley commented that there are now two new social clubs for Age UK in Chichester. He also mentioned that Age UK are celebrating their 60th Anniversary with a range of events.

Sharon Cuerden mentioned that Coastal West Sussex Mind is working in partnership with the Littlehampton Health Hub.

Carrie Reynolds said that Freedom Leisure has two instructors who are being trained in Postural Stability Instruction and once they are qualified they will be putting on their 17 week Falls Prevention Programme.

Hazel Flack received an email from **Susannah Conway** about the National Citizen Service in West Sussex which is holding a 'Dragons' Den' for young people and they need 'Dragon' volunteers to mentor the young people.

Dragons are needed to volunteer on following dates:

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- Thursday 20 July 11:00-13:00 , 2 groups running in Bognor, 4 running in Chichester and 3 in Littlehampton so ideally 9 volunteers in total!
- and
- Thursday 3 August 11:00-13:00, 3 groups in Bognor, 3 groups in Littlehampton, 2 in Chichester and 1 in Selsey

For more information and to register interest please email Susannah on Susannah.conway@westsussex.gov.uk

Hilary Spencer suggested that Susannah advertise this opportunity on the Do-it website

Carrie Reynolds mentioned that it is a good time for partners to let Freedom Leisure know if they are looking for a space as part of the co-locating service for the new build.

Hilary Spencer said that VAAC are having their AGM and Networking Lunch on Wednesday 12 July at the Oving Jubilee Village Hall at 12.15pm – 2.30pm. Invitations have already been sent out in the VAAC e-bulletin to members. Hilary invited members of the partnership to attend – more information can be found on the VAAC website www.vaac.org.uk

8. DATE OF NEXT MEETING

Tuesday 10 October 2017, 2-4 pm in the Arun Civic Centre, Maltravers Road, Littlehampton, BN17 5LF – Committee Room 1

ENVIRONMENTAL & LEISURE WORKING GROUP

17 January 2017 at 6.00 p.m.

Present: - Councillors Hitchins (Chairman), English (Vice-Chairman), Mrs Bence, Bicknell, Brooks, Buckland, Cates, Mrs Daniells, Dingemans, Mrs Maconachie, Maconachie, Mrs Neno, Northeast, Mrs Porter, Purchase, Reynolds, Dr Walsh and Warren.

[The following Councillors were absent from the meeting during consideration of the matters referred to at the Minute indicated:- Councillors Buckland, Mrs Maconachie, Purchase and Dr Walsh, Minute 29 (part); and Councillor Bicknell, Minutes 24 to 26.].]

Councillors Bence, Dendle and Chapman were also present at the meeting.

24. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Oliver-Redgate and Wheal.

25. DECLARATIONS OF INTEREST

The Monitoring Officer has advised Members of interim arrangements to follow when making declarations of interest. They have been advised that for the reasons explained below, they should make their declarations on the same basis as the former Code of Conduct using the descriptions of Personal and Prejudicial Interests.

Reasons

- The Council has adopted the government's example for a new local code of conduct, but new policies and procedures relating to the new local code are yet to be considered and adopted.
- Members have not yet been trained on the provisions of the new local code of conduct.
- The definition of Pecuniary Interests is narrower than the definition of Prejudicial Interests, so by declaring a matter as a Prejudicial Interest, that will cover the requirement to declare a Pecuniary Interest in the same matter.

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Where a Member declares a “Prejudicial Interest” this will, in the interest of clarity for the public, be recorded in the Minutes as a Prejudicial and Pecuniary Interest.

26. MINUTES

The Minutes of the meeting held on 1 November 2016 were approved and signed by the Chairman as a correct record.

27. UPDATE ON LITTLEHAMPTON LEISURE CENTRE

(During the course of consideration of this item Councillor Bicknell declared a personal interest as he worked for Southern Water.)

The Principal Landscape Officer circulated a written report update at the meeting which set out progress to date with regard to the development of a new leisure centre in Littlehampton.

Members were informed that:

- Approval of the planning application had been granted on 4 January 2017, subject to conditions, although a further amendment would have to be presented to the Development Control Committee due to the fact that the sewer location required a rotation to the position of the building. It was not anticipated that this would have a significant impact.
- Tree removal works would be carried out during February 2017, prior to the start of the bird nesting season.
- Design work was continuing.
- Identification of different procurement packages would be commencing shortly and Willmott Dixon proposed to meet potential suppliers ahead of the tendering process.
- The project team had met with Willmott Dixon and STEM (Science, Technology, Engineering & Mathematics) Sussex to learn how the project would positively impact on the wider community.

