

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Overview Committee held at Knowle, Sidmouth on 27 September 2018

Attendance list at end of document

The meeting started at 6.00pm and ended at 7.40pm.

***11 Public speaking**

There were no public speakers at the meeting.

***12 Minute confirmation**

The minutes of the Overview Committee held on the 30 August 2018, were confirmed as a true record.

***13 Declarations of interest**

No declarations were made at the meeting.

***14 Commercial Property Investment Framework**

The Chairman welcomed Tim Child, Senior Manager for Property and Estates. The committee received a short presentation summarising the process which led to a draft Commercial Property Investment Framework being prepared, the work to date in drafting the Framework for the Council to operate under and the fundamental principles contained within, along with next steps.

The Framework is set to deliver £450K additional net rental income per annum by 2020/21 through circa £20,000,000 investment. Aside from income, additional benefits would come from regeneration, business rates income, New Homes Bonus, employment, prosperity and the unlocking and accelerating delivery of sites. The approach was set out to the committee as:

- Circa £10,000,000 investment within Income Only Fund (IOF) – minimum 3% net rental return. Inside or outside of District
- Circa £10,000,000 Income Plus Fund (IPF) – wider District benefits, therefore minimum 1.5% net rental return. Inside District
- Types of Investment:
 - Management of existing assets (IPF)
 - Acquisition for Commercial income (IOF)
 - Acquisition for District benefits (IPF)
 - Direct development (IPF)
 - Strategic Partnerships / Joint Ventures (IPF)

The Framework had been drawn up to provide a clear, costed, risk managed and structured programme of investment, using rigorous criteria and with the appropriate decision making capabilities to respond to market opportunities in an agile but safe manner.

Detail on the scoring matrix and the decision making process would be provided to a Special Asset Management Forum meeting before going to Cabinet and onto Council in December 2018.

Debate by the committee included:

- How the workshop projects at Seaton fitted in with the framework proposed and the prospect of delivery; in response from both officers and the Chairman of the Asset Management Forum (AMF), the projects were still credible but further due diligence

was needed, not least around strategy, before these could be progressed. Moving forward the projects will be delivered as capital projects and in line with the Council's governance and project management of such projects. Involvement of audit would happen once the framework had been implemented and some projects progressed through it. This would become part of the working programme for the South West Audit Partnership (SWAP) with reporting to the Audit and Governance Committee;

- Some proposals were already been reviewed in line with the draft framework to commercial property investment and as per the steer already provided by Members;
- Need to see clear reporting and decision making process in the delivery of this framework, with the involvement of Members as well as officers;
- The investments should not be for new housing, but mixed use development was acceptable;
- If opportunities to invest beyond the boundary of the District arose, they should only be considered if falling within the south west area;
- Skill sets required for the implementation and delivery of the framework would need to be in place, with recruitment specifically for this commercial mind-set undertaken if necessary;
- Whilst the proposed framework was modest, there was still a risk to the Council in competing in a competitive market and investing in commercial property;
- Assessing where to look for such investment opportunities – local knowledge was invaluable for local opportunities;
- The Council had already approved funding for external consultants to support the commercial investment.

The Chairman of the AMF reminded the committee of the work of his Forum. Projects were closely monitored, with further scrutiny by the Capital Strategy and Allocation Group for major projects funded from the Capital Programme. The framework proposed retained a democratic element for Members to be involved, but was not so protracted that it hindered the decision making progress, should the need to act on an opportunity present itself.

The Chairman of the committee welcomed the progress made following the debates held earlier in the year on commercial property investment.

RESOLVED that the Overview Committee:

- 1. Notes the work undertaken to date and the direction of travel of the Commercial Property Investment Framework (CPIF);**
- 2. Support the fundamental principles of the CPIF as set out within the report presented to the Committee on 27 September 2018;**
- 3. Notes that the CPIF will be debated at a Special Asset Management Forum and Cabinet.**

***15 The House of Lords Select Committee on Regenerating Seaside Towns and Communities – call for evidence**

The Committee had received a draft submission for consideration, covering a number of specific examples as evidence.

Councillor Matt Booth had submitted a number of comments in advance of the meeting, which had been received and would be taken into account. Other issues were raised by Members to be included or referenced in the submission:

- Erosion of the public footpaths – could funding be sourced to help mitigate this;
- Stronger comment on the impact of the aging population in the District, particularly on the demand for health services being severe;
- Include reference to local neighbourhood plans, which were based on local knowledge and well sourced local evidence on what that local community wanted;
- Strengthen pressure about fairer business rates in order to better support small businesses in the area, which were part of the attraction to both visitors and residents;
- Impact of seasonal demand;
- Include reference to the ratio of income to house price, limited opportunity for education, and demand for office space in seaside areas; more office space would attract a younger working population
- Reference to smaller coastal communities and their lack of facilities;
- Hinterland to the coastal communities holds the employees of coastal towns;
- Some transient element of homes in centre of Exmouth relating to flats;
- Look at opportunities with those local communities to enable them to run and sweat their local assets;
- Homelessness figures and impact that has on coastal towns.

The Deputy Chief Executive thanked the committee for their comments

RESOLVED

that, taking into account the discussion at the meeting, the Deputy Chief Executive, in consultation with the Chairman of the Overview Committee, finalises the draft response to the Select Committee, to be considered as an urgent item by Cabinet on 3 October 2018.

***16 Overview forward plan**

A request was made to extend the item relating to Economic profile to include an update from the Economic Development service. Members were advised that the Scrutiny Committee would be reviewing the relevant service plan on the 4 October.

RESOLVED that the forward plan be noted.

Attendance list

Councillors Present:

Graham Godbeer (Chairman)
Mark Williamson
Peter Faithfull
Mike Allen
John Humphreys
Steve Hall
Rob Longhurst
Tim Dumper

Councillors Also Present:

Geoff Pratt
Geoff Pook
Cathy Gardner
Bruce de Saram
David Barratt

Officers

Richard Cohen, Deputy Chief Executive
Tim Child, Senior Manager - Property and Estates
Linda Perry, Regeneration Officer
Giles Salter, Solicitor
Debbie Meakin, Democratic Services Officer

Councillor Apologies:

Ian Hall (Vice Chairman)
Matt Booth
Ian Thomas

Chairman

Date.....