

ECONOMY COMMITTEE

2 February 2023 at 6.00 pm

Present: Councillors Cooper (Chair), Gunner (Vice-Chair), Chace (Substitute for Edwards), Mrs Cooper (Substitute for Roberts), Dixon, Northeast, Pendleton, Stanley, Dr Walsh and Yeates

Councillors Coster and Goodheart were also in attendance for all or part of the meeting.

648. APOLOGIES

Apologies were received from Councillors Edwards (substituted by Councillor Chace) and Roberts (substituted by Councillor Mrs Cooper).

649. DECLARATIONS OF INTEREST

Councillor Gunner declared a Prejudicial Interest in agenda item 8 [Committee Revenue & Capital Budgets 2023/2024] Appendix B as he was a director of Coast to Capital. He confirmed that he would not take part in the debate or vote on this part of the item.

Councillor Dixon declared a Personal Interest for the urgent item [Urgent Item – Bognor Arcade Grant Application], item 6 [Tourism Hospitality & Visitor Economy Study] and item 10 [Disposal of London Road Car and Lorry Park, Bognor Regis] as a member of the Bognor Regis Civic Society.

650. MINUTES

The minutes of the previous meeting of the Committee held on 22 November 2022 were approved and signed by the Chair.

651. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

The Chair confirmed that there was one item of urgent business for the Committee to deal with at the meeting, of which members would have received the supplement agenda pack containing the report and appendix on Wednesday 1 February 2023. He confirmed that this business would be completed after item 5 [Public Question Time].

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652. PUBLIC QUESTION TIME

The Chair invited questions from members of the public who had submitted their questions in advance of the meeting in accordance with the Council's Constitution.

The Committee manager confirmed that the one question to be asked and answered at today's meeting had been submitted to Full Council on 18 January 2023 and that this question had been referred to this Committee for a response. She then read out the question on behalf of the member of the public and this was responded to by the Chair.

(A schedule of the full questions asked and the responses provided can be found on the meeting's webpage at: [Arun District Council](#))

The Chair then drew Public Question Time to a close.

653. URGENT ITEM - BOGNOR ARCADE GRANT APPLICATION

The Chair invited the Regeneration Consultant to provide members with an overview of his report.

The Regeneration Consultant thanked the committee for hearing this item. He advised that a lot of work has been completed on the Ground Floor of the arcade of which businesses were now thriving. However, the upper floors had fallen into disrepair. He explained that the potential options before you are private rental options which would bring in the required revenue. He confirmed that the outline business case had unfortunately not been ready for this meeting however, the headlines of the business case were detailed within the report. He highlighted that the gross rents versus the running costs of the building, however confirmed that the finances still showed that the scheme would struggle and therefore grant funding was needed to address this. In summing up he confirmed that the BLF grant funding if successful would support 28/29 properties and a full business case was required to be submitted as part of the application process. The business case would incorporate the costs that the council were currently spending on maintenance and void costs. He advised that should the application be successful a further report would be brought back to either this committee, Policy & Finance or Full Council to lay out the business case detail. This report was requesting that members provide the authority needed to submit a bid application.

The Chair then asked members to make comment or ask any questions they had. Clarity was first sought regarding the correct name of the fund that was being referred to through the report as one member had googled 'Brownfield Land Fund' and could not find information on the grant under this description. However, he could find it under 'Brownfield Land Release Fund' (BLRF). It was confirmed by the Regeneration Consultant that this the correct name for the grant. Secondly it was then questioned if it had been agreed by the government that this building did meet the criteria for 'Brownfield'. It was confirmed that it had a specialist consultant had been acquired by

the council to complete the submission and that the council was applying for the third round of the fund which had a submission deadline date of 31 March 2023. It was hoped that if the council was successful with its application that the allocation of funds would be given approximately in September. Upon further questioning it was confirmed by the Regeneration Consultant and the Group Head of Business & Economy that One Public Estate had approached the Council regarding putting in a bid for the BLRF, they had visited the Arcade along with other sites and were supportive of moving the council's application forward.

