

# Public Document Pack

Subject to approval at the next Economy Committee meeting

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## ECONOMY COMMITTEE

8 July 2024 at 6.00 pm

Present: Councillors Nash (Chair), Woodman (Vice-Chair), Mrs Cooper (Substitute for Edwards), Cooper, Gunner, Lawrence, Northeast, Oppler (Substitute for Needs), Penycate and Lury (Substitute for Stanley)

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

### 74. APOLOGIES

There were apologies received from Councillors Edwards, Needs and Stanley.

### 75. DECLARATIONS OF INTEREST

There were no declarations of interest made.

### 76. MINUTES

The minutes of the previous meeting held on 16 April were approved by the Committee and signed by the Chair.

### 77. 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 presented at the meeting.

### 78. PUBLIC QUESTION TIME

There were no Public Questions received for the meeting.

### 79. COMMITTEE MEETING START TIMES

The Chair proposed that the committee meeting start time remain at 6pm for the remainder of the municipal year, this was duly seconded by the Vice-Chair.

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The Committee

RESOLVED

That meeting start times remain at 6pm for 2024-25.

80. COUNCIL VISION PERFORMANCE REPORT 2023 - 2024

The Interim CEO and Director of Growth presented the report to members.

Members then noted the report.

81. KEY PERFORMANCE INDICATOR QUARTER 4 REPORT

The Interim CEO and Director of Growth presented the report to members.

During a short debate it was queried if the reason Boots had left Littlehampton High Street was known where it was advised it was not, however, it was known that the business had undertaken a review of the number of businesses across the country. It was also asked if since the regeneration work had been completed in the town had the council been actively marketing the empty units in the High Street. It was confirmed that specific marketing for individual properties had not been completed. However, members would be aware of the work undertaken by the Town Task Force that was run by Littlehampton Town Council and that Arun District Council contributed to. It was highlighted that there was difficulty experienced due to the number of different Landlords involved across the properties. However, discussions were ongoing with many options available for consideration.

Members then noted the report

82. CORPORATE GAS SUPPLY CONTRACT 2025-2029

The Property & Estates Facilities Manager presented the report to members and confirmed that Lazer energy had been appointment through the procurement process.

The recommendations were proposed by Councillor Woodman and seconded by Councillor Northeast.

Members requested clarity on the purpose of the recommendations before them where it was stated that in order for the Council to achieve the best purchasing price it needed to enter into an agreement and the process that was being followed was fully compliant. A query on timing stated in paragraph 6.2 of the report was raised, it was confirmed that a decision was required now to ensure that the council could obtain a best value contract. Finally, it was queried if the rate secured would be a variable or fixed rate, it was confirmed that variable was to be sought.

The Committee

RESOLVED that

2.1 Delegated authority be given to the Group Head of Technical Services to enter into a new four-year corporate gas supply contract commencing 1 April 2025, and.

2.2 Authorised the Group Head of Technical Services to sign the contract using DocuSign rather than executing as a Deed.

83. BEACH HUT LEASE TERMS

The Property Estates & Facilities Manager presented the report to members. He explained that the report provided members with a summary of the current position relating to rental beach huts, the leases expire on 31 March 2025. In considering all options included with the report was a detailed market appraisal, detail on appropriate rent setting and it outlines various courses of action including day hire, which was not recommended. The report recommends that the council offers to grant 92 existing and 13 additional beach huts for lease for a period of 3 years and that rents be initially uplifted by 15% and then reviewed annually in accordance with RPI.

The recommendations were proposed by Councillor Nash and seconded by Councillor Woodman

The Chair invited members to discuss the report and ask questions, Councillor Northeast was the first member invited to speak he stated that he was happy with the report and the accessible beach huts that were being implemented, however, he hoped for more and further work to be considered to ensure the beach was truly accessible for all, he also highlighted that there was a long waiting list for people wanting the beach huts which showed demand, due to this he proposed that the rents should be increased to 20% and the additional funds received from this increase be used to make the Beach more accessible to compliment the accessible beach huts. This was then seconded by Councillor Lawrence

The Chair then invited members to discuss the amendment that had been duly proposed and seconded where the following points were raised during the debate. It was asked if the waiting list for those waiting for beach huts had been reviewed since the cost-of-living crisis and did the council know how many of those on the list, were in fact still waiting it was felt that the suggested increase in the report and now the proposal increase could further impact those waiting to change their mind. There was also a query in relation to the lessees being able to lease out the beach hut themselves and was this still to be offered by the council. A suggestion was then made by another member that should lessees be able to lease out the beach huts themselves, there should be a space on the council's website that details this information so it can be known which beach huts are impacted, it was also suggested that any revenue made from this activity, the council should take a percentage of that fee.

