

ARUN DISTRICT COUNCIL

**DECISION NOTICES FROM THE CABINET MEETING HELD ON
31 JULY 2017**

REF NO.	DECISION
C/011/310717	A27 Arundel By-Pass Consultation
C/012/310717	Housing Revenue Account (HRA) Business Plan 2017-2027
C/013/310717	Council Owned Property Company
C/014/310717	Overview Select Committee – 25 July 2017
C/015/310717	Disposal of Council Land at Cornfield Close, Littlehampton [Exempt – Paragraph 3 – Information Relating to Business Affairs]

**PLEASE NOTE THAT THESE DECISIONS WILL COME INTO EFFECT
FROM 10.00 A.M. ON WEDNESDAY 9 AUGUST 2017 UNLESS
THE CALL-IN PROCESS IS APPLIED**

REFERENCE NO: C/011/310717

FULL CABINET DECISION	YES
URGENT DECISION IN ACCORDANCE WITH RULE 14.11 OF THE SCRUTINY PROCEDURE RULES	NO
SUBJECT: A27 Arundel By-Pass Consultation	
OFFICER CONTACT: Jackie Follis, Group Head of Policy Extn: 37946 e.mail: jackie.follis@arun.gov.uk	

EXECUTIVE SUMMARY There has been an ongoing request from the community for a number of years to improve the A27 locally. The pace and level of interest in this process has increased dramatically following the recent decision of Highways England not to approve proposals for Chichester. A key reason given for this was lack of agreement on a preferred route between Councils. It is, therefore, vital that a common approach between ourselves and Arundel Town Council is agreed. This paper sets out a proposed Memorandum of Understanding between the Councils and asks for Cabinet approval. It also updates Members on the timetable for consultation.

DECISION:

As recommended in the report, Cabinet,

RESOLVED – That

(1) the Memorandum of Understanding between Arun District Council and Arundel Town Council, which sets out common principles for working together towards a single solution for a new A27 Arundel By-Pass, be agreed; and

(2) the dates for the Highways England Consultation on the A27 Arundel By-Pass be noted.

REASON FOR THE DECISION: To facilitate a common approach between Arun District Council and Arundel Town Council to the forthcoming Arundel A27 By-Pass consultation.

OPTIONS CONSIDERED BUT REJECTED: To not agree the Memorandum of Understanding and consider an alternative approach.

CABINET MEMBER(S):

DECLARATION OF INTEREST BY CABINET MEMBER(S) RESPONSIBLE FOR DECISION:	None
DISPENSATIONS GRANTED :	None

CONFLICT OF INTERESTS DECLARED BY A CABINET MEMBER CONSULTED IN RESPECT OF THIS DECISION: None

REFERENCE NO: C/012/310717

FULL CABINET DECISION	YES
URGENT DECISION IN ACCORDANCE WITH RULE 14.11 OF THE SCRUTINY PROCEDURE RULES	NO
SUBJECT: Housing Revenue Account (HRA) Business Plan 2017-2027	
OFFICER CONTACT: Brian Pople, Head of Housing Extn: 37718 e.mail: brian.pople@arun.gov.uk	

EXECUTIVE SUMMARY: This report recommends the adoption of a new Housing Revenue Account (HRA) Business Plan for the next ten years, 2017-2027. The new plan proposes that the Council utilises its financial capacity to enable the development of new homes and further investment in housing stock. As a consequence, the plan proposes that borrowing be maintained at current levels and that the Council makes further capital investment of £48.5 million in its proposed Capital programme to achieve the delivery of 250 new homes and a programme of improvement and redevelopment to its sheltered housing over the next ten years.

DECISION:

As recommended in the report, Cabinet

RECOMMEND TO FULL COUNCIL – That

(1) the priorities set out in the HRA Business Plan under Section 2 Key Objectives (page 7) and ten year financial model be approved; the use of specialist consultants to review and rewrite the plan on an annual basis be agreed; and that an amount of £30K per annum be set aside for these costs in future HRA budgets;

(2) authority be delegated to the Cabinet Member for Residential Services and the Director of Services in consultation with the S151 Officer to acquire 250 houses over ten years. This is based on a rolling 3 year Capital funding programme of up to £15M and, subject to viability, up to 30 houses a year or the equivalent of 90 over 3 years. Updates on spend will be reported via the Budget Variation reports routinely submitted to Cabinet. The preferred form of acquisition to be in the following order:-

- Purchase houses 'off plan' from developments with the benefit of planning permission
- Purchase of existing properties
- Build on Housing owned land

(3) Where appropriate, authority be delegated to the Cabinet Member for Residential Services and the Director of Services, in consultation with the S151 Officer, to approve the use of specialist legal advisors in connection with property acquisitions;

(4) a Rent Setting Policy and Service Charge Review be undertaken with immediate effect, which will be used to support the funding of the Housing development. An amount of £20K is requested from the HRA budget to appoint specialist consultants to carry out this work.

