

## AGENDA

### REGENERATION AND PROPERTY COMMITTEE MEETING

Date: Wednesday, 8 March 2023

Time: 7.00 pm

Venue: Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT\*

Membership:

Councillors Monique Bonney (Chair), Lloyd Bowen, Roger Clark, Simon Clark, Richard Darby, James Hall, Angela Harrison, James Hunt, Peter Marchington, Paul Stephen, Sarah Stephen (Vice-Chair), Eddie Thomas, Roger Truelove, Tim Valentine and Mike Whiting.

Quorum = 5

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Pages

#### Information about this meeting

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2. Apologies for Absence

3. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves, their families or friends.

The Chair will ask Members if they have any disclosable pecuniary interests (DPIs) or disclosable non-pecuniary interests (DNPIs) to declare in respect of items on the agenda. Members with a DPI in an item must leave the room for that item and may not participate in the debate or vote.

Aside from disclosable interests, where a fair-minded and informed observer would think there was a real possibility that a Member might be biased or predetermined on an item, the Member should declare this and leave the room while that item is considered.

Members who are in any doubt about interests, bias or predetermination should contact the monitoring officer for advice prior to the meeting.

4. Minutes

To approve the [Minutes](#) of the Meeting held on 19 January 2023 (Minute Nos. 595 – 608) as a correct record.

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| 5. | Forward Decisions Plan                                     | 5 - 6   |
| 6. | Levelling Up Fund  | 7 - 18  |
| 7. | Land at Great East Hall                                    | 19 - 26 |
| 8. | Disposal of Old Fire Engine House, Court Street, Faversham | 27 - 32 |
| 9. | Exclusion of the Press and Public                          |         |

To decide whether to pass the resolution set out below in respect of the following items:

That under Section 100A(4) of the Local Government Act 1972, the press

and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3.

3.Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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| 10. | Disposal of Old Fire Engine House, Court Street, Faversham - Exempt Appendix II | 33 - 34 |
| 11. | Disposal of Land at Brielle Way, West Minster, Sheerness                        | 35 - 40 |
| 12. | Exclusion of the Press and Public   |         |

To decide whether to pass the resolution set out below in respect of the following item:

That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3.

4.Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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| 13. | Disposal of Land at Brielle Way, West Minster, Sheerness - Exempt Appendix II | 41 - 42 |
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**Issued on Tuesday, 28 February 2023**

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**Chief Executive, Swale Borough Council,  
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

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**Regeneration and Property Committee Forward Decisions Plan**

<b>Report title, background information and recommendation(s)</b>	<b>Date of meeting</b>	<b>Open or exempt</b>	<b>Lead Officer and report author</b>
Future use of Swale House	July 2023		Head of Service: Joanne Johnson Report author: David Johnson
Land at Great East Hall	July 2023		Head of Service: Joanne Johnson Report author: Kieren Mansfield
Beach Hut Policy	July 2023		Head of Service: Martyn Cassell Report author: TBC
Central Stadium, Sittingbourne	September 2023		Head of Service: Joanne Johnson Report author: David Johnson
Property Asset Strategy Refresh and Property Procedure Rules (PPR)	September 2023		Head of Service: Joanne Johnson Report author: David Johnson

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<b>Regeneration and Property Committee</b>	
<b>Meeting Date</b>	8 <sup>th</sup> March 2023
<b>Report Title</b>	Levelling-Up Fund
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Joanne Johnson, Head of Regeneration, Economic Development and Property
<b>Lead Officer</b>	Joanne Johnson, Head of Regeneration, Economic Development and Property
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To agree the detail of the governance arrangements as introduced in the Levelling-Up Fund business case and in section 3 below.</li> <li>2. To agree that, subject to undertaking a due diligence exercise with Legal and Procurement, Swale Borough Council utilise the UK Leisure Framework to progress the delivery of the Beachfields and public realm projects to RIBA stage 4.</li> <li>3. To agree to utilise the UK Leisure Framework to identify and recommend a delivery contractor for the Beachfields and public realm projects, to be appointed following Committee approval.</li> <li>4. To agree in principle to the convening of an extraordinary meeting of the Committee to agree contract award, if procurement and commissioning timescales are not supported by Committee timescales and if the delay presented would impact on the timely delivery of the programme.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 This report summarises the aims and content of Swale Borough Council's successful *Sheerness Revival* Levelling-Up Fund bid and set out next steps.
- 1.2 It requests that Committee members agree the detail of the governance arrangements as introduced in the Levelling-Up Fund business case.
- 1.3 It recommends a procurement route for the principal delivery contracts, and an agreement in principle to convene extraordinary meetings of the Committee to agree contract award, if procurement and commissioning timescales are not supported by Committee timescales and if the delay presented would impact the timely delivery of the overall programme.

## 2 Background

2.1 The Levelling-Up Fund (LUF) is a UK-wide £4.8bn infrastructure fund, jointly managed by the Department for Levelling-Up, Housing and Communities (DLUHC), the Department of Transport and HM Treasury.

2.2 Bids to round 2 of LUF were invited in summer 2022. Swale Borough Council was advised that its bid for £20m was successful on 18<sup>th</sup> January 2023. This was a delay of some months compared to the original timescales for funding award.

2.3. *Sheerness Revival* is a programme of three complementary town centre regeneration projects:

**Beachfields regeneration:** the existing healthy living centre will be reconfigured, upgraded and expanded to provide enhanced health, wellbeing, community, leisure and visitor facilities. This will include a new café, soft play and Tag Active attraction. The GP facility will be expanded and relocated to the ground floor. Outside of the centre, adventure golf will complement the Council's investment in an outdoor gym, as well as public toilets. Placemaking and public realm interventions will revitalise and animate the route from the railway station approach to and around the new leisure centre entrance.

**Sheppey College extension:** the extension (on to surplus car park land) will deliver new further education and Junior College teaching facilities alongside additional adult and community learning space.

**Masters House workspace:** the conversion of the units to the rear of Masters House to creative workspace studios will support job creation and small business development, and complement new uses of the main house following the Council's £1.3m investment.

