

CABINET – 13 JANUARY 2020

ITEM 9 – RECOMMENATION FROM THE AUDIT & GOVERNANCE COMMITTEE

AN EXTRACT FROM THE MINUTES IN RELATION TO MINUTE 311 [UPDATE ON THE PROGRESS OF THE COUNCIL'S PROPERTY INVESTMENT FUND (PIF) IS SET OUT BELOW

311. UPDATE ON THE PROGRESS OF THE COUNCIL'S PROPERTY INVESTMENT FUND (PIF)

The Property & Estates Manager provided Members with an overview of the report update. He explained that the current property investment strategy had been adopted by Full Council in 2017 and it established a framework for the Property Investment Fund (PIF).

He highlighted to Members the sale of the former Daisyfields camp site adjacent to Cornfield Close in Littlehampton for just under £2.7 million once the section 106 contributions had been deducted. The purchase of the Arcade off the High Street in Bognor Regi. Since the purchase the occupancy of the ground floor units had improved, and the Council was continuing to explore options for the upper floors as the original plans for Office space or student accommodation had been deemed unviable.

Members had a full discussion on the update provided, in particular around the level of concern at the repairs backlog that was the driver for the decrease in threshold within the property investment strategy. It was explained that a 5-year plan had been put together to ensure the management of the repairs would be executed well but that the plan would need to be prioritised against available funds. The Property & Estates Manager confirmed the importance of ensuring that the Council looked after its assets and kept them in the conditions that met the compliance expectations. To this end, the repairs now needed to be considered as a priority. The Chairman reconfirmed this priority by stating that the reputation of the Council would be significantly impacted if it failed to look after its assets and leases properly. There was an initial reluctance to agree the recommendation that was put before Members in the report as it was felt that this could lead to the selling-off of Council assets without any subsequent investment, however all agreed after the explanation put forward by the Property and Estates Manager that action needed to be taken now. The Group Head of Corporate Support responded to the request of a full report detailing all repairs needed by advising Members that he would need to take legal advice on this request, however further details would be seen in the budget report going to Full Council in January 2020. He advised Members to consider the impact of not making this recommendation to Cabinet in relation to the Councils obligations to its tenants and meeting compliance regulations.

It was then agreed that figures were to be provided to Members on the detail of the work required at the next meeting of the Committee and that the Work Programme be updated to reflect this.

The Committee agreed to recommend to Cabinet that they put forward to Full Council that:

- i. The 75% threshold within section 5.1 of the Property Investment Strategy 2017-2022 be changed to 50%.