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The Chair reminded members to stick to discussing the amendment put forward by Councillor Northeast.

The location of the accessible beach huts was queried, it was confirmed that there were 2 locations for the accessible beach huts. On this basis it was then highlighted that the proposal to improve the accessibility of the beach, whilst well intentioned, would require that 2 separate locations would require improvement, immediately increasing the cost and therefore had there been any costings completed on how much the proposed additional 5% would bring in, how much would it cost to implement the improvements in the 2 locations to make the beach accessible and how long would it take for the funds to be raised with this suggested increase. It was confirmed that the 3 accessible beach huts that were due to be installed imminently, did include decking from the promenade to the beach huts and the costings for this had already been outlined and budgeted for in a previous report that had been considered by the committee. In response to the officer's clarification, it was confirmed that the suggested proposal by Councillor Northeast was asking the council to use the additional funds received from the proposed increase to implement accessibility options that would allow those to get from the beach huts down on to the sand. In response the Vice-Chair commented that she was unsure if implementing another boardwalk or a concrete run down to the sand would be the right way to go. She had seen other options available such as wheelchairs with larger wheels that could be pushed over the shingle, and that these may be the better option to be considered. It was then highlighted that the council's Beach Access Working Party had looked at these options and further officer advised was sought as the concern was that the proposal would not be deliverable.

The Interim CEO and Director of Growth laid out the practicalities of the additional 5% increase on the costings laid out in the report. The proposal only suggests this increase for 2024/25, the proposal did not include the additional increase by RPI for additional years. Should you agree the proposal you would be looking a relatively modest sum of funds, it would contribute, but it wouldn't be able to cover the whole costs of improvements to beach access being considered by the Working Party. He also highlighted that the Working Party were focused solely on the access to Bognor Regis beach and not Littlehampton which is the location of the beach huts you are reviewing today.

The Chair then advised members that he estimated with the proposed increase the council would be looking at approximately £700 - £1000. The proposer Councillor Northeast then commented that the council had 241 beach huts, he believed if an average of the Arun resident beach huts at £1,196, the proposal would see an increase of £60 for the 241 beach huts, which would equate to £14,000 in total to be ringfenced for these improvements. He then went on to explained that he had reviewed heavy duty ramps that could be rolled out and are successfully used elsewhere. He also confirmed that his intention was that the proposed increase would continue over future years with these funds all being ringfenced for beach accessibility improvement work.

It was then suggested that a larger increase be considered for those beach huts that were allocated for use by non-Arun residents, these were valuable assets to the council and there was opportunity to receive more money to be ringfenced for the beach improvements discussed. It was also asked if the question first asked regarding the total number of people on the waiting list be answered.

It was confirmed by Officers that within the last 3 years an exercise was completed for all those on the waiting list to confirm their interest. It was then commented that in 3 years the costs had now doubled and those on the waiting list would have confirmed their interest based on the information and costings at the time. It was then highlighted that the council only had 92 beach huts available to be included in this proposed increase, which made the funds potentially available to be around £7000, not the original figures stated.

The Chair with the permission of committee members then invited two non-committee members to address the committee. Comments made by these members were supportive of the proposed amendment, but they also had concerns regarding the costings and that further officer research was required before the committee made a decision.

The Interim CEO and Director of Growth then explained that unfortunately as officers had not been informed ahead of the meeting of this proposal, they were unable to provide detailed answers to the financial questions raised. He reminded the committee that the Beach Access Working Party had been formed to fully investigate accessible beach access options for Bognor Regis and members should be mindful that work that may be agreed and rolled out in Bognor could potentially be very different to that of Littlehampton. He suggested that if members wanted to move forward with this proposal, that they keep it simple in order to not restrict themselves moving forward.

Moving to concluding the debate it was raised that not knowing the capital costs was a complication, it was thought that the option of a 'roll out ramp' was unviable due to the gradient of the shingle. It was proposed by Councillor Gunner that a deferral on making a decision on this to allow for officers to go away and obtain the answers to the financial and viability queries raised during the debate and bring back an updated report to the next Economy Committee meeting. This was then seconded by Councillor Northeast, and he confirmed that he withdrew his original proposal.

Officers then raised concerns in terms of the amount of time to complete this additional work, along with the requirement to get new leases out to over a 100 people which was required to be completed before 1 April 2025. Members queried why the leases could not be drawn up and left in a 'ready to go' state with the exception of the potential 20% increase figure.