As discussion continued to challenge the requirement to bring the report as an urgent item to members at this meeting of the committee along with concerns that members were not being allowed to review the business case ahead of the applications submission it was re-emphasised by officers and the Chair that all that was being asked of members tonight was to provide authority to officers so that a bid application could be submitted before the application deadline. Due to the Elections in May 2023, there were no further scheduled opportunities for this committee to meet to review the application prior to the submission deadline. It was also reconfirmed that the business case that would be submitted with the application submission would be shared with members as soon as it was received and there would be an opportunity for members to comment on this when a future report was brought to the Committee in the next civic year,

There were questions raised regarding the specific plans for the roof terrace, the units on the ground floor next to no. 10 (currently the BID office) and the management plan in place to manage the properties that would be in place should the plans be executed as it. It was confirmed that the some of the roof terraces were already there and that the remaining flat roofs would be converted to roof terraces for the other planned flats that currently do not have outdoor space on the plan. Regarding the office space at no. 10, the plan was to add an additional 2 floors on top of this space, to potentially include a café, it was confirmed that the options were still being discussed regarding whether this would require a complete rebuild or not. In terms of managing the spaces created, again all option were still being considered, however one option would be for the council to consider a partnership with another person/body and this detail would be part of the next stages presented to the Committee.

It was asked if consideration had been given to these potential residential properties becoming part of the social housing stock. It was confirmed that this option had been explored with the Housing Team but was found to not be a suitable build for that purpose, this would also be detailed in the next report.

Discussion then returned to the opportunity to have a Special meeting of the committee to have a full report including the business case be reviewed by Members prior to the application submission deadline. Some members were uncomfortable that the business case formed part of the application process and not being able to comment or make changes to this was not something they wanted to do. The Chair reemphasised that although 7 weeks seemed like enough time for an additional meeting to be organised and held, this in terms of practicalities of the work that goes on behind this process it was not.

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It was then proposed by Councillor Walsh and seconded by Councillor Dixon that members do not take a decision on this tonight, and we wait for the business case to be reported to a special meeting of the committee before the grant application closed on 31 March 2023. It was confirmed by the Committee Manager that a date for a special meeting could not be provided at the meeting as this would need to be discussed with other officers, however she could confirm that there was very few options available in terms of dates for a special meeting, due to the amount of business the council is required to complete ahead of the Pre-Election period on 20 March 2023. One member then requested that it be clarified that the proposal on the table if agreed would mean that should a date for a special meeting not be possible ahead of the grant submission cut off date, that it would be the committee would miss the opportunity to apply for the grant. The Chair confirmed that this was correct and then requested that the proposal be put to the vote. Upon the vote being taken it fell to the Chair's casting vote in which he vote against the proposal and therefore the proposal fell.

Before the Chair invite non-committee members to make comment and ask questions it was asked if there were any additional costs involved with the application submission. It was confirmed that there were no additional costs as it was already fully funded. Non-committee members raised questions regarding the condition of the flat roof and that it was in a state that required repairs and would that be funded from the grant if the application was successful. It was confirmed that there were two roofing projects that were being progressed by the council currently and that these were being funded through the asset management fund. There was an additional question asked regarding the possibility of a glass roof being considered, however it was confirmed that there was no project at the current time that would encompass the glass roof. Confirmation was then requested that given the business case would not be seen by committee members ahead of the application being submitted, would this fact be made clear within the application. The Regeneration Consultant confirmed that it would be made very clear, he also confirmed that the amount of monies the council may be awarded if successful with its bid was not yet determined and that whatever was offered would need to ensure it was a large enough sum to be cost effective and if this was not the case, then the council made need to look for further grant funding to help.

In drawing the discussion to its conclusion, the Chair reemphasised that members would see the business plan and would be able to make comment via email to the Regeneration Consultant and that at a future meeting of the committee a report containing the business plan would be brought to members for their review, should the application be successful and before any further steps were taken. Some further additional comments were made by members of the committee and the Vice-Chair of which all supported the Chair's comments on the next steps for this item.

The recommendations were then proposed by Councillor Cooper and seconded by Councillor Gunner.

The Committee

RESOLVED

- 2.1. approved the submission of a grant funding application to the Brownfield Land Fund in respect of the Bognor Regis Arcade, and;
- 2.2. delegates to the Chief Executive in consultation with the Chair of the Economy Committee, the authority to prepare and submit the grant funding application.

654. TOURISM HOSPITALITY & VISITOR ECONOMY STUDY

The Chair invited the Group Head of Business and Economy to provide members with an overview of the report after which he then invited members to make comment or ask questions of the officer.

