

CABINET

31 July 2017 at 5.00 pm

Present : Councillors Mrs Brown (Chairman), Bence, Charles, Clayden, Haymes and Wotherspoon.

Councillors Blampied, Buckland, Chapman, Elkins, Mrs Madeley, Mrs Oakley, Mrs Pendleton, Mrs Porter, Mrs Stainton, Tyler and Wheal were also in attendance for all or part of the meeting.

126. WELCOME

The Chairman welcomed Councillors, representatives of the public, press and officers to the meeting.

127. APOLOGY

An apology for absence had been received from Councillor Wensley.

128. 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.

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.

There were no declarations of interest made.

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## 129. PUBLIC QUESTION TIME

In line with Council Procedure Rules relating to Public Question Time, a number of questions had been submitted prior to the meeting in writing and these were responded to at the meeting by the Leader of the Council, Councillor Mrs Brown. Please note that the questions and answers in these Minutes are a summarised version, with the full version to be published on the Council's website within 10 working days of the meeting.

### Question 1: Agenda item 11. Disposal of Council Land at Cornfield Close

This question related to the CCG's (Clinical Commissioning Group) failure to fulfil its promise to provide a new medical facility at the Enterprise Hub at Morrisons, Littlehampton. Cabinet was asked to consider making a suitable site or piece of land available for the construction of a new medical centre. Whether it was along with any future purchasers of the land or a separate deal or whatever Cabinet thought appropriate then it was believed that the promises the CCG had made to the people of the town could at long last be achieved.

### Response from the Leader

Thank you for your question and thank you for your recognition of the efforts the Council has undertaken to work towards a long term solution for health provision in Littlehampton.

We have made a number of suggestions to the CCG regarding both short and long-term solutions. Before any of these can be actioned they need to be clear about the requirements. Once this is known we will be ready to continue our facilitating role to deliver the required solutions. Officers are in regular contact with the CCG encouraging the speedy resolution of these issues. The public deserve to know how health care will be delivered in the future.

### Question 2: Enterprise Hub, Morrisons site

On what date was Arun District Council informed that Morrison's were no longer prepared to lease out part of the empty enterprise hub in Littlehampton for use as a medical practice?

### Response from Leader

My understanding is that we have had no official communication from Morrison's. However, we are aware that Morrison's have been in discussions with third parties regarding the use of building as an enterprise centre, which is the original intended use when permission was granted for the Supermarket. Officers at Arun continue to work with the CCG and others to try and establish a solution to the long term health care needs of Littlehampton.

Questions 3, 4, 5, 6 & 7: Camping Facilities at Cornfield Close, Littlehampton

These questions all related to the possible sale of Council owned land at Cornfield Close, Littlehampton and the detrimental effect that could have on camping facilities in the area and the tourism economy, which was considered important to the vitality of the District. (The detailed questions can be accessed via the Council's website)

**Response from the Leader**

The campsite at Daisyfields is in poor condition and in order for the campsite to remain viable it will require some very substantial investment. Research indicates that the area is reasonably well served by camping and caravanning sites, for example a mile away there is Littlehampton caravan Club site operated by the Caravan Club with 108 caravan pitches. The Council acknowledges that tourism is an important aspect of the area's economy. In considering the future of this site, the Cabinet will carefully evaluate the pros and cons of disposing of this land, including how any receipts might be used to support the local economy.

A supplementary question was asked as to how many tented camping site pitches were there available in Littlehampton? It was felt that if Daisyfields Campsite was lost there would be none.

The Leader responded by saying that she did not know the answer but would find out and respond in writing following the meeting.

Two questions were then asked by Councillor Wheal as Ward Member for Arundel, both related to Agenda Item 6, A27 Arundel By-Pass Consultation. He asked:-

(1) Why were the Relevant Ward Councillors, representing Arundel & Walberton Ward, not included in the discussions with Arundel Town Council, Arun District Council and Highways England at the meeting of 7th July 2017?

(2) I believe it vitally important that Ward Councillors are included in all meetings/discussions on this most important issue.

