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ECONOMY COMMITTEE

13 June 2023 at 6.00 pm

Present: Councillors Nash (Chair), Dr Walsh (Vice-Chair), Cooper, Edwards, Gunner, Lawrence, Lloyd, Needs, Northeast, Pencycate and Stanley

Councillors Mrs Cooper were also in attendance for all or part of the meeting.

51. APOLOGIES

(Councillor Edwards arrived at the meeting during this item.)

There were no apologies received.

52. DECLARATIONS OF INTEREST

Councillor Walsh declared a personal interest in agenda item 7 [*Pier Road Proposed Road Closure*] as a member of West Sussex County Council.

53. MINUTES

The minutes of the previous meeting held on 2 February 2023 were approved by the committee and signed by the Chair.

54. 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

There were no urgent items for this meeting.

55. MEETING START TIMES 2023/24

The Chair proposed that the start times for the meeting of the Committee for the remaining year be at 6pm, this was seconded by the Vice Chair.

The Committee

RESOLVED

That the start times for 2023/24 be 6pm.

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56. 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.

(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.

57. PIER ROAD PROPOSED CLOSURE

Upon invitation from the Chair the Business Development Manager, provided members with a brief overview of the report and for the benefit of new members she outlined the history of the project where she explained that the report before them had arisen from the pandemic when Pier Road had been closed in the summer to allow for safe social distancing. In the second year of the pandemic the council again, closed the road. During both closures the feedback was that many enjoyed the closure and the alternative use of the space the closure provided.

In October 2021 a meeting was held with business owners in Pier Road, where there were mixed feelings on future closures. A report was then brought to the committee in March 2022 where the direction was given that a public consultation regarding future closures should be undertaken. The consultation was undertaken over the summer of 2022 and a further report containing the results of that consultation was brought back to committee in November 2022, where members requested officers to engage with West Sussex County Council (WSSCC) to appraise the feasibility, process, legal requirements, costs, timescales and necessary agreements to deliver the preferred option of a permanent closure, and to explore the opportunity of increasing the length of the proposed closure area to include the area of highway as far north as the Gravy Boat restaurant and provide a report to a future meeting of the committee setting out officers findings and conclusions, that report was what member had in front of them at the meeting.

She explained the report contained three schemes for discussion and consideration. It was advised that officers did investigate the option to extend the length of the road closure, however landowners were reluctant to lose their car park, therefore this option was not possible. Meetings were held with highway officers and the schemes had been drawn up under their advice. A meeting was also held with the County Councillor for the area. The required stage 1 safety audit had also been completed and had highlighted an issue with the junction of Pier Road and Clifton Road. Officers were awaiting a swept path analysis, once received that and the road safety audit along with member agreement on their preferred scheme would be included in the councils bid.

The Chair invited members to make comments and ask any questions, where concern was raised regarding the timing of the proposed closure versus the current economic climate, and as WSCC would not allow a semi-permanent closure just for the summer months, the potential impact on businesses closing or forced to close should the closure go ahead could result in a significant loss of footfall and trade over the winter months. It was also stated that when the public consultation was completed in the summer of 2022, the option for a semi-permanent closure was an option for residents to pick, as the council now knows this option would not be possible a new consultation should be undertaken with only a permanent closure as the option.

It was asked if when the bid was submitted to WSCC would they need to complete consultation separately. Officers confirmed that WSCC would need to undertake their own public consultation. Confirmation was also sought regarding consultation with those business owners who would be impacted by the closure. It was confirmed that consultation had taken place with those business owners.

Throughout the discussion most members were supportive of the report and the proposed closure of Pier Road. It was felt that the council had completed its consultation and the output of that was support for the closure. Several examples were provided by the Leader of the Opposition in terms of the positive impact the road closure would have for the town, from preventing buildings in Pier Road being turned into Houses of Multiple Occupation (HOMs) alongside the green benefits the town would also achieve. Further discussion was had on the aesthetics of the road closure and how to ensure that it looks welcoming and inviting as it was felt that wasn't achieved initially, however the correct lighting along the river wall was now in place and with additional consideration regarding the proposed benches and seating areas it could be achieved moving forward.