The Interim CEO and Director of Growth advised members on the impact this would have on the workload for the team and made the suggestion that members consider separating out the recommendations or to consider agreeing the 20% increase at this meeting. Further discussion was then had on the timing of reports being brought to Committee and presented to members, where the suggestion of an additional

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meeting of the committee was made to allow for the work requested by members to be undertaken and brought back to members ahead of the next scheduled meeting in October 2024.

The Committee

RESOLVED

That the report be DEFERRED to allow officers to obtain the answers to the financial and viability queries raised during the debate and bring back an updated report to the next Economy Committee meeting

84. REGIS QUARTER (WORKING TITLE) FEASIBILITY STUDY & INCORPORATING THE FORMER BREWERS FAYRE SITE

The Interim CEO and Director of Growth presented the report to members, explaining back in April 2024 members consider a previous report of the former Brewers Fayre Site, members requested to know the plans for the site next door to this site and the report before members today was addressing this request. He then ran through the appendices accompanying the report outlining their purpose. He then went on to remind members that the proposition for the Brewers Fayre site was to knock down the building to recreate a functional multi use space with an additional facility above potentially in the form of a restaurant to make the best use of the views out to sea. In terms of the Regis Centre car park, the vision document sets out a development which meets the brief of providing leisure as well as food and drink, whilst ensuring the car parking provision is re-provided. Also linked to this there are proposals for additional retail units that would wrap around this development. He explained that the key question was what kind of enabling development may be necessary to allow for all of that work to be delivered. Members were clear previously that they did not want residential development to be the enabling development, so it had been suggested that the inclusion of holiday accommodation be included. Officers want to test the market to see if there would be demand for this type of development, there was also a requirement to secure a developer to come on board with the project with the council to get it off the ground. In summing up he then ran through and explained the recommendations before members.

The recommendations were proposed by Councillor Oppler and seconded by Councillor Lury.

The Chair invited members to debate where concern was raised regarding paragraphs 2.3b and 2.6b of which referred to consultation aspect of these proposals and when would the public be consulted, would it be at the Planning stage, part of the BID process. It was confirmed that public consultation would take place at many points throughout the project, should members be supportive of the recommendations before them then there would be public consultation on these plans very soon and certainly at the Planning stages.

It was commented by the Leader of the Council that the location for this project was a prime site in Bognor Regis and he believed that the council needed to be bold and ambitious. Plans had been being reviewed since 2002 so this had been an ambition that had been waiting a long time to come to fruition, he stated that the need to encourage more tourists to the area was vital for the economy, the current plans were exciting, in particular the idea of a raised viewing platform would be a great addition. He agreed with the previous comments made relating to public consultation and expressed his support for this to be undertaken to ensure that the public would be on board with the plans. He expressed that he wants the project to include biodiverse options such as solar panels and green roofs, to ensure climate change compliance. He echoed the need for other partners to come on board to ensure the project deliverability.

Concerns were raised by the Leader of the Opposition, whilst he stated that he welcomed the report and was broadly supportive of a lot of what had been presented throughout the report, he did however struggle with the height of the building, highlighted on pages, 117, 118, 119 and 120. He remained sceptical on having a 400-seater venue included, the additional financing required stating that the council had had a lot of offers in the past, however these had not been costed properly. He referred to the Coast to Capital report, highlighting that it referred to the Town Hall and he wanted to know where the council was with its plans for this building. Was there a possibility of its use being a part of this project also.

The Chair responded to these concerns stating that he understood the comments regarding the height of the build, however, he believed that these concerns could be overcome with a really good design that makes it an attractive landmark. He reconfirmed his position regarding the Theatre and the Royal Hall by saying that they had previously worked nicely alongside each other. He went on to state that the council needed to be considering options that allowed for more options to be considered regarding seating for the Theatre, inclusive of retractable seating.

Further support for the proposal was made clear, particularly the green credentials detailed, a suggestion was made that the Town Hall could be used in the form of an arts and crafts museum but be sure not to diminish the building in its current beauty.

The Interim CEO and Director of Growth was invited by the Chair to respond to the comments made where he confirmed that the Town Hall had been specifically excluded from these proposals. Due to the review of the future accommodation needs of the Council still being undertaken. However, if members direct officers to include the building within the plans this could be done, but he reminded members that as a listed building it was thought that it would work better if it was not included. He went on to highlight that the former Brewers Fayre sites was being looked at to provide a multi-use facility, that would see 365 days use where possible. Specifically addressing the height concerns made he referred members back to his earlier comments regarding the need for having an enabling development in order to ensure delivery of these plans.