2.4. A draft of the reporting schedule and monitoring conditions which will form part of the grant agreement (Memorandum of Understanding - MoU) with central government has been received. Reporting to government will be formally on a six-monthly basis, with interim quarterly reports. We understand the final version of the MoU will be issued once government has completed subsidy control checks.

2.5. Guidance indicates that the route to securing a project extension (to reflect and mitigate the delay in funding announcement) is via a formal project adjustment process which can only be completed once the MoU is signed.

2.6. Next steps therefore include:

- Appointing the two delivery staff funded by the bid (interviews are scheduled for 9<sup>th</sup> and 13<sup>th</sup> March)
- Signing the MoU
- Submitting a project adjustment request for a project extension to compensate for the delay in funding award



- Development of a communications and engagement strategy, building on the extensive consultation undertaken during bid development
- Establishing the governance arrangements outlined in the bid
- Procurement of contractors to deliver the programme. This is expected to be a delivery contract for the Masters House workspace; design and delivery contracts for the leisure / health facilities and public realm, and related professional contracts. (EKC Group will be responsible for the procurement and delivery of the Sheppey College extension, and this will be governed by a mirror MoU).

### 3 Proposals

#### Governance

- 3.1 The governance model introduced in the *Sheerness Revival* business case is illustrated in Appendix 1.
- 3.2 The Regeneration and Property Committee is shown as one of the three pre-existing bodies which will provide strategic oversight and accountability for project delivery.
- 3.3 It is proposed that a Member Working Group is established to take on this function, comprised of one representative from each group and chaired by the Chair of the Committee.
- 3.4 The principal advantage of a Member Working Group is that it can be agile, to be convened quickly when required, and meeting schedules can be adapted to support LUF reporting timescales and other requirements.
- 3.5 It is proposed that the Member Working Group meets at least six-monthly (and more frequently initially) to:
- support the delivery team in monitoring progress against agreed output and outcome indicators (as set out in the MoU), spend against profile and progress against schedule
  - review progress against the agreed Communications and Engagement Plan (which the Working Group would also initially approve)
  - approve project adjustment requests which are considered to constitute a material change, and for which central government approval is required
- 3.6 A draft terms of reference for the proposed Member Working Group is set out in Appendix 2.

#### Procurement

- 3.7. The *Sheerness Revival* business case sets out that three procurement routes are available for the delivery phase: restricted tender, open tender, or use of a framework. It notes that the main drivers in choosing a preferred route are

mitigating exposure to risk, and ensuring, as far as reasonably possible, delivery to budget.

- 3.8. Officers have investigated the routes available. The [UK Leisure Framework](#), operated by Alliance, is recommended. The framework route offers the advantage of accelerated access to a pre-approved expert supply chain. This is beneficial given the accelerated pace of delivery central government – and local stakeholders – expect and would welcome. Within the framework, various delivery options such as direct appointment or competitive approaches remain available.
- 3.9. Alliance have delivered over £250m of investment in local authority leisure projects across indoor and outdoor, new build and remodelling projects.
- 3.10. There would be a 0.22% access charge to use the framework, based on construction value. This would be approximately £25,000

## **4. Alternative Options**

### **Governance**

- 4.1 No member oversight of the programme. This would run counter to the arrangements outlined in the business case, and which are required by the MoU. Oversight is also set out in the Council's Constitution as a key function of committees (2.3.1.2). As such this option is not recommended.
- 4.2 Set the oversight function at full Committee level. This is not recommended as Committee meeting cycles and government reporting schedules are highly unlikely to coincide, and this may lead to programme and / or reporting delays.

### **Procurement**

- 4.3. Utilise the restricted or open tender procurement routes. Whilst the business case suggests these routes should be considered, the guiding selection principle of securing timely and cost effective delivery rules out the restricted tender route, and this is suggested in the business case. Following officer review, the open tender process is also not recommended, as it is likely to be slower, and more complex and time consuming than use of a framework. Whilst there is a cost to access the framework, the benefits in terms of time savings and more ready access to holistic expertise are considered to outweigh the cost.
- 4.4. Utilise an alternative framework. Whilst other suitable frameworks could be accessed, the UK Leisure Framework is recommended as the most bespoke to the project requirements, with specialisms in public sector, externally-funded leisure refurbishment projects.

- 4.5. Award contracts only at scheduled Committee meetings. This is not recommended, since (as with section 4.2) contract award timescales may not always align with scheduled Committee dates, and it is acutely important – for the funder, stakeholders and end users – that the programme is delivered as swiftly as possible. This approach may lead to programme and / or reporting delays.
- 4.6. Delegate contract award decisions to the Head of Regeneration, Economic Development and Property, in consultation with the Member Working Group and Head of Legal Services. This would reduce the administration burden of convening extraordinary meetings, and potentially further accelerate contract award. (Note that the constitution currently requires all contract awards above the value of £120,000 inclusive of VAT to be approved by Committee).

## 5 Consultation Undertaken or Proposed

- 5.1 Extensive consultation was undertaken in early 2022 on the content of the LUF bid. This is summarised in the 16<sup>th</sup> March 2022 Cabinet report.
- 5.2 The overarching governance arrangements as set out in the business case were discussed and agreed at officer level and with project partners on the basis of past experience and best practice. The business case was signed off by the Leader and S151 Officer.