- (5) authority be delegated to the Cabinet Member for Residential Services and the Director of Services, in consultation with the Group Head of Technical Services and Group Head of Corporate Support, in connection with disposal of all HRA assets (land and property), outside of Right to Buy, and that the sale proceeds be reinvested back into the HRA account on all occasions;
- (6) £400,000 funding for planned maintenance (£200K from the HRA budget, £200K transferred from existing reactive maintenance budget) is identified for the financial year 2018/19, whilst the housing stock condition survey is completed;
- (7) £6M funding be approved for investment in the sheltered housing schemes over ten years, to ensure that they remain fit for purpose;
- (8) an options appraisal be undertaken on sheltered housing schemes where alternative use or redevelopment could be considered and that an amount of £35K be allocated from the HRA budget to commission specialists to undertake this work.

REASON FOR THE DECISION: To approve a revised HRA Business Plan

OPTIONS CONSIDERED BUT REJECTED:
 To not accept the proposals as set out in paragraphs 2.1 to 2.20 of the report.
 To set out alternative proposals to those given at paragraphs 2.1 to 2.20 of the report.

CABINET MEMBER(S):

DECLARATION OF INTEREST BY CABINET MEMBER(S) RESPONSIBLE FOR DECISION:	None
DISPENSATIONS GRANTED :	None

CONFLICT OF INTERESTS DECLARED BY A CABINET MEMBER CONSULTED IN RESPECT OF THIS DECISION: None

REFERENCE NO: C/013/310717

FULL CABINET DECISION	YES
URGENT DECISION IN ACCORDANCE WITH RULE 14.11 OF THE SCRUTINY PROCEDURE RULES	NO
SUBJECT: Council Owned Property Company	
OFFICER CONTACT: Andy Elder, Housing Strategy & Delivery Manager Extn: 37714 e.mail: andy.elder@arun.gov.uk	
<p>EXECUTIVE SUMMARY: At its meeting on 17th October 2016 Cabinet approved the principle and purpose of establishing a wholly owned local authority housing company (to allow greater flexibility this is now referred to as a local authority property company) subject to the production and approval of a satisfactory business case. This paper presents the finalised business case for Trisanto, the Council's arms-length property company, and an accompanying risk register which have both been subject to an independent review by our advisors. It also sets out the next steps which will need to be completed before the company can commence its trading activity, this work will be funded from the initial working capital loan.</p> <p>The Overview Select Committee had also considered the matter at its meeting on 25 July 2017 and the minutes were circulated for the Cabinet's attention.</p>	
<p>DECISION:</p> <p>As recommended in the report and having considered the Minutes of the Overview Select Committee, the Cabinet</p> <p>RECOMMEND TO FULL COUNCIL – That</p> <p>(1) the business case at Appendix 1 be approved;</p> <p>(2) the risk register at Appendix 2 is noted;</p> <p>(3) the statement from the Council's Group Head of Corporate Support included in the Executive Summary, be noted;</p> <p>(4) the actions set out at paragraphs 2.1 and 2.2 are completed to enable Trisanto to commence its trading activity;</p> <p>(5) a supplementary estimate of up to £1M, equating to a Band D council tax of £16.82, for working capital to enable the Company to start transacting be approved;</p> <p>(6) the working capital to take the form of loans from the Council to the Company, with each loan being subject to the approval of the S.151 officer, the Chief Executive and the Deputy Leader of the Council, and the terms of each loan (including the rate of interest) to be determined by the S.151 officer;</p> <p>(7) authorisation be given to execute all required legal documentation and such steps/actions be taken to give effect to the business case including the Shareholder Agreement and Loan Arrangements;</p>	

- (8) Cabinet will be responsible for the Council's function as shareholder, and that the substantive Directors of the company be appointed at Arun's Annual Council Meeting and the position of Councillor Directors be considered at the Council's Annual Meeting each subsequent year;
- (9) the Chief Executive be authorised, in consultation with the Leader of the Council, to approve the appointment of the first directors to Trisanto Development Corporation;
- (10) the appointment of the Director of Place, already confirmed as Director of Trisanto Development Corporation on its incorporation in February 2017, be approved;
- (11) the Council's Constitution be amended at Part 3, Responsibility for Functions – The Cabinet, paragraph 2.10 (page 48/49) to add:
- To review and scrutinise the operation of any Council owned companies by working with the arms-length companies.
- (12) the Council's Constitution be amended at Part 3, Responsibilities for Functions, paragraph 4.1 Audit and Governance Committee (page 63/64) to add:
- To review and scrutinise the operation of any Council owned companies and Cabinet's role in overseeing this activity through monitoring reports submitted on at least an annual basis or as reported by the S.151 officer.
- (13) the Standards Committee be requested to review the Council's Code of Conduct to cover the role of Directors of companies set up by the Council.