The Project Officer was then invited to speak where he reconfirmed that the Brewers Fayre improvements would be complimentary to the improvements proposed

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for the former Royal Hall. It would support corporate conferencing that would enable year-round use with the leisure users being situated on the ground floor, he went on to explained that the plans presented were the initial modelling to be used as a conversation starter. As the Town Hall is a listed building he explained that the council had tried to provide it, with its own setting, keeping it set back but giving its own enhancement, referring to the Arcade as another listed building, the aim was to provide and create an exciting architectural project.

It was asked if officers were able to provide a timeline of work, inclusive of public consultation and each phase of the development to give everyone insight into when things would start happening. The Interim CEO and Director of Growth stated that the approach to the project delivery had been separated into 2 phases, the Brewers Fayre site which would be taken forward under its own guise, however, whilst that was happening work can be undertaken to look for funding opportunities to enable the project to move forward should funding be secured. Phase 2 would then be delivered as single entity, results of the soft market testing would be required to be brought back to committee for members to make further decisions, he stressed that phase 2 was a long way away at this point in time. The Project Officer added that the options presented were comprehensive, activity at the sites was starting and that anything that comes forward in these next stages would have a lot more credibility to it. The aim was to bring heritage assets together and to provide a full landmark scheme, which would be a focal point of the seafront, the project was aspirational, and it should be.

Further support for the plans presented were heard, including comments stating that there were not easy solutions with a project like this, support for the former Royal Hall and the Theatre complimenting each other previously, when considering the multi-uses aspect for the building there should be no restrictions, or anything ruled out at this stage. Comments supporting the concerns for the proposed height of the building were also made with the caveat that it was clear there would need to be compromises made as a council and community. One member stated that his concerns in relation to the height of the build was its asymmetry and could an explanation be given for the reasoning behind this decision. It was asked how practical a 'living roof' would be and world solar panels not be a better option to consider, had these be investigated and costed fully. Finally, it was asked how confident were officers that a hotel could be delivered as presented.

The Project Officer confirmed that more modelling would be required as the council move forward with the project, currently the plans showed what could be delivered. The design was chosen to make the most of the sea views as well as being modelled against the height of the Premier Inn. He reminded members that the plans had taken into consideration all the options requested by members previously whilst providing multi-use options for maximum revenue opportunity and this was all reliant on the enabling development points that had been highlighted to them throughout the report. Finally, he confirmed that a high-level financial review had been undertaken which comprised of varying factors which showed different revenue values could be generated. Ultimately Hotel accommodation would be a very valuable asset to have which would see traffic generated from the multi-use options being considered such as corporate conferencing.



The Interim CEO and Director of Growth addressed the query regarding the asymmetry of the building design explaining that this had been suggested to create a transition within the middle of the development, however it would be something that officers would continue to review and would in part, be influenced by the viability.

Discussion then moved on to the car parking provision verses the numbers currently being expected to come and visit the Theatre and the former Royal Hall, it was felt that the provision was insufficient, it was requested to be understood if this had been reviewed and the parking capacity had been presented as is. The Chair confirmed that currently there were 130 parking spaces and with the development this would increase to 235 spaces. The Interim CEO and Director of Growth added that the number of spaces had been agreed as it was what worked with the current design, he also advised that there were other parking provisions within the Town that were not utilised as a 'first choice' and these sites could be reviewed with a view to enhance these other sites also. The Project Officer commented that the council were keen to push the available public transport options also.

The Chair, then proposed that an additional recommendation (f) be added to recommendations, and this read.

**f. Soft market testing be carried out in relation to this proposal with some flexibility accepted in relation to its size**

This amendment was then seconded by Councillor Lury and upon the vote being taken it was declared CARRIED.

Finally, the Chair with permission of the committee invited non-committee members to address the committee, after this the recommendations were put to the vote.

It was requested that a recorded vote be taken, those voting For were Councillors Cooper (Andy), Cooper (Alison), Lawrence, Lury, Nash, Northeast, Oppler, Penycate and Woodman (9), those voting Against (0) and those voting to Abstain were Councillor Gunner (1).

The Committee

**RESOLVED**

2.1 The Committee notes the content of the reports attached as appendices.

2.2 The Committee supports the principle of demolishing and redeveloping the former Brewers Fayre Public House as a multi-use venue with other uses intended to support the visitor economy, and to be likely cojoined to the (by then) refurbished and extended Alexandra Theatre building.