## 6 Implications

Issue	Implications
Corporate Plan	<p>Effective governance arrangements support Priority 4 of the Corporate Plan – Renewing local democracy and making the council fit for the future.</p> <p>This in turn will promote effective LUF delivery and respond to Priority 3 – Tackling deprivation and creating equal opportunities for everyone.</p>
Financial, Resource and Property	<p>The £20m LUF investment is complimented by over £2m match funding (in kind and cash) from Swale Borough Council and £400k from EKC Group. Effective management and oversight arrangements (as set out in the project business case) will be key to securing maximum impact from this investment.</p> <p>The bid makes provision for two full time staff members to support delivery, including servicing governance arrangements and leading procurement. There will be requests for specialist support from other Council departments (e.g. Legal) which will need to be covered from existing resource.</p>

Legal, Statutory and Procurement	<p>The governance arrangements form part of the project business case and by consequence part of the Memorandum of Understanding with government. The draft agreement states that ‘the Council will provide upon request evidence of a constituted LUF delivery board or that a pre-existing board has formally adopted LUF governance within its Terms of Reference. Integration into the full governance arrangements of the Council should be evident’.</p> <p>The Council’s Contract Standing Orders set out that all contracts above £120,000 inclusive of VAT require Committee approval for award of contract.</p> <p>The Public Services (Social Value) Act 2012 states that all service contracts above the relevant UK threshold should consider social value. The Council’s Commissioning and Procurement policy states that consideration of social value should also be made in relation to contracts below the relevant UK threshold and above £25,000.</p>
Crime and Disorder	None identified.
Environment and Climate/Ecological Emergency	The business case was required to demonstrate how the programme aligns to and supports net zero ambitions.
Health and Wellbeing	None identified.
Safeguarding of Children, Young People and Vulnerable Adults	None identified.
Risk Management and Health and Safety	A risk register was appended to the project business case and will be regularly reviewed and updated during delivery.
Equality and Diversity	None identified.
Privacy and Data Protection	None identified.

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- **Appendix 1** – Illustrated Governance Model

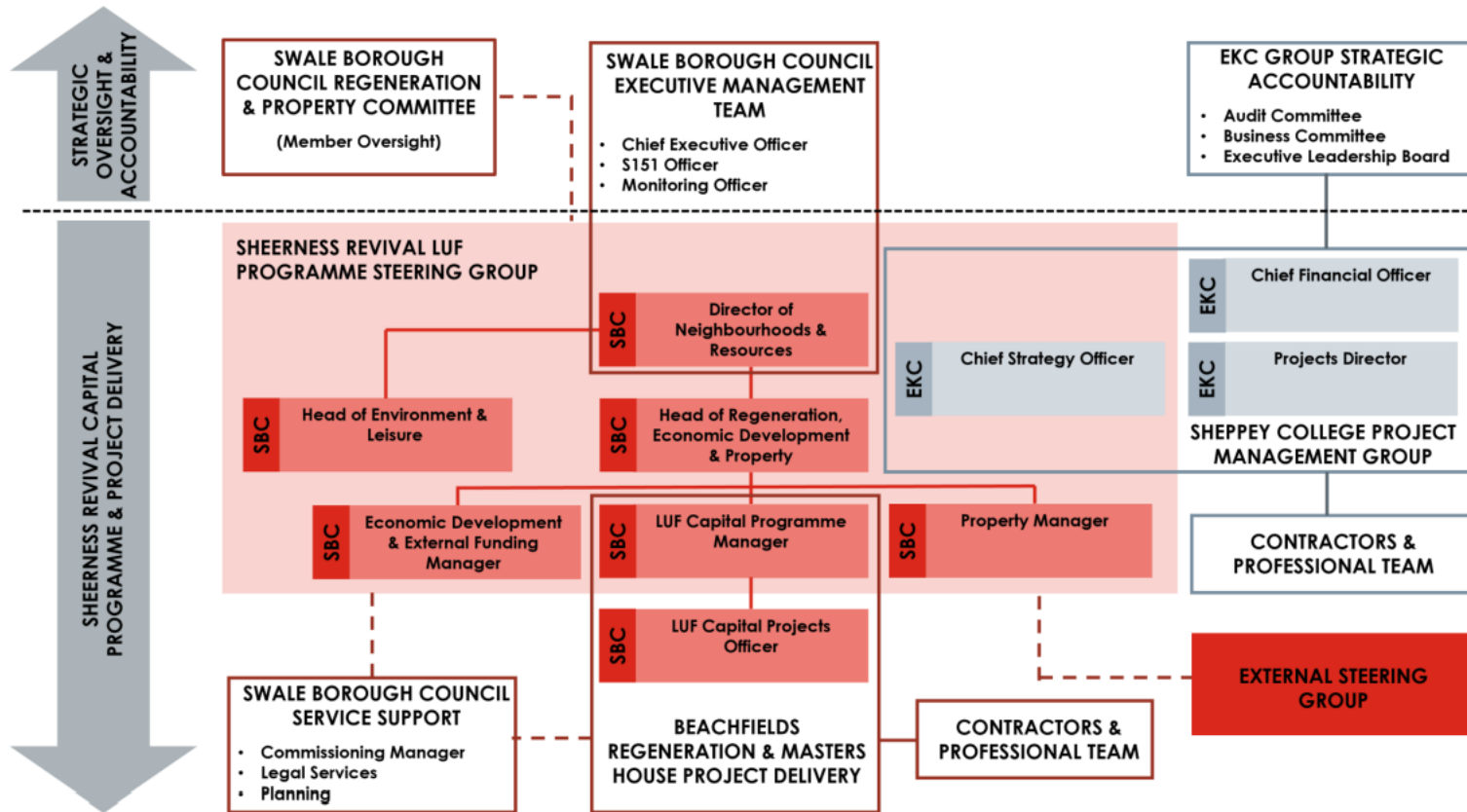
- **Appendix 2** – Draft Terms of Reference for the proposed Member Working Group

## **8 Background Papers**

- Report to Swale Borough Council Cabinet - *Levelling-Up Fund Business Case Development* 16<sup>th</sup> March 2022
- Sheerness Revival Business Case - [here](#) (appendices available upon request from [joannejohnson@swale.gov.uk](mailto:joannejohnson@swale.gov.uk))

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# Fig. 1 – Sheerness Revival LUF Programme Governance Structure



