

TRADING BOARD

23 November 2016

Present: - Councillor Rosalind Scott (Chairman)
Councillors Lewis Barber, Lesley Scott-Boutell and
Martyn Warnes

Substitute Members: - Councillor Andrew Ellis for Councillor Robert Davidson
Councillor Jackie Maclean for Councillor Kevin Bentley

139. Minutes

RESOLVED that the minutes of the meeting held on 28 September 2016 be confirmed as a correct record.

140. Corporate Asset Management Strategy

The Board received a report from the Head of Commercial Services setting out the draft Asset Management Strategy 2016-2021. Fiona Duhamel, Economic Growth Manager, attended and presented the report to the Board. The draft Strategy aimed to replace the existing Strategy, which covered the period up to 2013. The Strategy reflected the Council's strategic priorities and also the Economic Growth Strategy. It identified four key priority areas:-

- Operational and Community Asset Management;
- Creating Growth;
- Commercial and Business;
- Partnership Working.

The Strategy highlighted the Council's diverse property portfolio. This included investment properties with a value of £34.4 million, which generated a rental income of £3.2 million per annum. In the current economic climate this was a significant rate of return.

The Vision set out in the Strategy was to utilise the Council's assets to maximise their full commercial potential, but to do so in a sustainable way that also took account of community needs. The Strategy also set out the key achievements since 2010, which demonstrated that a diverse mix of community and housing projects had been delivered alongside significant commercial returns.

In discussion, members of the Board welcomed the Strategy. However, the need for a social as well as an economic dimension to the management of assets was stressed. Assets needed to be managed for the benefit of residents, and this needed to include intangible benefits that were difficult to measure, as well as measurable economic benefits. In terms of housing development this meant ensuring that a range of tenures were provided and ensuring that supported housing and temporary accommodation options were available. In response it was stressed that the Council took seriously the need to ensure that assets were used for community benefit as well as commercial return. Some properties were on peppercorn rents or were provided to external organisations, so that they could be run for community benefit. In terms of housing development, the need to ensure that

housing was made available to those most in need was a priority for the Council. However the delivery of temporary or supported housing needed to be subsidised through private developments.

Whilst it was noted that one of the aims of the Strategy was to maximise income from assets, the need to ensure that assets were properly maintained was stressed, otherwise this would lead to greater costs being incurred in due course. In response it was highlighted that in terms of the Council housing assets, Colchester Borough Homes had a 5 year management plan for each property and relied on a planned programme of maintenance rather than a reactive system of fixing faults as they arose.

The Board explored how the Council acquired its property assets. There were a number of historic properties, such as the Castle and the Town Hall, whilst other sites had been acquired over a number of years, such as the freehold of the shopping centre sites in the town centre. These generated considerable rental income for the Council. The Council took the opportunity to purchase sites which had the potential to grow in value. For example, the Cuckoo Farm site which would be developed into the Northern Gateway development, had been purchased decades earlier. The development of the Revolving Investment Fund helped the Council to acquire long term assets by ensuring funds were available for opportunity purchases.

In response to questions from the Board, it was explained that the Council had an ongoing rolling programme for the valuation of its assets and this was largely commissioned externally. It was confirmed that the income generated from the rental of investment properties was not ringfenced but went into the Council's general fund.

The Board stressed the need to ensure that the development of assets did not compromise the Council's own services and explored whether the opening of David Lloyd had had any impact on Leisure World. It was highlighted that David Lloyd and Leisure World tended to appeal to different demographic groups and Leisure World was continuing to meet its membership targets. There was no evidence of an adverse impact.

RECOMMENDED to CABINET that the Corporate Asset Management Strategy be approved.

141. Commercial Business Development – Operational Businesses

The Board received a report from the Commercial Manager and the Commercial Transition Manager providing an update on the operational businesses. Graham Lewis, Commercial Manager, and Rob Hill, Commercial Transition Manager, presented the report and provided an update on the services.

In terms of Helpline it was reported that progress was being made with Ambulance Service and the Clinical Commissioning Group. Agreements in principle for a six month trial had been agreed and were awaiting final sign off. The Events Service was also moving forward well. In particular the service was looking at how Charter Hall should be positioned in the market in order to maximise its income potential. Work was also underway with the Mercury Theatre looking at technical and health and safety aspects of Charter Hall in order to better understand the extent of the improvements and upgrades required. One of the issues this would look at would be improving accessibility. A series of wedding packages had also been developed and were being marketed. In terms of events in the Castle Park, the service was looking to develop a three year programme of events, which would enable

better planning and scheduling of events. In the long term the service aimed to become an events management company that third parties could commission to plan and stage events.

In discussion members of the Board raised the following issues:-

- The potential to host weddings in the Castle Park. It was confirmed that the possibility of licensing the bandstand for weddings and the installation of a semi-permanent marquee was being looked at
- The possibility of using venues such as village halls as outlying spokes in a hub and spokes delivery model for events.
- Helpline should be marketed through work with charities such as Age UK and through health and community facilities such as GP surgeries, and advertising through the Council's website. Officers explained that Helpline already worked with such charities and through such channels. It had its own website, rather than working through the Council website. Experience had shown that the most effective marketing was through one to one interaction with potential customers at community events.
- The Council's pre-planning application advice service should be marketed more widely.

RESOLVED that the contents of the report and the current position on the operational businesses be noted.

142. Work Programme 2016-17

The Board received a report from the Assistant Chief Executive setting out the work programme for the 2016-17 municipal year. It was reported that it was unlikely that the report on the Commercial Opportunities arising from the Essex Waste Partnership would be reported to the Board in the 2016-17 municipal year.

RESOLVED that the work programme 2016-17 be noted.

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

143. Minutes – Not for Publication Extract

RESOLVED that the not for publication extract from the minutes of the meeting on 28 September 2017 be confirmed as a correct record.

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

144. SEAX Essex Building Control

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

145. Commercial Business Development – Operational Business Performance and Income report

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)