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2.3 The Committee supports the following in furtherance of delivering 2.2 above.

- a. That the preference is for any new facility to be operated in conjunction with the updated Alexandra Theatre and a detailed business case be prepared on basis of this as the preferred option.
- b. That public consultation on the proposed project be undertaken to inform (c) below.
- c. That the details of a preferred scheme be developed to secure the completion of RIBA stage 3 (securing Planning Permission).
- d. That the cost of undertaking the work listed at (b) and (c) above, including the funding of a project officer be drawn from any funding allocated from the West Sussex Business Rate Pool to the Arun Growth Deal (subject to the agreement of West Sussex County Council as a co-signatory to the Arun Growth Deal).
- e. That the Committee delegate to the Director of Growth authority to draw down the funding identified above and commission any necessary external work necessary to deliver the above in accordance with the Councils rules on procurement.

2.4 That officers be asked to seek (and bid where necessary) for external funding to deliver the required capital funding for the project listed above.

2.5 The Committee supports the principle of redeveloping the Regis Centre Car Park to deliver a mixed-use development of Leisure, retail, workspace, food & drink, public realm, car parking and holiday accommodation.

2.6 The Committee supports the following in furtherance of delivering 2.5 above.

- a. That the Council undertake soft market testing to determine the commercial appetite to deliver a scheme similar to that illustrated in the vision document.
- b. That public consultation on the proposed project be undertaken.
- c. That the details of a preferred scheme be developed further to support the preparation of a further report regarding the options for the potential delivery of the agreed vision.

d. That the cost of undertaking the work listed in (a), (b) and (c) above, including the funding of a project officer be drawn from funding allocated from the West Sussex Business Rate Pool to the Arun Growth Deal (subject to the agreement of West Sussex County Council as a co-signatory to the Arun Growth Deal).

e. That the Committee delegate to the Director of Growth authority to draw down the funding identified above and commission any external work necessary to deliver the above in accordance with the Councils rules on procurement.

f. Soft market testing be carried out in relation to this proposal with some flexibility accepted in relation to its size

85. OUTSIDE BODIES UPDATE

There were no updates presented at the meeting.

86. WORK PROGRAMME

The Work Programme for 2024-25 was noted by Members.

87. EXEMPT INFORMATION

The recommendation was proposed by Councillor Lury and seconded by Councillor Woodman.

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 3 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

88. OLD COASTGUARD TOWER LEASE VARIATION

The Senior Estates Surveyor presented the report to members.

The recommendations were proposed by Councillor Woodman and seconded by Councillor Northeast.

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Members then took part in a debate where a number of questions were asked, full answers were provided by the officer and Interim CEO and Director of Growth.

The Committee

RESOLVED

2.1. To grant authority for the Council to enter into a surrender of the existing Old Coastguard Tower lease at the Promenade, Littlehampton whether by express surrender or variation of the existing lease with the existing tenant.

2.2. To delegate authority to the Group Head of Technical Services to grant a new lease of the Old Coastguard Tower at the Promenade Littlehampton to the existing tenant on the same terms as the original lease dated 10 October 2012 (as varied on 16 November 2023) aside from an altered demise regarding the swap of an external area for the location of a bin and bike store and general modernisation to facilitate the delivery of the Littlehampton Sea front project, whether by express grant or variation of the existing lease.

2.3. To agree to pay the tenant's reasonable legal and surveying fees that can be met from within existing project budgets

89. WINDMILL PH 'HARVESTER' LEASE VARIATION

The Senior Estates Surveyor presented the report to members.

The recommendations were proposed by Councillor Nash and seconded by Councillor Northeast.

Clarification was sought in relation to surrendering the lease on the whole site, the officer provided a full answer to the question asked.

The Committee

RESOLVED

2.1. To grant authority for the Council to enter into a surrender of the existing lease of the Harvester restaurant site dated 5 January 2000, at Windmill Road, Littlehampton, whether by express surrender or variation, with the existing tenant.

2.2. To delegate authority to the Group Head of Technical Services to grant a new lease of land to the east of Windmill Road, Littlehampton to the existing tenant of the Harvester site on the same terms as the original lease dated 5 January 2000, aside from an altered demise regarding the

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swap of car parking spaces, an altered right of way and general modernisation to facilitate the delivery of the Littlehampton Sea Front project, whether by express grant or variation of the existing lease.

(The meeting concluded at 8.02 pm)

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