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## Appendix 2

<b>TERMS OF REFERENCE:</b>	Levelling-Up Fund Member Working Group
<b>CHAIRPERSON</b>	Chair – Chair of the Regeneration and Property Committee
<b>MEMBERSHIP:</b>	One representative from each political group. Substitutes can be nominated as required.
<b>PURPOSE AND OPERATION OF THE WORKING GROUP</b>	<p>The Member Working Group will meet and/or review papers to:</p> <ul style="list-style-type: none"> <li>• support the Head of Regeneration, Economic Development and Property in monitoring progress of:             <ul style="list-style-type: none"> <li>• agreed output and outcome indicators (as set out in the Memorandum of Understanding with DLUHC)</li> <li>• spend against profile</li> <li>• delivery against schedule</li> </ul> </li> <li>• approve the programme Communications and Engagement Plan</li> <li>• review progress against the agreed Communications and Engagement Plan</li> <li>• approve project adjustment requests which are considered to constitute a material change, and for which central government approval is required</li> </ul> <p>The Member Working Group will be asked to review the proposed course of action as required, either via email correspondence or a meeting.</p> <p>Meetings will take place at least six-monthly basis, in line with the ‘substantive’ reporting timetable (to be provided by Government).</p> <p>It is anticipated that the Member Working Group will meet quarterly for the first year.</p>
<b>CONDUCT OF MEETING:</b>	<ul style="list-style-type: none"> <li>• Papers will be circulated at least three days prior to a decision deadline and/or meeting wherever possible.</li> <li>• Notes of any meetings will be circulated within two weeks of the meeting.</li> <li>• Officers or Members named for actions in the notes will update the group on progress against these tasks.</li> <li>• Should any Member of the working group have a pecuniary or non-pecuniary interest in any part of the discussion, this will be declared and they will not participate in that part of the meeting.</li> <li>• Where decisions and/or recommendations are to be made, the group will seek to achieve this by consensus or by a clear majority view. Where no clear majority view is reached the mix of views will be considered by the Head of Regeneration, Economic Development and Property and the Chair, and a course of action determined.</li> </ul>

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<b>Regeneration and Property Committee</b>	
<b>Meeting Date</b>	8 <sup>th</sup> March 2023
<b>Report Title</b>	Land at Great East Hall
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Joanne Johnson, Head of Regeneration, Economic Development and Property
<b>Lead Officer</b>	Kieren Mansfield, Economic Development and External Funding Manager / David Johnson, Interim Property Advisor
<b>Classification</b>	<b>EXEMPT</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To agree in principle for officers to proceed with negotiations for the transfer of the site to Swale Borough Council, with any transfer subject to terms that can be agreed, an application to vary the relevant section 106 agreement and final Committee approval.</li> <li>2. Subject to the transfer proceeding, to agree in principle to identify and reserve an appropriately sized and located parcel of land within the site, to enable the delivery of a community shop. Any transaction would be subject to the receipt and independent review of a funded delivery plan for its construction, business plan demonstrating financial sustainability and the formation of an appropriate legal entity through which the project can be progressed.</li> <li>3. That if the conditions to enter into a transaction to enable the delivery of a community shop are not met by September 2024, a further committee report considers the continued reservation of the land identified for its construction.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 This report sets out the background to discussions between Swale Borough Council and Countryside Properties regarding land at Great East Hall, in Sittingbourne and recommends that the Council considers the principle of negotiating the transfer of the land in question, with a commuted sum.
- 1.2 This transfer and commuted sum would be in lieu of existing planning obligations and would be subject to an application by Countryside Properties to amend an

existing section 106 agreement. Should this proceed, the future use of the majority of the site is not yet defined, but with a small proportion of the land intended to support the development of a community shop. As there is some uncertainty regarding the future delivery and operation of the shop, the report also recommends that this would be subject to meeting set criteria.

- 1.3 This report is an 'in principle' report for land that is currently assumed to have a value in excess of £30,000, as required by the Council's Acquisitions Policy. Any agreement reached would be *subject to contract, Committee approval and, where appropriate, survey*. A report will be prepared for a future Committee by the Head of Regeneration, Economic Development and Property and the Chief Financial Officer with a recommendation as to whether to accept the transfer of the land.

## **2 Background**

- 2.1 The land to which this report relates is identified at appendix 1. The site extends to 0.848ha (2.01 acres) and is set adjacent to the Lakeview Village Hall and land owned by Swale Borough Council. It is currently unmanaged, open space, dissected by a haul road that was laid to support the construction of the Great East Hall development.
- 2.2 This land was originally identified for a Neighbourhood Equipped Area for Play (NEAP) in the outline planning permission for the Great East Hall housing development (SW/02/1180). The subsequent reserved matters (SW/06/0717) details a NEAP of c.1000sq.m with the balance of land comprising an adjacent area of managed grass with landscaping planting around the boundaries. On delivery, this would revert to the Council's ownership and management, with provision for £52,668 for maintenance costs in a 2007 amendment to the original section 106 agreement (c.£90,000 as at January 2023, taking account of Indexation).
- 2.3 After discussions initiated by a ward Member, who was keen to secure a community shop for Great East Hall, a series of offers have been made by Countryside Properties, the latest in writing received in September 2022. This offer is to transfer the land (as at appendix 1) with a commuted sum of £100,000 *"in lieu of our current obligations, such funding being available to assist in the delivery of a retail unit or deliver play equipment or similar facilities within the wider East Hall Farm site"*. In addition, Countryside Properties has also committed to *"Undertake work to remove the section of haul road within the site and make good"*.
- 2.4 The Council's own estimate of the cost to deliver a NEAP and landscape the site is in the order of £300,000 as at July 2022. This is not reflected in the commuted sum that has been offered, although Countryside may be able to take advantage of some economies of scale to deliver its obligations at a lower cost. There is also the indexed provision for maintenance for which Countryside Properties is also currently liable.

- 2.5 Given the above, there have been several and ongoing attempts to secure an improved offer from Countryside, which has not been forthcoming to date.
- 2.6 The site is part of a wider area subject to overage provisions, detailed in the original sale agreement. This would mean that any uplift in value achieved on the land transferred, through development, will be shared proportionately with the original site owner. Further due diligence is required, but it is our understanding that this existing overage period runs until January 2025. Swale Borough Council would be bound to this should the land transfer proceed, but only until this date.
- 2.7 Draft heads of terms for the transfer have recently been provided by Countryside Properties. These set out the offer as expected but, counter to previous correspondence and recent discussion, it also includes an additional overage provision. Officers would not recommend a transfer on terms that include any overage above those referenced at 2.6.
- 2.8 A transfer of land would be subject to a variation to the section 106, that would need to reflect any agreement reached with Countryside Properties. As the section 106 Agreement is more than 5 years old, this would need to be done through formal application, which can be determined under delegated authority, or called in for determination by Committee.

