

## RECORD OF OFFICER DECISION

This form must be completed by or on behalf of the relevant Officer immediately after any decision has been made. Please send to the Proper Officer for publication in accordance with the Council's Constitution.

<b>NAME OF OFFICER MAKING DECISION (INCLUDING JOB TITLE) AND THE DECISION BEING MADE</b>	Nick Vickers Chief Financial Officer Decision to proceed as funder and owner of the Sittingbourne Town Centre regeneration project leisure and retail development.
<b>TITLE OF REPORT</b>	Property Investment
<b>DATE THE DECISION WAS TAKEN</b>	24 July 2017
<b>SUMMARY OF REASONS FOR DECISION</b>	The funding agreement has now been drafted, the financial appraisal undertaken and the Council will now become the funder and owner of the Leisure development.  The detail of this decision is attached.
<b>BACKGROUND</b>	Cabinet 9 November 2016 <a href="http://services.swale.gov.uk/meetings/documents/g1719/Printed%20minutes%2009th-Nov-2016%2019.00%20Cabinet.pdf?T=1">http://services.swale.gov.uk/meetings/documents/g1719/Printed%20minutes%2009th-Nov-2016%2019.00%20Cabinet.pdf?T=1</a>
<b>DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	This matter was discussed further at Scrutiny Committee on 29 November 2016 and at Cabinet on 7 December 2016 the previous decisions taken were one again endorsed.
<b>DETAILS OF ANY CONSULTATION UNDERTAKEN</b>	The Council has taken legal advice from Pinsent Masons and the investment case has been evaluated by GVA.
<b>DETAILS OF ANY CONFLICTS OF INTERESTS</b>	None
<b>CONTACT FOR ENQUIRIES/FURTHER INFORMATION</b>	<a href="mailto:nickvickers@swale.gov.uk">nickvickers@swale.gov.uk</a> 07920428575

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## **Sittingbourne Town Centre Regeneration Retail Development**

On 9 December 2016 Cabinet received a report on Property Investment in relation to the Sittingbourne Town Centre Regeneration Retail and Leisure projects. Cabinet agreed that:

(1) That approval be given to funding and acquiring of the leisure and big box retail development in Sittingbourne.

(2) That borrowing of up to £28m be approved, in line with the Council decision on 16 March 2016.

(3) That investment of up to £2.2m in highways-related infrastructure for Sittingbourne Town Centre be approved.

(4) That funding of up to £500,000 to underwrite unconditional pre-works demolition costs, which will be funded from South East Local Enterprise Partnership (SELEP) funding, be approved. If the development agreement does not go unconditional, the Council will be required to repay this funding to SELEP.

(5) That delegation be given to the Head of Finance, in consultation with the Leader and Cabinet Member for Finance and Performance, the final decisions on the amount of borrowing within the limit set, other financing and release of the funds for highway works and demolition costs.

(6) That delegation be given to the Head of Finance, in consultation with the Leader and Cabinet Member for Finance and Performance, to agree the final Terms of the Agreement.

Pinsent Masons were commissioned to draw up a funding agreement and this being finalised with SOS as part of the Deed of Variation.

GVA have undertaken a financial appraisal the results of which are summarised below:

Net Construction Costs	£32,049,609
Average Annual Net Yield	9.1%
Average Annual Net Yield (after interest and internal management costs and provisions)	5.25%

This represents a good financial return for the Council.