When discussion turned to the schemes laid out in the report, thought was given to considering scheme C as it was felt should the closure be approved but not be as successful as expected, this would be the least costly and easier option to revert back from. However, scheme A was overwhelmingly preferred with many commenting that if the council were to complete the project successfully the best scheme with the most investment should be the scheme chosen to ensure a positive experience and outcome for the town, its residents, and visitors.

The recommendations were proposed by Councillor Gunner and seconded by Councillor Walsh.

The Committee

RESOLVED that;

- 1.2.the Committee agrees for Option A bid to be submitted to WSCC Community Highway Scheme programme.
- 1.3.a further report be brought to the Committee detailing the full costs of the scheme to Arun District Council, should the bid be successful, and there be costs that WSCC are unable to meet.

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58. PROGRESS REPORT ON LITTLEHAMPTON PUBLIC REALM - PHASES 2 & 3

(Councillor Walsh redeclared his Personal interest as a member of Littlehampton Town Council (LTC) and WSCC.)

The Chair invited the Group Head of Business and Economy to provide members with an update on the public realm works in Littlehampton Town centre for phases 2 & 3. In 2016 there was extensive public consultation regarding improvements to the town centre which had been set out in 5 phases, it included improvements to paving, lighting, planting and some artwork. The council had been awarded external funds from the Coastal Communities Fund in 2019 £2.54 million, due to the economic challenges, the project had saw a rise in material and construction costs a decision was made that this funding was to be spent on Phase 2 of the project, which was the area Highstreet, Duke Street, St Martins Lane and Clifton Road. The Council then pursued additional external funding through Coast to Capital, Local Growth Fund where it was awarded a further £564,000 for Beach Road and East Street in October 2019 as the full award was not awarded from the bid both, Arun District Council and Littlehampton Town Council contributed a further £200,000 each to complete the delivery for phase 3, the total budget for phases 2 and 3 was £302 million.

As work progressed on the project other opportunities and enhancements were identified, it was requested for further funds from the council to support a 'dig once' approach which allowed for funding to place ducting in the ground to allow for the fibre network can then be installed by city fibre in the future. Successful funding from WSCC was also obtained to allow for the continuation of phase 1 of the project. The team were pleased to report that phases 2 and 3 were delivered on time and on budget in March 2023. Moving to the lessons learned throughout the project the officer highlighted that the early engagement of the project management team was key, early ordering of materials to secure best prices and allow for delivery lead in times to fit with scheduled works was a sound way to fix the overall project cost. The need to understand and identify underground services, through comprehensive surveys completed at the start of the project, however it was found in reality that there were a few surprises that showed up as work was started, this could impact on project delivery timescales along with impacting on the original designs such as the planting of trees that had to be potted, rather than planted into the ground. The teams work on sourcing additional funding to accommodate design changes and increasing costs was particularly important in the delivery of these phases. In summing up the officer confirmed that phases 4 and 5 of the project would be completed, however, was reliant on further external funding. She thanked all the contactors, businesses and traders for their patience whilst the work was being completed and thanked Littlehampton Town Council and WSCC for their financial contributions.

The Chair then asked members for their comments, where it was commented that members were delighted to hear and read the update on the project, however concerns were raised regarding the new paving and the importance of sealing this as soon as possible and properly alongside regular and proper cleanings due to the light colour of the paving. A suggestion was made that the council talk to Littlehampton Town

Council who may be able to help with the cleaning or assist in sourcing the right contractor for the work. It was also commented that the 'temporary' edges on the flower beds should be removed as they look unfinished. In reference to the clock tower, it was requested that it should be checked over as it was made from fibreglass and given the confirmed underspend on the project perhaps some of that money could be used to accommodate the request. Comments were made regarding the temporary traffic lights that had to be in place throughout the work and were still in place with the ongoing work, was found to be a nuisance and cause a lot of traffic build up during peak travel times.