### **Delivery of a Community Shop**

- 2.9 As referenced, the initiation of the discussion with Countryside Properties regarding the land was focused on the provision of a retail outlet servicing the Great East Hall community. Work has been commissioned to establish the siting and cost estimates of delivering a small retail space, potentially through a modular build.
- 2.10 This proposition reflects a lack of market interest in delivering a new build convenience store in this location, without a through road. Community interest is also a consequence of the failure by developers to bring forward a neighbourhood centre, including retail, as originally identified in the outline consent for the Great East Hall Development. A 2016 appeal decision accepted that a viability assessment demonstrated that the neighbourhood centre, in the manner approved, was not viable and deliverable.
- 2.11 Only a very small proportion (less than 5%) of the site would be required to deliver a community shop but it is likely that the cost will be greater than the commuted sum currently being offered. As such, further fund raising may still be required, to support the up-front capital cost of delivering a shop, and to provide working capital for any future operation.
- 2.12 The community would also need to develop the business model and create a constituted body to take a community shop forward. Some early work to understand potential demand has been undertaken, but further specialist support for community partners is likely to be required and could be resourced through the UK Shared Prosperity Fund. This is likely to take some time to pull together

and will be subject to sufficient support and capacity from community volunteers both at the planning and operational stages.

- 2.13 Depending on the terms under which land is provided to facilitate a community shop, if it did not trade successfully, the asset would likely return to the Council. The building would have the potential to be let for similar or other uses (subject to any change of use permissions required), but this of itself carries some risk. Any repairs, reconfiguration needed and/or vacant periods would present liabilities and have cost implications for the Council.

### **3 Proposals**

- 3.1 If Countryside Properties were to deliver its current obligations under the section 106 agreement the land will be transferred to the Council, landscaped and with a NEAP, which would incur associated costs and liabilities – offset for a period by the contribution towards these that would be payable.
- 3.2 Given the length of time that has passed and with alternative open space provision in the immediate vicinity, the need for the delivery of these obligations could be re-examined. However, the current offer from Countryside Properties would appear to reduce its financial exposure significantly.
- 3.3 The transfer of land to the Council, as unmanaged open space, would still incur additional maintenance and insurance liabilities for the Council, albeit most likely at a reduced level, as compared to a landscaped site with a NEAP.
- 3.4 If not subject to further overage or other restrictive clauses, the transfer could provide a potential future opportunity to utilise the land for community use and/or realise value from some form of future development. This could potentially generate a future income and/or capital receipt for the Council.
- 3.5 It is recommended that Members:-
- Agree in principle for officers to proceed with negotiations for the transfer of the site to Swale Borough Council, with any transfer subject to terms agreed, an application to vary the relevant section 106 agreement and final Committee approval.
  - Subject to the transfer proceeding, agree in principle to identify and reserve an appropriately sized and located parcel of land within the site, to enable the delivery of a community shop. Any transaction would be subject to the receipt and independent review of a funded delivery plan for its construction, a business plan, demonstrating financial sustainability and the formation of an appropriate legal entity through which the project can be progressed.
  - Agree that if the conditions to enter into a transaction to enable the delivery of a community shop are not met by September 2024, a further committee report considers the continued reservation of the land identified for its construction.

## 4. Alternative Options

- 4.1 Not to proceed with negotiations with Countryside Properties. This is not recommended at this stage, without seeking an improved offer from Countryside Properties. If no acceptable offer is secured and the Council do not proceed, Countryside will then be required to meet its obligations as set out in the section 106.
- 4.2 Not to make any commitment to the Community Shop at this stage. This is not recommended. If transferred to the Council, an 'in principle' agreement to make a parcel of land available within the site will provide a degree of certainty and confidence to the community, in advance of undertaking further substantial feasibility work.

## 5 Consultation Undertaken or Proposed

- 5.1 The principle and detail of the proposed change to the obligations for Countryside Properties will be subject to consultation through the relevant planning process.
- 5.2 A community workshop attended by the ward Member and a number of residents was held in December 2021, to discuss the possibility of establishing a community shop. During the first half of 2022 a soft market research exercise was undertaken by the community which produced a good response, from nearly 400 people. This indicated a level of interest in using a community shop.

## 6 Implications

Issue	Implications
Corporate Plan	If transferred, future potential use of the site for community and/or development could deliver against a number of priorities within the Corporate Plan. The opportunity to secure future uses for the site which are financially beneficial to the Council would also contribute to the priority to reduce dependence on government-controlled funding sources.
Financial, Resource and Property	<p>The land at appendix 1 would be transferred to the Council, subject to the outcome of negotiations and an application to vary the relevant section 106 agreement. The required due diligence on the land in question is also required, as set out in the Councils acquisitions policy, with associated costs to be found from existing budgets.</p> <p>Whilst no valuation has yet taken place it is assumed the value of the land will be in excess of officers delegated authority and any final agreement will also be subject to a further committee decision, as required by the acquisitions policy.</p> <p>If heads of terms can be agreed with Countryside Properties and are suitably unfettered, after January 2025 the land could be</p>

	<p>bought forward for other uses which have the potential to generate an income or capital receipt for the Council.</p> <p>Not developing the NEAP and landscaping the site would also mean that the maintenance costs for such would not be incurred in perpetuity, acknowledging that these would be offset for a period by a commuted sum towards maintenance.</p> <p>If transferred as un-landscaped open space there would still be an increased maintenance, management and insurance liability for the Council, whilst the future of the site is determined.</p>
Legal, Statutory and Procurement	The Head of Regeneration, Economic Development and Property will need to complete the necessary negotiation, due diligence and agree draft contracts as applicable and undertake the work required in consultation with the Head of Mid-Kent Legal Partnership. Any future development of the site will be subject to all necessary consents being secured.
Crime and Disorder	Non identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage. Any future use of the site would be subject to planning application(s) that will require environmental assessments. The existing unmanaged site, which has now remained relatively undisturbed for some years may also be contributing to local bio-diversity.
Health and Wellbeing	The transfer of land would mean that a planned Neighbourhood Equipped Area for Play (NEAP) would not be delivered. However, there is other provision of open space in the immediate vicinity of this site.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage
Risk Management and Health and Safety	Any transaction is subject to the determination of an application to amend the relevant section 106 agreement. Other risks associated with the proposed transaction will be assessed and considered through the due diligence process and influenced by the outcome of the negotiations. An assessment of risks of accepting the land transfer will be set out in the report required for a future committee to consider the transfer of the land.
Equality and Diversity	Subject to the satisfactory progress of negotiations, a community impact assessment will be undertaken.
Privacy and Data Protection	None identified at this stage.