In the course of discussion, concern was again expressed that the adequacy of the public convenience provision at the centre would not be sufficient for the use of members of the public who were not using the centre, particularly when coaches arrived and dropped off people for their day visits to Littlehampton. An assurance was given that Freedom Leisure were happy with the arrangements and Environmental Health did not feel there was an under provision of facilities.

In response to a number of questions at the meeting, officers were able to advise that:-

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1. A meeting was scheduled on Monday 23 January 2017 with Sport England, who would be leading on a workshop specifically to deal with their new strategy on the application for funding of the leisure centre.

2. A firm date for the commencement of construction work had still to be confirmed but early indications were that it would be in the late summer.

3. Tree removal work would ensure that only those essential to clearance of the site would be removed. A band of trees would be retained which were close to residential properties and contact would be made with nearby residents to inform them of the works due to take place.

4. The involvement of STEM Sussex was welcomed as an important way of promoting the fields of science, technology, engineering and maths to encourage the take up of those subjects by young people in schools.

5. Although there was no firm date for closure of the Sportsdome, Freedom Leisure had been requested to work to 31 March 2017 and were working to provide facilities for a number of activities at alternative venues.

The Chairman thanked the Principal Landscape Officer for her update.

28 ARUN'S PLAY AREA STRATEGY 2017-2027

The Greenspace & Cleansing Contract & Development Manager advised that the managing of play areas was extremely costly and that a robust strategy was now required to consolidate the Council's resources and ensure that the best value for money was provided to local communities. This report set out what the key aims of the new strategy would be and how the relevant information would be obtained to inform that strategy. It was anticipated that the review would take place during the year, with a draft of the strategy to be presented to the Working Group in the Autumn of 2017 for recommendation to Cabinet for final approval.

In the course of discussion, Members were pleased to hear that the monitoring of play areas would be carried out across evenings, weekends and school holidays to enable a truer picture of useage to be obtained. It was felt that the approach being proposed was sensible but it was requested that if facilities were withdrawn from particular areas then there should be an alternative available within walking distance. Comment was also made that the Town and Parish Councils should be fully consulted and an assurance was given that that would be done.

The Working Group

RECOMMEND TO CABINET

That the Council sets out a 10 year sustainable Play Area Strategy based on

- (a) aligning the strategy with the Council's agreed 2020 Vision;
- (b) the aims identified in Section 3 of the report; and
- (c) the process outlined in Section 4 of the report.

29. NO COST LITTER AND DOG FOULING ENFORCEMENT SERVICE TRIAL

The Environmental Health Manager presented a report which proposed the initiation of a pilot scheme whereby the Council would, at zero cost, participate in a 12 month trial with a trading company wholly owned by East Hampshire District Council to take enforcement action in relation to litter and dog fouling offences. Members were advised that the benefit of undertaking this trial was that it could be tested to ascertain its financial sustainability for all parties prior to making any long term decisions. A further report would come back to the Working Group prior to the conclusion of the trial with options for a way forward.

The Working Group applauded the initiative of the Environment Health Manager in sourcing this scheme and Members were unanimous in their support. It was requested that an update report be provided in 6 months from the commencement of the trial.

It was suggested that a publicity exercise be undertaken to inform public awareness and that the Town and Parish Councils be provided with the relevant information for inclusion in their newsletters. The Cabinet Member for Environmental Services contributed to the debate by advising that, following the replacement of the lamp posts in the District by West Sussex County Council, new notices would be produced and reworded to make people aware of their responsibilities and he hoped that every Ward Councillor would have 10 of these to put up where they would provide the most benefit.

Following a full discussion, with a number of questions being responded to by the Environmental Health Manager, the Working Group

RECOMMEND TO THE CABINET MEMBER FOR ENVIRONMENTAL SERVICES AND THE CABINET MEMBER FOR LEISURE AND AMENITIES

That, by way of Individual Cabinet Member decision, authorisation be given to participate in a litter and dog fouling enforcement trial, including delegation of enforcement powers to East Hampshire District Council and delegation to officers to enter into an agency agreement.

(The meeting concluded at 7.45 pm)