It was confirmed that the clock tower belonged and was the responsibility of Littlehampton Town Council, members were of the agreement that some of the underspend should be used to keep the clock tower in good, clean working order. It was thought by some that the potential cost could be somewhere in the region of £5,500.

Councillor Needs thanked the officer team for the update provided and commented that since the work had started and now completed in these areas, she has found as a wheelchair user that the ease of getting in and around the town centre was much improved and she now visited the town much more frequently due to this.

Members were heartened to hear the comments from Councillor Needs and applauded the team for the work that had been delivered for Littlehampton Town. There was favour expressed to continue to the project with a wider scope to see the work continue and wrap around the town centre and it was hoped that the team would continue to obtain the additional funding for this to be considered.

The Leader of the Opposition stated he was delighted to hear the progressed made with the project and the upcoming work yet to be completed, however, he stated he struggled to agree with these comments regarding the project coming in on time and on budget. He talked passionately about the need for members to be consulted on all changes, specifically referencing the changes made to the blue tiles that are a part of the paving. He agreed that full and proper cleaning of the paving was important to keep the areas looking clean and tidy and that he felt the paving had brightened up the town centre in particular. He was pleased to see that owners and businesses were moving into the units within the arcade also.

Discussion then moved on to making a formal proposal in order to ensure that the necessary maintenance and upkeep of the Clock Tower was completed, where costing was discussed and commented that it could require a spend of up to £8,000 which could come from the current underspend.

A proposal from Councillor Northeast seconded by Councillor Needs was put to the committee;

To provide financial support up to £8k figure to LTC to ensure that the necessary maintenance and upkeep are completed.

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Throughout this discussion concerns were raised and addressed by officers which resulted in the following wording being suggested by Councillor Gunner;

The Committee delegate the Group Head of Business and Economy to liaise with LTC to come up with proposals for financial support of up to £10k for necessary maintenance and upkeep of the clock tower.

The original proposer Councillor Northeast and seconder councillor Needs were happy with the suggested wording from Councillor Gunner at which point it was put to the vote.

The Committee

RESOLVED

Delegation be given to the Group Head of Business and Economy to liaise with LTC to come up with proposals for financial support of up to £10k for necessary maintenance and upkeep of the clock tower.

The Committee then noted the rest of the report.

59. BOGNOR REGIS ARCADE, UPPER FLOORS REFURBISHMENT

The Regeneration Consultant was invited by the Chair to present the report to members where he explained that the council acquired the arcade in November 2017 for investment and regeneration purposes. Since then, extensive work had been completed to refurbish the ground floor, to get it to the point where it is now fully let. He stated it had now become a vibrant retail, food and beverage experience now. During this time the upper floors have been maintained in waiting as the next project to go ahead. A number of feasibilities had been put together, unfortunately none of which had been deemed as financially viable. At the end of 2022 the potential for funding from the Brown Field Release Land Fund was highlighted and members at its February 2023 meeting agreed to submit a bid. Extensive design, feasibility and costing works had been undertaken which had been included with the report. The reasons rented accommodation was chosen by officers at the preferred option was due to the rental return. He explained that the scheme put together at a total delivery cost of just under £8 million would deliver 35 residential units for rent, it's considered a prime location for rental accommodation and good links for public transport. In accordance with the decision made in February 2023 a bid had been submitted to the BFRL for the maximum funding available to the council of £628,000. Which if successful would bring the net cost down to £7.3 million, of which would need to be borrowed by the council as an investment to refurbish the building, the cost of that borrowing would be £428,000. This would generate a net rental income from the residential units would be £362,000. Due to the council currently paying business rates on the empty officers on the upper floor at a cost of £29,000 pa. This would mean the net revenue cost to the council of

£28,600. He outlined the reasons as to why this would be most financially viable option opposed to just leaving the building in its current state. He also confirmed that work was being completed on the full costing of leaving the building in its current state and this would be reported to members at the Policy and Finance Meeting due to be held on 11 July 2023.