## **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report:

- **Appendix I** – Site plan of land at Great East Hall

## **8 Background Papers**

- Swale Borough Council Property Asset Strategy 2017-2020

**Appendix 1. The site at Great East Hall included within the offer from Countryside Properties**



<b>Regeneration and Property Committee</b>	
<b>Meeting Date</b>	March 2023
<b>Report Title</b>	Disposal of Old Fire Engine House – Court Street, Faversham
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Joanne Johnson, Head of Regeneration, Economic Development and Property
<b>Lead Officer</b>	David Johnson MRICS Interim Property Services Manager
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the terms for the sale of the freehold interest of the property are approved.</li> <li>2. That authority is delegated to the Head of Regeneration, Economic Development and Property in consultation with the Head of Mid Kent Legal Services to complete the necessary legal formalities.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. This report recommends the freehold disposal of parts of the Council owned property known as The Old Fire Engine House, Court Street, Faversham (as shown on the attached plan (Appendix I)).
- 1.2 The property, of which the Council is the Freeholder, is let to Shelter Shops who also occupy the adjacent retail unit and provides additional showroom/display area to the main shop. The freehold owner of the adjoining building wishes to purchase the freehold of 41 a Court Street (The Old Fire Engine House) from the Council subject to the existing lease. This would enable the properties to be more efficiently managed under a single lease and for both properties to be refurbished.

## 2 Background

- 2.1 The Old Fire Engine House, is a small Grade II Listed building attached to the adjacent property 41 Court Street in Faversham town centre as shown on the attached plan (Appendix I). It is a single storey end of terrace building extending to approx. 26.1 sq.m/281 sq.ft. It is currently let to Shelter who occupy the adjacent retail unit and provides additional showroom/display area to the main shop via an interconnecting opening that has been created between the two properties.
- 2.2 The building was owned by the predecessor authority. It was previously let as a bus company enquiry office since 1947 until 1980 when the company vacated. It was then let to the owner of the adjoining property, no. 41, an electrical retailer. In 1984 they assigned the lease to Shelter Shops. Shelter has occupied the

building under successive short leases since then. The lease is contiguous with their lease of the main shop. The current rent is £4,000 p.a.

### **3 Proposals**

- 3.1 The current freehold owner of 41/41A Court Street, which includes the main ground floor retail unit let to Shelter and first/second floor living accommodation, has expressed an interest purchasing the freehold interest subject to the existing lease.
- 3.2 The disposal of the freehold would enable both properties to be occupied under a single lease with a single landlord. The purchaser would then be able to refurbish both properties to a high standard whilst retaining the current tenants.
- 3.3 Exempt.
- 3.4 The proposed disposal would generate a substantial capital receipt compared to the rental income received. The shop could then be let under a single tenancy and the purchaser would be able to invest in improving the property. As the property only generates a relatively low rent it is less cost effective to manage.

### **4 Alternative Options**

- 4.1 An alternative option proposed if the sale of the freehold is not possible, would be the grant of a longer lease subject to the existing Shelter lease. In this case the owners of no. 41 would be willing to enter into a 30 year lease (with a break after 15 years) and a uplift of 15% in the rent (i.e. 4,600 p.a.)

### **5 Consultation Undertaken or Proposed Considered and Rejected**

- 5.1 There have be no external consultations on this proposal.

### **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The proposal supports renewing local democracy and making the Council fit for the future by disposing of surplus land and achieving, a capital receipt, reducing ongoing liabilities and improving an asset for the use of local residents
Financial, Resource and Property	<p>The proposal looks to reduce the Council's future maintenance liabilities and produce an increased capital receipt by way of an annual freehold disposal.</p> <p>The Proposal will result in a reduction of £4000 per annum in the Council's revenue Budget.</p>

Legal, Statutory and Procurement	Legal will be required to draft freehold disposal contract agreement in consultation with Property. Any proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

## 7 Appendices

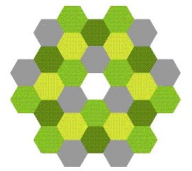
7.1 The following documents are to be published with this report and form part of the report:

