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Pieter Montyn
Chairman
Performance and Finance Select Committee

Dear Pieter,

Property development arrangements – procurement of a property development enterprise to work in partnership with the County Council

Thank you for your letter following the meeting of the Performance and Finance Select Committee on 22 May 2019 concerning my forthcoming decision that the County Council pursues a joint venture in property development.

The Committee requested that 'before any further decisions are taken by officers (recommendations 2 and 3)' that 'a report will be presented for scrutiny'. Taking forward recommendations two and three in the draft key decision report will in themselves be key decisions. Having reflected on the Committee's comments I have asked officers to pick up the Committee's wider concerns in the report concerning those decisions, which will be prepared in advance of going out to tender. We are working towards giving the Committee an opportunity to preview the draft decision report at its meeting on 3 October.

I note that the Committee also requested that local members are consulted before any sites are included in the proposed JV. There are existing arrangements in place for local members to be consulted as part of the key decision process when Council assets are declared surplus to operational need and when they are disposed of. I confirm that these arrangements will remain in place for disposals to the JV. However, as is the case when a site is disposed of to a third party, once a site is transferred to the JV, there will be no further consultation with local members, other than through the normal planning process.

The Committee suggested that a strategy for managing the County Council's surplus land should be developed. I would refer the committee to the Asset Management Policy and Asset Management Strategy approved in 2018 (Decision Ref: [FR6 \(18/19\)](#)). There is an established process in place for the assessment of land and buildings potentially surplus to operational need, where cases are presented to a senior officer group that has representation from each service. If no service use is identified the property can be declared surplus to operational use. The asset in question is then subject to an options appraisal by the Valuation and Estates team to determine best value. Depending on the nature of the property the options include seeking planning consent to increase value,

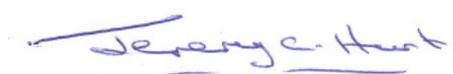
disposal for capital receipt, commercial leasing for revenue return or re-development. This new proposal will add an option of disposal to the JV.

The Valuation and Estates team also manages longer term potential development opportunities by promoting land in the Local Plan call for sites and through the Strategic Housing Land Availability Assessment (SHLAA) exercises carried out by the District and Boroughs as Planning Authorities. In this context the Council's approach to including affordable and social housing in developments is simply to comply with approved District and Borough Council Local Plans.

Finally, you mentioned possible scheduling of an additional meeting of the Business Planning Group, to look specifically at how the concerns/questions raised by the committee are taken forward. I have already noted the Committee's wider concerns and, as stated earlier in my reply, I have asked officers to pick up these points in the preparation of the next decision report. The aim is to have this draft decision report available for the normal BPG in advance of the October Committee meeting. I therefore respectfully suggest that an additional BPG, ahead of the normal scheduled one, would be of little benefit. I would also suggest that as the officers will be under pressure to complete this work in a timely way, it might be counterproductive to deflect resources to prepare for an additional meeting. Obviously, the full discussions can then take place at the Committee meeting on 3 October.

I trust this addresses the Committee's concerns, provides assurance that I have noted their suggestions and confirms that they will have an opportunity to scrutinise the further key decisions, prior to going out to tender.

Yours sincerely,

A handwritten signature in blue ink that reads "Jeremy C. Hunt". The signature is written in a cursive style and is underlined with a single horizontal line.

Jeremy Hunt
Cabinet Member for Finance and Resources