In summing up he outlined for members that the decision they were being asked to make today were wholly based upon a successful bid application and to explain why members were being asked to make this decision at this stage was due to the 3-week timeframe of acceptance once a successful bid is confirmed. As well as the recommendations requiring approval from Policy and Finance Committee and Full Council, this was the earliest opportunity to ensure the decisions hit each meeting in the correct and most timely manner. He confirmed that One Public Estate have been flexible in a bid to assist the council with its decision-making process by holding back the confirmation of the bid. Finally, he confirmed that the council would require a delivery vehicle in order to deliver the scheme and this is addressed in recommendation 4. Savills have also been asked to complete a valuation appraisal of the building in its current state, this work should be completed and ready to share with members at the Policy & Finance Committee in July.

The Chair stated that since the council took on the arcade in 2017, it had been much improved and there was nothing wrong with taking on asset and improving it. He advised members that he believed what we had been presented at the meeting would be an improvement and the council should do everything it can to ensure this asset was looked after.

Upon invitation of the Chair the Leader of the Opposition, Councillor Gunner, stated he disagreed with the Chair, he explained that if the proposal was accepted by the committee, it would mean that the council would spend somewhere in the region of £10 million. He outlined his main concern was that spending £7 million with no return was not a good decision to make and he advised members that they needed to find a way for the asset to pay for itself. Councillor Gunner then proposed an amendment which was seconded by Councillor Cooper;

That the Committee

- Defers this decision pending further information.
- Asks officers to complete the exploratory work on a sale of the Bognor Regis Arcade as outlined in section 6 of this report - both with and without planning permission - and report their findings back to this committee to consider alongside the redevelopment option of the upper floors with the Brownfield Land Release Fund.
- Asks officers to consider the feasibility of the option of wholesale redevelopment of the entire site whilst retaining the northern facade, and to report the outcome of their work to this committee to consider alongside other options. And;
- Asks officers to outline the full costs of the "do nothing" option on the Arcade for comparison, for the committee to consider alongside other options.

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He continued to express his concern at not having all the information clearly laid out in front of members for their full consideration, to address the 3-week timescale, the Chair would have the power to call an urgent meeting of the committee within that timeframe in order for officers to come back with the information that was needed for members to make a full and considered decision.

The Legal Services Manager advised the Chair that the amendment had been presented too early as the recommendations within the report had not yet been proposed and seconded, therefore there was no proposal to amend. The Chair then requested a small amendment be made to recommendation 2, after further advice from the Legal Services Manager the agreed additions for recommendation 2 were 'and with the Chair of the Economy Committee'. This addition was seconded by Councillor Walsh.

- ii. It delegates authority to the Chief Executive in consultation with the Section 151 Officer **and the Chair of the Economy Committee** to deliver the project including selection of the appropriate delivery vehicle, subject regular updates to the Economy Committee.

The recommendations were then proposed by Councillor Stanley and seconded by Councillor Northeast.

The Chair then returned back to the amendment proposed by Councillor Gunner and seconded by Councillor Cooper. As there were no comments at this point on the amendment from the committee the Chair invited the Regeneration Consultant to give members his advice, where he outlined in detail the consequences and risks of accepting the amendment as proposed by Councillors Gunner and Cooper.

The Vice-Chair then explained his thoughts behind not accepting a 'do nothing approach' and why he believed it was not a viable option for consideration, he then moved on to the demolition point where he advised that this option would be not only costly and take years to complete, it would also be a loss to the area. In summing up he stated that the council needed to get to grips with the wrong decision made in 2019 and unfortunately that would result in a cost and that was today's cost that was to be felt.