- Appendix 1: Plan
- Appendix 2: Exempt Items

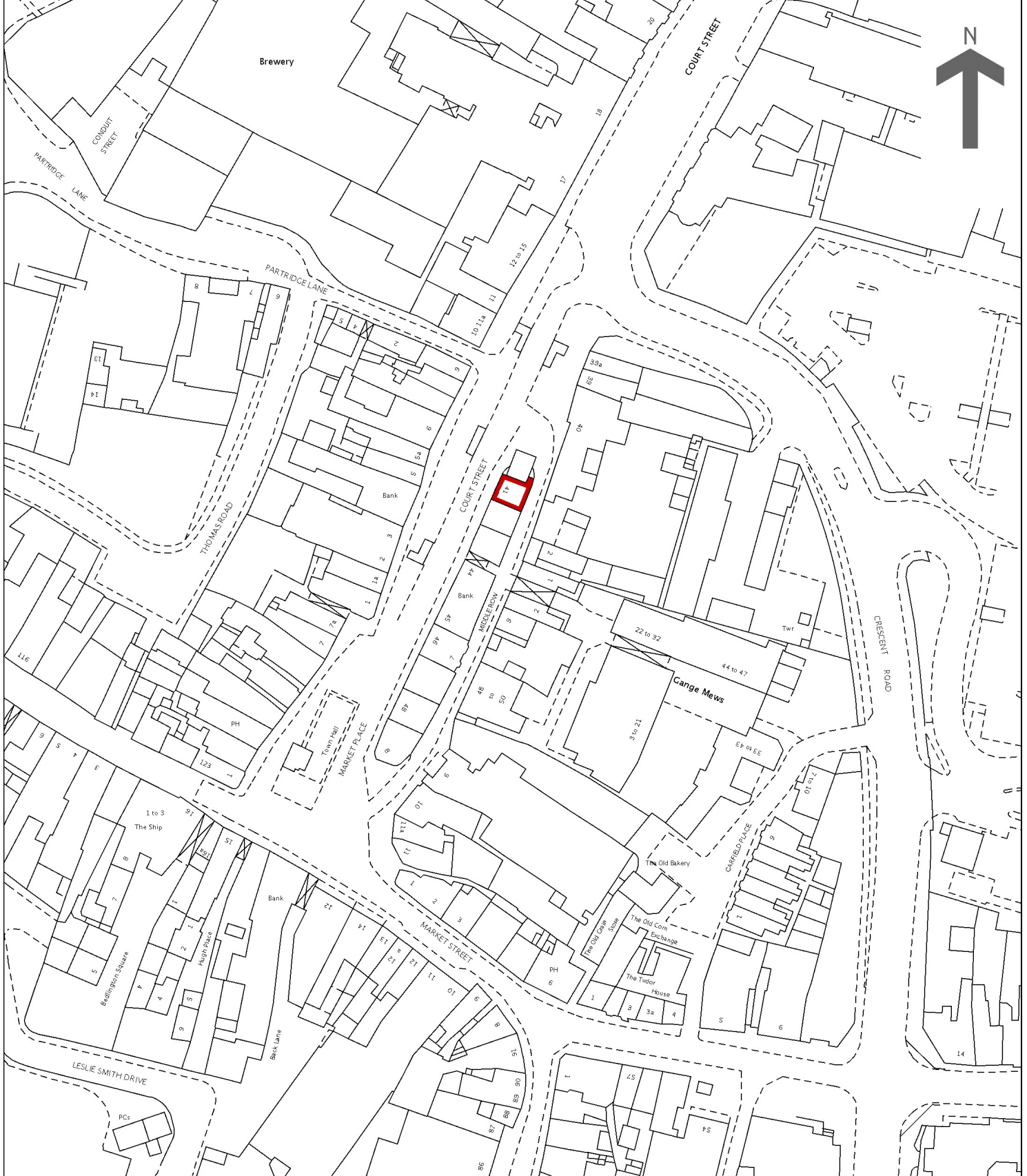
## 8 Background Papers

None

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<b>Regeneration and Property Committee</b>	
<b>Meeting Date</b>	March 2023
<b>Report Title</b>	Land at Brielle Way, West Minster, Sheerness – Declare Surplus
<b>EMT Lead</b>	Emma Wiggins Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Joanne Johnson Head of Regeneration, Economic Development and Property
<b>Lead Officer</b>	David Johnson MRICS Interim Property Services Manager
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To declare the Land at Brielle Way surplus and delegate to the Head of Regeneration, Economic Development and Property to market the property and agree terms for a freehold disposal.</li> <li>2. That authority is delegated to the Head of Regeneration, Economic Development and Property in consultation with the Head of Mid Kent Legal Services to complete the necessary legal formalities to affect a freehold sale of the land at Brielle Way</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. This report recommends disposal of the Council owned land (as shown edged and hatched black on the attached plan (Appendix I)).
- 1.2 The site is allocated in the Swale Borough Local Plan for employment development and has been vacant for a number of years having been marketing in 2010 with no interest and then subject to a proposal, subject to planning, in 2013.
- 1.3 The Planning for the 2013 proposal has been closed and the freehold sale is no longer progressing with that party.
- 1.4 The Council owned land is surplus to its requirements and a disposal of the asset for a beneficial use would reduce the Council’s liabilities, generate a capital receipt and while promoting economic development.

## 2 Background

- 2.1 The site, which extends to approximately 3.4 acres, was marketed by Harrisons Chartered Surveyors between 2010 and 2013, during which time they obtained the previous Subject top Planning Proposal.
- 2.2 The site was allocated for employment development in the adopted Swale Borough Local Plan 2008 and again for Employment Allocations in the Adopted Local Plan for Swale 2017. Despite this the site has remained vacant and undeveloped.
- 2.3 The site is part of an area subject to slum clearance in the 1970's. The cleared land was improved in the mid 1980's with government grant assistance to provide extensive infrastructure and site reclamation work. There was various interest and proposals for the site during the 1990's which did not proceed. The most southerly part of the original site was purchased by Sheppey Industries and has remained undeveloped.
- 2.4 Following an earlier marketing campaign in 2004 an offer was accepted subject to planning permission. A subsequent planning application for non-food retail warehouse and business unit mixed use development was refused by the Secretary of State having been called in. The developer then withdrew from the purchase.
- 2.5 A further subject to planning offer was received in 2013 from Sheppey Industries, owners of the adjoining site, who proposed to purchase the site for the development of a business park of predominantly small units.
- 2.6 Exempt - Appendix 2.
- 2.7 Sheppey Industries submitted a planning application in May 2015 for both the site in their ownership and the Council's site under planning application 15/503464/OUT for "Outline application for 7650sqm of B1 (light industrial/high tech) and B8 (trade counter distribution and/or storage and distribution) across a 3.7 hectare site, consisting of 2 B1 buildings and 2 B8 buildings with associated landscaping, parking, bike stand, delivery area, sustainable drainage, soft buffers for noise and light and addresses the national cycleway that crosses the site at present. (all matters reserved)".
- 2.8 The Council's Planning department notified Sheppey Industries' agents in September 2022 that the planning application 15/503464/OUT was being closed due to lack of progress, under The Town and Country Planning Act 1990 Article 40(13).
- 2.9 Exempt - Appendix 2
- 2.10 Exempt - Appendix 2
- 2.11 It should be noted that the sale of this site on a subject to planning basis or an unrestricted freehold basis will not guarantee the development of the site for a beneficial use. If the Council wishes to ensure development on this site it would need to either enter into a joint venture or undertake the development itself.