REASON FOR THE DECISION: To provide the authority to operate a property company wholly owned by the Council.

OPTIONS CONSIDERED BUT REJECTED: To not operate a Council property company.

CABINET MEMBER(S):

DECLARATION OF INTEREST BY CABINET MEMBER(S) RESPONSIBLE FOR DECISION:	None
DISPENSATIONS GRANTED :	None

CONFLICT OF INTERESTS DECLARED BY A CABINET MEMBER CONSULTED IN RESPECT OF THIS DECISION: None

REFERENCE NO: C/014/310717

FULL CABINET DECISION	YES
URGENT DECISION IN ACCORDANCE WITH RULE 14.11 OF THE SCRUTINY PROCEDURE RULES	NO
SUBJECT: Overview Select Committee – 25 July 2017	
OFFICER CONTACT: Jackie Follis, Group Head of Policy Extn: 37580 e.mail: jackie.follis@arun.gov.uk	
EXECUTIVE SUMMARY: The Cabinet received the Minutes of the meeting of the Overview Select Committee held on 25 July 2017. The Minutes contained recommendations at Minute 117, Business Case for Operating a Local property Company.	
DECISION: Decision Notice C/012/310717 refers.	
REASON FOR THE DECISION: To endorse the recommendations of the Overview Select Committee.	
OPTIONS CONSIDERED BUT REJECTED: To not endorse the recommendations of the Overview Select Committee.	
CABINET MEMBER(S):	
DECLARATION OF INTEREST BY CABINET MEMBER(S) RESPONSIBLE FOR DECISION:	None
DISPENSATIONS GRANTED :	None
CONFLICT OF INTERESTS DECLARED BY A CABINET MEMBER CONSULTED IN RESPECT OF THIS DECISION: None	

REFERENCE NO: C/015/310717

FULL CABINET DECISION	YES
URGENT DECISION IN ACCORDANCE WITH RULE 14.11 OF THE SCRUTINY PROCEDURE RULES	NO
SUBJECT: Disposal of Council Land at Cornfield Close, Littlehampton [Exempt – Paragraph 3 – Information Relating to Business Affairs]	
OFFICER CONTACT: Paul Broggi, Property & Estates Manager Extn: 37506 e.mail: paul.broggi@arun.gov.uk	
EXECUTIVE SUMMARY: The purpose of this report is to seek the authority of Cabinet for the disposal of freehold land located at Cornfield Close, Littlehampton, for best consideration.	
DECISION: As recommended in the report, Cabinet RECOMMEND TO FULL COUNCIL – That (1)the freehold disposal of land located at Cornfield Close, Littlehampton, for best consideration, be approved; and (2) that authority be delegated to the Cabinet Member for Technical Services, in consultation with the Director of Place and the Section 151 Officer, to agree terms for disposal, selection of purchaser from the four offers received and to conclude any and all matters necessary to complete disposal and conveyance of the freehold site.	
REASON FOR THE DECISION: Disposal of the Council's freehold site at Cornfield Close will realise a considerable capital sum for the Council which, following prudent re-investment in accordance with the Council's Property Investment Strategy, will provide improved investment yield. This will assist in preserving and improving the financial and other resources available to the Council in support of its 2020 Vision and beyond. This proposed action is considered to be in the best interests of the Council.	
OPTIONS CONSIDERED BUT REJECTED: To not approve or recommend to Full Council the freehold disposal of land located at Cornfield Close, Littlehampton for best consideration. To not delegate authority to Cabinet Member for Technical Services, in consultation with the Director for Place and the Section 151 Officer to agree terms for disposal, selection of purchaser from the four offers received and to conclude any and all matters necessary to complete disposal and conveyance of the freehold site.	
CABINET MEMBER(S):	
DECLARATION OF INTEREST BY CABINET MEMBER(S) RESPONSIBLE FOR DECISION:	None
DISPENSATIONS GRANTED :	None
CONFLICT OF INTERESTS DECLARED BY A CABINET MEMBER CONSULTED IN RESPECT OF THIS DECISION: None	