The Leader of the Council was then invited to speak where he stated that he believed the decision to purchase the arcade was possibly the best decision made by the administration in 2015. He stated that the offering available to the town now was far greater than what was before. He went on to say that the opportunity to retain and preserve listed buildings should be done where possible and therefore he could not support the amendment as it was currently laid out.

Support for not accepting the amendment from other committee members was voiced, it was stated that the arcade was a central and well-known community asset. The Chair then invited the proposer and seconder of the amendment for their final comments where they urged members to consider the gravity of the decision before them. Councillor Gunner disagreed with the advice given by the officer in relation to

making the decision without all of the information before them. Turning to vote the amendment was declared LOST.

The substantive recommendations were then put to the vote and;

The Committee

RESOLVED that;

- i. It agrees to the refurbishment of the Bognor Regis Arcade upper floors to provide private rented apartments, at an overall project cost of £7,991,069, subject to the formal offer from One Public Estate of a Brown Field Land Release Fund grant and subject to the addition to the capital programme of that sum by the Policy and Finance Committee.
- ii. It delegates authority to the Chief Executive in consultation with the Section 151 Officer and the Chair of the Economy Committee to deliver the project including selection of the appropriate delivery vehicle, subject to regular updates to the Economy Committee.

The Committee

RECOMMENDS TO POLICY AND FINANCE COMMITTEE that;

- iii. the project cost of £7,991,069 (including the Brownfield Land Release Fund grant) be added to the capital programme.
- iv. the Council accept the BLRF fund grant if it is offered.

60. Q4 KEY PERFORMANCE INDICATORS REPORT

The Chair invited the Group Head of Organisational Excellence to provide members with a brief overview of the report where she stated for newer members that these measures were of operational performance over a 4-year period. and they are measured each year, to all the council to measure each year and between years. She explained that the committee received 2 indicators that report in on a half year basis. She confirmed that the Policy and Finance Committee is responsible for the overall performance of the council and therefore they receive all of the indicators.

The Chair commented that the reporting on CP42 indicator only highlighted the importance of the decision made by the committee on the last agenda item. He then invited comments from members on the indicators, where the Vice-Chair wanted to address the indicators with a more positive tone, in comparing Littlehampton and Bognor Regis Towns were holding up well as relatively small seaside towns when compared with other areas. There had been a change in retail habits, in that people are being drawn away from town centres and therefore towns centre experiences were now focusing on eateries and smaller independent traders. He stated that as members we needed to support our towns and the Economy Officer Team.

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It was also commented that having free parking available for town centres was a vital part in helping to keep the footfall coming through the town centres.

The Committee then noted the report update.

61. COUNCIL VISION 2022-2026 ANNUAL REPORT

(Councillor Walsh declared a personal interest as a West Sussex County Councillor and a member of the Health and Adult Scrutiny Committee (HASC))

The Chair invited the Group Head of Organisational Excellence to provide members with a brief overview of the report where she advised that the council vision for the period 2022 – 2026 had been developed by members and would guide decision making during the 4-year period. She went on to outline the difference between this report and the last, explaining that this report was strategic and had overarching objectives that were grouped by each council vision theme as detailed in the report.

The Vice-Chair was invited to make comment by the Chair, where he explained there was due to be a meeting of HASC held tomorrow (Wednesday 14 June 2023) where he would be raising concerns at a proposal from the new commissioners to reduce NHS spending over the next 2/3 years by 20-30%. He stated that this would decimate the health service across the district as well as nationally and that investment was needed as a priority.

Councillor Northeast echoed the comments made by councillor Walsh and stated that he felt the commissioners had taken on a new name again and every time this happened the people lose something. He went to on to say he felt the situation was embarrassing and that for every major development planned, developers were putting forward the funds to provide additional NHS services (GPs, dentists etc,), however, the NHS were refusing to staff it. It was queried if dentist were run by the NHS, and it was confirmed that both GP surgeries and dentist were private companies but funded by the NHS.