**Response from the Leader**

The meeting was arranged by Highways England and both myself and the Leader of West Sussex County Council were invited. I insisted that the ex-mayor of Arundel was also invited as I felt it was extremely important to show them that we were totally aligned with Arundel Town Council in our objectives for the Arundel By-Pass. It was not our meeting and I could not get any others invited. I agree that Ward Councillors must be involved throughout the consultation process, together with as many businesses as possible.

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130. MINUTES

The Minutes of the meeting held on 17 July 2017 were approved by the Cabinet as a correct record and signed by the Chairman.

131. BUDGET VARIATION REPORT

There were no items for this meeting.

132. A27 ARUNDEL BY-PASS CONSULTATION

The Group Head of Policy advised the Cabinet that, following the failure to approve improvements to the A27 at Chichester due to lack of agreement on a preferred route between the relevant Councils, it was felt essential to formalise a common approach between this Council and Arundel Town Council to ensure that all steps were taken to facilitate the A27 Arundel By-Pass happening. To that end a Memorandum of Understanding between the Councils had been drawn up which set out common principles for working together towards a single solution for this much needed highway improvement.

The Highways England consultation on the A27 Arundel By-Pass would be commencing on 22 August to 16 October 2017 (and not 23 August to 18 October 2017 as stated in the report) and plans of the suggested routes would be supplied by them on the first day of the consultation.

The Cabinet agreed the recommendations as set out in the report and then confirmed its decision as per Decision Notice C/011/310717, a copy of which is attached to the signed copy of the Minutes.

133. HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN 2017-2027

The Cabinet Member for Residential Services was pleased to introduce this report as he was of the view that the Plan had much to commend it, including the building of up to 250 council homes which, when measured against the current average loss of around 20 per year from Right to Buy, would mean that for the first time the Council would be able to increase its housing stock.

The Council's Housing financial position had been examined in detail and it was felt that the service had the means to provide more housing as well as providing investment in sheltered housing, which would help to transform the current housing stock and make it fit for purpose. In addition, a detailed stock condition was underway and each and every HRA Council property would be used to inform the Business Plan as to future investment

requirements to maintain the housing stock and develop new and existing properties should opportunities arise. It would also afford the Council the opportunity to consider new revenue streams.

In conclusion, the Cabinet Member for Residential Services was of the view that the Business Plan identified a significant range of improvements and changes which would make a real and substantial difference in terms of housing provision and the service the Council was able to provide its tenants.

The Director of Services, in the absence of the Head of Housing, thanked the consultants and the Housing team for their advice and experience in putting the Plan together. She saw it as a dynamic way forward that would increase the Council's housing stock and would provide high quality homes for its residents.

Ms Heather Grant, the Council's Housing Consultant, and Mr Glen Smith, from the Chartered Institute of Housing were then introduced to the meeting and they gave a brief joint presentation on the primary objectives of the Plan, i.e. to increase the housing stock; ensure housing assets were fit for purpose; and to maximise income and make the best use of available resources. It was highlighted that the Plan was based on the present conditions but it would be a living document as account would have to be taken of changes in the Government's housing and financial policies, as well as changing circumstances.

The Consultants were thanked for their attendance at the meeting and for their informative presentation, together with work and input towards the production of the HRA Business Plan.

Members commented that the Plan was a positive way forward and, following consideration, Cabinet agreed the recommendations in the report, and confirmed its decision as per Decision Notice C/012/310717, a copy of which is attached to the signed copy of the Minutes, and

#### 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

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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.

#### 134. COUNCIL OWNED PROPERTY COMPANY

The Housing Strategy & Delivery Manager (HS&DM) presented a comprehensive report which set out the business case for the establishment of a wholly owned local authority property company, to be known as Trisanto (the ancient name for the River Arun). The purpose for this would be to create an additional revenue stream for the Council, which would enable it to become financially more self-reliant in future years and therefore less dependent on receiving the continually reducing government grants. He directed Members to the appendices to the report, namely the Business Case and the Risk Register.