It was asked what level of input the team had regarding Planning Applications received by the council. Specifically, the recent applications for Pier Road relating to the Nelson Hotel and Riverbreeze Restaurant and the proposed change of use from Commercial to residential. It was confirmed that the teams opportunities to comment on Planning Applications were the same as everyone else, in that they are able to make comment on change of use. She went on to explain that the whole point of the study was that it would help to support and protect the districts tourism sector moving forward. It was also advised that the key issues were surrounded by Planning Policy, hence the consultation that took place with the Planning Policy Committee last year. The council had enquiries from hotels all the time and that it was the Group Head's role to direct those individuals to the right owners of the property or land.

It was asked when the strategy was last updated and how much would it cost for it to be updated? It was confirmed that the last Tourism Strategy was produced in 2011, however, costs could not be predicted at the moment as the council would go out to an external specialist for this work to be completed. It was hoped that the costs could be taken from this year's budget rather than next years, should it be able to quickly agree the work with an appointed specialist. Additionally, it was stated by one member that they were not persuaded that there was a demand of hotels given the number that were on the market currently. He believed that first there needed to be something to attract visitors to the area and he suggested that two plans were needed, a local plan (which was already in place) and a regeneration masterplan. The Council had one of these in 2004 and it was important to have to have a clear overarching strategy.

Discussion surrounding recommendation 2.3 was had, specifically regarding the sum of money the council received for artwork in the district. It was stated that there had been one meeting 4 years ago but nothing else had been heard on the matter. It was suggested that the council could invest in putting decent artwork on roundabouts, to make the roads more inviting to visitors of Littlehampton. It was believed that there was an up-hill struggle to market Arun as it was "just not on the map". The report

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showed that the district does have everything it needs to be inviting to tourists and that the council should be able to come up with something that encapsulates all of what was here, in a better way.

There was also discussion on Eco Lodges and the increasing popularity of these. It was felt that the council had missed a trick on this topic, especially given the sale of the Caravan site on Littlehampton Road a few years ago. It was felt that this could have been an opportunity to create revenue. A suggestion of an Officer and Member Working Group was made to look at this in more detail. The Group Head confirmed that there were ways in which stakeholder engagement could be improved and this could be one of them. The Chair and Councillor Northeast expressed their interest in being involved in the working group, should they be re-elected at the Election in May 2023.

A non-member of the committee was invited to speak where he raised a number of points and opportunities that he believed should be considered by the team and committee. The Group Head confirmed that she was familiar with a number of items mentioned by the member and that the consultation process for these would provide opportunities for these to be formally put forward.

Clarity was sought regarding the report completed in 2011 and was this the previous Arun Leisure and Culture report. It was confirmed no, and would not be found on the website now as it was out of date. Another member asked if a copy of the Blue Sail Strategy completed in 2020 could be shared with members.

The recommendations were then proposed by Councillor Cooper and seconded by Councillor Chace.

The Committee

RESOLVED

- 2.1. To produce a refreshed 'Visitor Economy Strategy'
- 2.2. To investigate opportunities for active partnership in delivering visitor accommodation, and;
- 2.3. To continue to seek investment in public realm, the seafront, and in key infrastructure.

655. COMMITTEE REVENUE & CAPITAL BUDGETS 2023/2024

(Councillor Gunner redeclared his interest in Appendix B for this item. He requested that recommendation b was dealt with separately to the rest of the recommendations and that he would leave the room for this part of the meeting.)

The Group Head of Finance and Section 151 Officer was invited by the Chair to provide members with an overview of the report. She explained that this was the second time preparing the budget under the committee style governance system. The budget from this committee plus any growth bids would be considered at Policy and

Finance Committee as part of the overall budget on 9 February before going on to Full Council on 1 March for approval.

It should be noted that the budget has been prepared against a backdrop of a significant budget gap for 2023/24. Only essential growth bids for 2023/24 had been put forward for the committee to approve. The amended growth bids listed in appendix B totalling 113k are: Small Grants Fund to community organisations including Parish Councils that are unable to apply to the UK prosperity Fund, £100k and Contribution towards Coast to Capital Careers Hub and Apprentice Enterprise Adviser Network, £12.5k.

She confirmed that the main year on year changes were shown at paragraph 3.9: Fall out of 2022/23 Growth bids; and the committees capital programme totalling £539k for 2023/24 was contained in appendix C is for the asset management programme and is comprised of: Public Conveniences £449k and Hotham Park Carriage Yard £90k.

In summing up she explained that no detail questions were received in advance of the meeting, but she was happy to try and answer any questions that members may have with the help of the officers present.

