

Council 15 February 2017: Questions submitted from Members of the Public

Question No.	Question from	Question:	Question to:	Responsible Officer:
1.	Simon Clark	<p>At the last full Council meeting Cllr Dewar-Whalley repeatedly said that in approximately four years central government will cease to provide funding to local authorities. Local authorities would then need to be able to raise sufficient capital to self-finance so that they can continue providing services to their residents. The whole cost of the proposed Sittingbourne regeneration scheme we now find out could be as much as £57 million, not up to £28 million as we were previously led to believe.</p> <p>Cllr Bowles, will you tell us what the estimated annual income will be from the rental of the retail units on the Princes Street site, and from the cinema and restaurants; and how many years will the leases be that the tenant's will be expected to sign? Also, what will be the total cost of borrowing £57 million including interest? And how many years will it be before the borrowing is paid back and we start to see a profitable return on this extremely speculative investment so that the required services can be provided to the residents of Swale?</p>	The Leader	Nick Vickers

Response: Thank you for your question.

The figure of £57m relates to the whole of phase 1 of the Sittingbourne Town Centre regeneration project, including the residential development which the Council has no direct financial involvement in. £28m is the figure the Council would consider borrowing up to in order to fund the retail and leisure developments.

The commercial terms of the leases entered in to with commercial organisations are confidential, and I cannot release information on individual leases. However, the report to Council on 9 November 2016 included a financial appraisal in the open report which showed:

Total costs		£27.9m
	50 year financials	Annual average
Gross income	£145m	£2.8m
Debt charges	£34.3m	£0.7m
Average annual yield		7.8%

This shows a good financial return for the Council. Additionally, the Council will receive additional business rates of around £400,000 per annum.

Borrowing to fund the retail and leisure elements is subject to final due diligence, and only at that point will decisions be taken on the total amount of borrowing required.

2.	Vic Wintergreen	How does the Council propose to link the regeneration area with the High Street so the business can survive?	Leader	Emma Wiggins
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Response: Thank you for your question.

The Council has ensured that the planning permissions for the leisure scheme located on the Forum Car Park includes enhanced links to the High Street, and it is also looking to establish an improved footpath from the proposed multi storey car park linking it directly to the High Street between numbers 48 and 50. In addition, the regeneration works include making the top end of the High Street into a two-way traffic system.

As you will also be aware, Sittingbourne market is being relocated onto the High Street, and this has already increased footfall on market days.

It remains the Council's aim to bring back much of the 70% of the available retail spend that currently leaks out of Sittingbourne back into the Town Centre, which will also boost the High Street alongside the new developments.