The Overview Select Committee had considered the same report at its meeting on 25 July 2017 and the minutes from that meeting were circulated to be considered as part of the Cabinet's deliberations on the matter. The Overview Select Committee had agreed and noted the recommendations set out in the report.

The Audit & Governance Committee would also be considering this item at a Special meeting on 7 August 2017 and its views/recommendations would be fed into the Full Council meeting on 13 September 2017.

With regard to the Overview Select Committee meeting, the HS&DM advised that Members there had raised a number of concerns (as detailed in the Minutes circulated) and he gave a brief summary of what had been discussed, e.g.

- Only ¼ of local authorities had established these vehicles and how many were similar to Arun?
- The property market was a high risk form of investment.
- There was a scarce amount of available land and Trisanto would be competing with others with more experience.
- Insufficient Member consultation and there should be a seminar.
- The Risk Register detailed a significant number of risks.
- Council liable for the debts as the only shareholder.
- Level of return from the property investments.
- The point was made about the crossover between Trisanto and the Housing Revenue Account (HRA) as both would present a pull on the Council's borrowing requirements in the future.
- Credit bubble and this would lead to a market correction in the future and house prices might restrict people's ability to buy homes.

The HS&DM stated that he had responded at the meeting and had made every effort to give full answers to the matters that had been broached.

The Chairman stated that this was looking at a different way of working for the Council and would be a long term project – it was the start of a journey

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and it was important to attract the right people onto the Board of Directors to provide the experience and expertise required.

In the course of brief comment on the matter by the Cabinet, it was highlighted that, although the Overview Select Committee had raised concerns, it had supported the recommendations.

The Cabinet agreed the recommendations in the report, and confirmed its decision as per Decision Notice C/013/310717, a copy of which is attached to the signed copy of the Minutes, and

RECOMMEND TO FULL COUNCIL – That

- (1) the business case at Appendix 1 be approved;
- (2) the risk register at Appendix 2 be noted;
- (3) the statement from the Council's Group Head of Corporate Support included in the Executive Summary, be noted;
- (4) the actions set out at paragraphs 2.1 and 2.2 are completed to enable Trisanto to commence its trading activity;
- (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;
- (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;
- (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;
- (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.

135. OVERVIEW SELECT COMMITTEE – 25 JULY 2017

In considering the previous item, the Cabinet also took account of the Minutes of the meeting of the Overview Select Committee held on 25 July 2017 and confirmed its decision as per Decision Notice C/014/310717, a copy of which is attached to the signed copy of the Minutes.

136. EXEMPT BUSINESS

The Cabinet

RESOLVED

That under Section 100A(4) of the Local Government Act 1972, the public and accredited representatives of newspapers be excluded from the meeting for the following item of business on the grounds that they may involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

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137. DISPOSAL OF COUNCIL LAND AT CORNFIELD CLOSE, LITTLEHAMPTON [Exempt – Paragraph 3 – Information Relating to Business Affairs]

The Property & Estates Manager presented this report which, he advised Members, followed on and was linked to the report that was presented to Cabinet on 17 July 2017 and which was subsequently approved. He reminded the Cabinet that the Property & Estates team were completing a review of the Council's general fund assets, one of which was Daisyfields, a camping and touring caravan site located in Cornfield Close, Littlehampton. The site was comprised of over 6 acres of land and was presently under lease as a campsite.

The report informed the Cabinet of the financial detail of the options available to the Council when determining the future of this site.

In considering the matter, Member comment was made that the Council now had to look at every opportunity to generate income on behalf of the District's council tax payers and that this was the right time for this site as the lease was coming to an end.

The Cabinet confirmed its decision as per Decision Notice C/015/310717, a copy of which is attached to the signed copy of the Minutes, and

RECOMMEND TO FULL COUNCIL – That

- (1) the freehold disposal of land located at Cornfield Close, Littlehampton, for best consideration, be approved; and
- (2) 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.

(The meeting concluded at 17.52 pm)