The Chair then invited questions and comments from the committee where it was raised that;

- What was the location of Sheepwash Barn. It was confirmed Middleton.
- Public Conveniences, specifically the disused toilet block in Wick, what was the plan for this, it was confirmed that there was currently a piece of work being undertaken by officers to explore converting the disused toilet block into open space to enhance the area. The proposed Economy Committee budget did not contain provision for such a conversion as that would fall within the remit of the Environment Committee. The Vice-Chair and Leader of the Council confirmed that he had spoken with the Director, and he had been assured that the Parks and Open Spaces budget would accommodate this work.
- It was requested that a Regeneration Master Plan was put together by officers and was budgeted for, so the next administration could move forward with.
- There was concern raised that there was nothing budgeted for Bognor Regis Town Hall and was it realistic that the council would not spend anything in the building. It was confirmed that the Revenue Budget was where ongoing maintenance for buildings funds came from. So it wasn't that nothing would be spent on the building, it was that there were no expected larger capital projects in the coming financial year.
- Clarity was sought on the work budgeted for the Oyster Pond and what this was. It was explained that there were defects within the structure that required attention. It was suggested that the work to install fountains should be completed at the same time as the maintenance work is completed on the pond as it was felt this would be more cost effective.

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- Further clarity was sought regarding Bognor Regis Town Hall and what was the predicted spend in 2025 – 2027 for? It was explained that the specific details were not known to the officers present, however there were a number of elements that would have been expected to deteriorate over that timescale.

The Group Head of Finance and Section 151 Officer advised members that it was important for them to remember that the finances they are discussing were only indicative at this time and further additional detail would be brought to them over time.

The Chair then asked Members if they had any debate around recommendation (b) and if not, could the vote be taken on this item now.

The Vice Chair and Leader of the Council left the room.

As there was no discussion on recommendation (b) it was proposed by Councillor Cooper and seconded by Councillor Pendleton.

The Committee

RESOLVED that

- (b) the list of uncommitted growth items as illustrated in Appendix B of this report be agreed;

The Vice Chair and Leader of the Council returned to the room for the vote on the remaining recommendations. These were proposed by Councillor Cooper and seconded by Councillor Mrs Cooper.

The Committee

RESOLVED to

- (a) Agree the 2023/24 Revenue Budget as illustrated in Appendix A of this report; and
- (c) Agree the 2023/24 Capital Programme as illustrated in Appendix C of this report; and

RECOMMENDS TO THE POLICY AND FINANCE COMMITTEE that;

- (d) the Revenue Budget, list of growth items and capital programme for this Committee be included in the overall General Fund Budget when Policy and Finance Committee considers the overall budgets at its meeting on 9 February 2023.

656. WORK PROGRAMME

The Committee noted its work programme for 2022-23.

657. EXEMPT INFORMATION

The recommendation was proposed by Councillor Pendleton and seconded by Councillor Dixon.

The Committee

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 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.

658. DISPOSAL OF LONDON ROAD CAR AND LORRY PARK, BOGNOR REGIS

The Chair invited the Group Head of Technical Services to provide members with an overview of the report. He outlined that investment conditions had deteriorated over the last 12 months. He reminded members that at the committee meeting held in July 2021, members instructed officers to market the land for sale, with a preference for retaining 100 car parking spaces, WC and enhanced approach to Hotham Park. In March 2022 a further report was brought back to committee where officers were instructed to enter into a second and final round of bidding with the 4 bids that had been shortlisted to negotiate best and final offers, once this had been completed officers were to bring those results back to members, which was what was detailed in the report for them at today's meeting. He then ran through the 4 offers in detail including the councils recommended action for each bid.

During discussion it was clear that members were not agreeable to the offers as they were and that there were no options that members could fully support. The Group Head of Technical Services advised members that should they be inclined not to pursue the recommendations before them, there would be agent fees payable and maintenance costs for the area that would need to be undertaken by the council e.g., Toilet and Car Park maintenance. Further discussion was had around regeneration for the site versus options that would provide revenue for the Council and social value. There was a request for a member briefing to be held to review further options that could be achieved with the site. A suggestion from a non-member of the committee was that the council should explore potential commercial partnership options further. The resounding mood of the committee was that now, was not the right time to move forward with the offers as they were.

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There was a detailed conversation across the room in reaching agreement for the wording of the resolution where it was agreed and proposed by Councillor Cooper, seconded by Councillor Walsh that;

The Committee

RESOLVED

1. Committee reject the offers as they stand and requests that officers and members continue to explore options within a masterplan for the site

(The meeting concluded at 8.57 pm)