### 3 **Proposals**

- 3.1 To declare the Land at Brielle Way surplus and delegate to the Head of Regeneration, Economic Development and Property to market the property, negotiate a sale and agree terms for a freehold disposal.
- 3.2 That authority is delegated to the Head of Regeneration, Economic Development and Property in consultation with the Head of Mid Kent Legal Services to complete the necessary legal formalities to affect a freehold sale of the land at Brielle Way

### 4. **Alternative Options**

- 4.1 Option 1. Do nothing and retain the assets.

The Council will require to commit to the capital expenditure in maintaining the site and dealing with unauthorised incursions and fly tipping on the site. This option is considered to be financially unviable for the Council and generates no positive economic or financial gain for the Council or its residents.

Option 2: Redevelop, The Council intends to develop the site for another beneficial use.

The asset could be assessed and there is the opportunity for planning gain potentially for housing or commercial redevelopment. Redevelopment of the site poses a substantial risk and cost due to the planning constraints affecting the site and is considered financially unviable for the Council to undertake.

### 5 **Consultation Undertaken or Proposed**

- 5.1 None undertaken or proposed.

### 6 **Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The proposal supports Renewing local democracy and making the Council fit for the future by disposing of surplus land and achieving, if possible, a capital receipt, or reducing ongoing liabilities.
Financial, Resource and Property	<p>The proposal looks to reduce the Council's on-going liability for maintaining and insuring the site and the ongoing costs in dealing with unauthorised incursions and fly tipping. The costs of dealing with fly tipping is estimated to have been in excess of £10,000 in the last 12 months.</p> <p>The proposal will generate a significant Capital Receipt.</p>

Legal, Statutory and Procurement	Any proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

## **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report:

- Appendix 1: Site Plan
- Appendix 2: Exempt items

## **8 Background Papers**

None



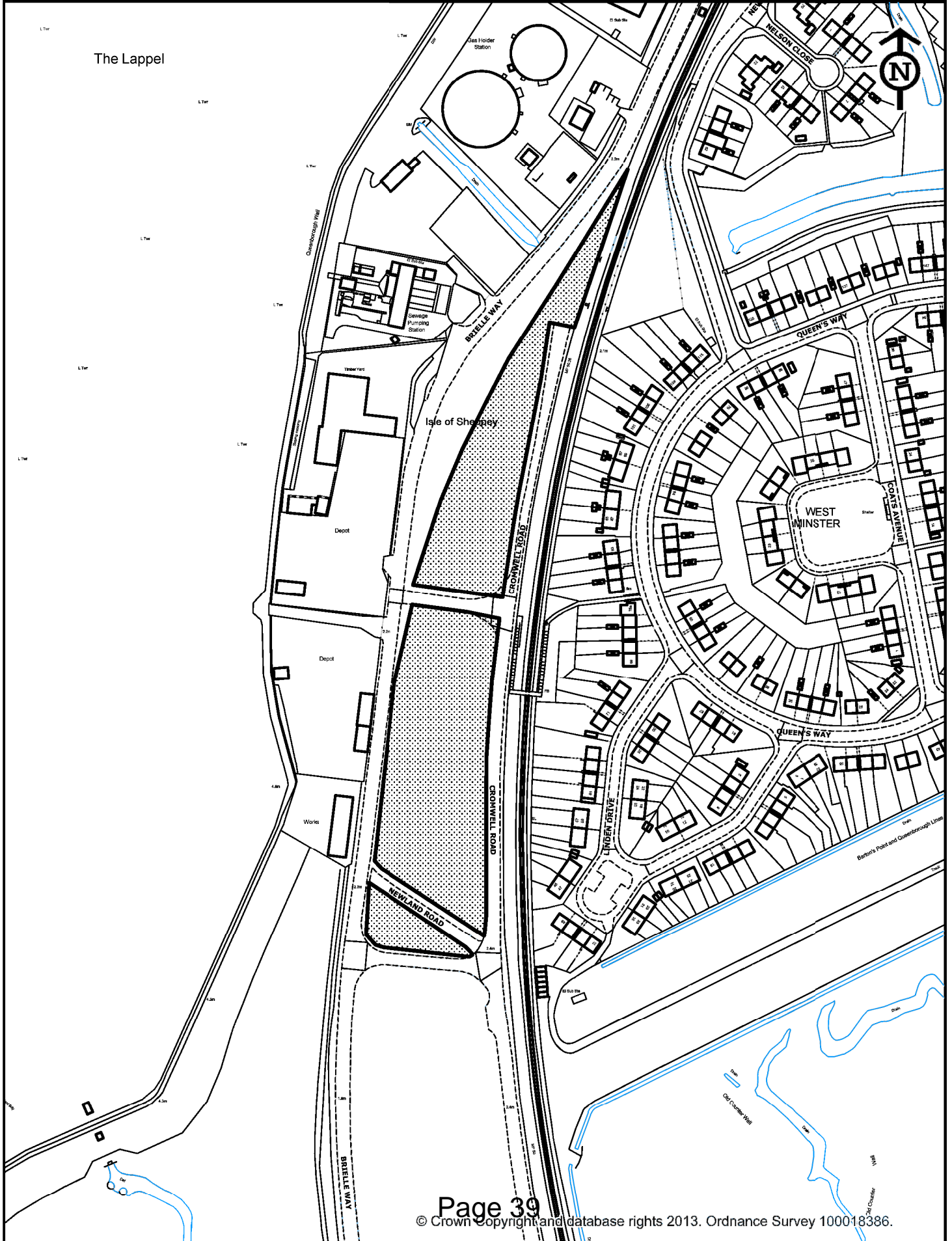
# Appendix I - Site Plan

Address:  
Brielle Way  
Sheerness  
Kent

Drawn by:  
3251

Date:  
09/10/2013

Scale:  
1:2500



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