The Committee then noted the annual report.

62. SEAFRONT CAFÉ OPTIONS AT BOGNOR REGIS

Upon invitation from the Chair the Property, Estates and Facilities Manager, provided members with an overview of the report where he explained the report focused on 2 potential new café restaurant sites along the seafront one in the stalls zone and the other at the Esplanade theatre site. Both were identified by the Economic Committee in July 2021 as corporate priorities. In summing up he confirmed the recommendations before members in the report.

The Chair then invited questions and comments from members where it was asked why only 2 businesses, was there the opportunity for more to be involved? The Group Head of Technical Services advised that the council was taking forward two elements of a previously agreed plan (Bognor Regis delivery plan), there was an opportunity for the third opportunity to be considered by the committee at its meeting in October 2023.

The recommendations were then proposed by Councillor Walsh and seconded by Councillor Stanley.

The Committee

RESOLVED that;

- 2.1. approves officers to proceed with undertaking business case appraisals to consider the viability of developing two new cafés at the Esplanade Theatre and Bognor Regis Promenade 'Stalls Zone' sites.
- 2.2. officers report to Committee on the findings of these business case appraisals once they are completed, with recommendations as to any further action.
- 2.3. officers report to committee in due course on the redevelopment proposals recently received from the existing Clarence Road Kiosk operator

63. OUTSIDE BODIES UPDATE

The Chair confirmed that there were no outside body update reports to be received for this meeting.

The Committee noted the outside body list provided.

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64. WORK PROGRAMME 2023/24

The Chair advised members that there was an extraordinary meeting of the committee planned to take place on Monday 19 June 2023 to discuss the meanwhile use of the Brewers Fayre site.

It was commented that the work programme was light on items for its February meeting next year and could it be explained why this was. The Chair confirmed that the work programme was an organic document, and it moved along with member suggestions in consultation with officers.

The Committee then noted the committee work programme for 2023/24.

65. EXEMPT INFORMATION

The recommendation was proposed by Councillor Walsh and seconded by Councillor Stanley.

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.

66. WATERLOO SQUARE

Upon invitation from the Chair the Property, Estates and Facilities Manager, provided members with an overview of the report before them and then took questions from the Committee.

Throughout debate there was support from the committee, some concerns were raised in relation to planning matters when considering if the site were to be sold by the council and then purchased with a planning application attached. It was also felt that

there was an opportunity to gain some revenue for the council, however concerns were raised that there were no other options being presented to members.

The recommendations were proposed by Councillor Needs and seconded by Councillor Stanley.

That Committee

RESOLVED that;

- 2.2. Delegated authority be given to the Group Head of Technical Services to accept the offer in principle for Arun District Council to purchase the leasehold interests of Beach Hotel, 2 Waterloo Square, and 4 Waterloo Square for the sum of £1m, negotiating and agreeing all further details with B5 Limited as necessary and executing all formal documentation necessary including applying the Council seal to secure and complete the deal.
- 2.3. Delegated authority be given to the Group Head of Technical Services to engage an appropriately qualified and experienced agent to market the plots as one lot for back-to-back (or as near as practical) freehold disposal on the open market, to maximise the potential of the plot subject to a renewed planning approval.
- 2.4. it delegates to the Group Head of Technical Services in consultation with the Section 151 Officer to dispose of the freehold interest in Beach Hotel, 2 Waterloo Square, and 4 Waterloo Square for best consideration following an open market campaign.

The Committee

RECOMMEND TO POLICY AND FINANCE COMMITTEE that;

- 2.5. the Committee make a recommendation to Full Council, to approve borrowing of £1million from the Public Works Loan Board to fund the purchase of the leases, and for this to be added to the capital programme.

(The meeting concluded at 8.14 pm)

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