

Agenda

Regeneration and Property Committee Meeting

Date: Thursday, 6 July 2023

Time 7.00 pm

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

Membership:

Councillors Monique Bonney (Chair), Hayden Brawn, Ann Cavanagh, Shelley Cheesman, Roger Clark, Simon Clark, James Hall, Mark Last, Peter Marchington, Sarah Stephen (Vice-Chair), Terry Thompson, Mark Tucker, Mike Whiting, Chris Williams and Ashley Wise.

Quorum = 5

Pages

Information about this meeting

*Members of the press and public can listen to this meeting live. Details of how to join the meeting will be added to the website by 5 July 2023.

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- (d) Anyone unable to use the stairs should make themselves known during this agenda item.

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 8 March 2023 (Minute Nos. 773 – 784) and the [Minutes](#) of the meeting held on 17 May 2023 (Minute Nos. 25 – 26) as correct records.

Part B reports for the Regeneration & Property Committee to decide

- | | | |
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| 5. | Reactive and Planned Maintenance Term Contract | 5 - 8 |
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7.	Forward Plan	39 - 40
8.	Future use of Swale House	41 - 48
	Amendment to recommendations added 30 June 2023.	
9.	Land at Great East Hall	49 - 54
10.	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).	
11.	Future use of Swale House - Exempt Appendix I	55 - 56
12.	Land at Great East Hall - Exempt Appendix 2	57 - 58

Issued on Wednesday, 28 June 2023

The reports included in Part I of this agenda can be made available in alternative formats. For further information about this service, or to arrange for special facilities to be provided at the meeting, please contact **DEMOCRATIC SERVICES** on **01795 417330**. To find out more about the work of the Committee, please visit www.swale.gov.uk

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

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Regeneration & Property Committee	
Meeting Date	6 th July 2023
Report Title	Reactive and Planned Maintenance Term Contract
EMT Lead	Emma Wiggins Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Regeneration, Economic Development and Property and Interim Head of Planning
Lead Officer	Deb Hardy Buildings Operations & Maintenance Manager
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. That the Committee approves the award of the Reactive and Planned Maintenance Term Contract to Company C. 2. That the Head of Regeneration, Economic Development and Property and Interim Head of Planning, in consultation with the Chair of the Regeneration and Property Committee and the Head of Mid Kent Legal Services, be authorised to complete the required contract.

1 Purpose of Report and Executive Summary

- 1.1 In March 2023, the Regeneration, Economic Development and Property service launched an Invitation to Tender (ITT) open tender process for the Reactive and Planned Maintenance Term contract. This is a one stage evaluation process. The process set out that quotes would be evaluated on 60% price and 40% quality.

- 1.2 This report summarises the procurement process and its results and seeks Committee approval to award the contract.

2 Background

- 2.1 The current Reactive and Planned Maintenance Term contract commenced on 1st October 2018. It had an initial period of three years with an option to extend for a further two years. This option was executed in October 2021.

- 2.2 The contract is for the provision of repairs and maintenance to the varied Council managed corporate and community buildings (including many historic/listed) to the required standards of workmanship and quality. The typical number of works orders is expected to be in the region of 300 each year.

- 2.3 The contract covers different expected timescales according to the urgency of the works. The contract also provides an out of hours emergency service, providing a 24hr / 7 day a week service.
- 2.4 Four tender responses were received. Two of the tenderers did not pass the initial tender stage, leaving two tenders to evaluate.
- 2.5 The tender assessment panel consisted of three senior Swale Borough Council officers, in line with procurement guidance. Each panel member scored independently, and the group then came together to review and consolidate scores. The scores were as follows:

Company	Price Score	Quality Score	Total
A	Failed Technical & Professional ability	Failed Technical & Professional ability	N/A
B	60.00	22	82.00
C	56.84	36	92.84
D	Failed Technical & Professional ability	Failed Technical & Professional ability	N/A

- 2.6 The price score was based on the hourly rate charged for each trade and target completion time, and the percentage to be added to contractors' invoices for materials & plant. We also provided a list of indicative annual hours and materials values for the purposes of calculating a tender price.
- 2.7 Contractor C has the highest score for quality and price combined.
- 2.8 The annual budget is £150K and Contractor C's tender price is within that.
- 2.9 The quality scores differed due to the focus on customer satisfaction and workmanship. Contractor C also scored more highly on social value and use of local labour / suppliers.

3 Proposals

- 3.1 The Committee is recommended to approve the award of the Reactive and Planned Maintenance Term Contract to Company C.
- 3.2 The Committee is recommended to authorise the Head of Regeneration, Economic Development and Property and Interim Head of Planning, in consultation with the Chair of the Regeneration and Property Committee and the Head of Mid Kent Legal Services to complete the required contract.

4 Alternative Options

- 4.1 Not to award the contract – this is not recommended due to maintenance and repairs needed to the Council’s property portfolio.

5 Consultation Undertaken or Proposed

- 5.1 Officers have consulted with the Procurement Department regarding the process.

6 Implications

Issue	Implications
Corporate Plan	Appointing a contractor that meets a good quality standard and provides good value for money contributes towards corporate priority 2.
Financial, Resource and Property	Anticipated spend £150K per year. The total budget for the contract is £750K.
Legal, Statutory and Procurement	The contract will be drawn up using JCT along with the Council’s supporting terms and conditions which have been approved by Mid Kent Legal Services and Finance.
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	This was evaluated as part of the tender process, with contractors advising of the economic, environmental and social value measures they will bring, including local labour and using local suppliers.
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	Part of the procurement process ensures that contractors are fully competent, particularly in the area of health and safety. Contractor C’s competence is evidenced through their responses to quality questions.
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:

None

8 Background Documents

None.

Regeneration and Property Committee Meeting	
Meeting Date	6 July 2023
Report Title	Beach Hut Policy adoption
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Martyn Cassell, Head of Environment and Leisure
Lead Officer	Martyn Cassell, Head of Environment and Leisure
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. Discuss and approve the Draft Beach Hut Policy to go out to public consultation. 2. Agree for the tender of the additional beach huts (12 at Minster Leas and 14 at Leysdown Coastal Park) to be progressed and delegate to Head of Environment and Leisure and Director of Resources to award the contract subject to remaining within the allocated capital budget (£120,000).

1 Purpose of Report and Executive Summary

- 1.1 This report presents the draft Beach Hut Policy 2023 for discussion, amendment and agreement to go out to public consultation.
- 1.2 Within the policy are the results of the recent survey over future beach hut developments and the report asks for permission to go out to tender and award the contract based on the contract estimates.

2 Background

- 2.1 The Council currently has 55 beach huts either directly owned and managed by Swale Borough Council (SBC) or privately owned and sited on land under Borough Council control.
- 2.2 Minster has 29 huts privately owned and 6 are rented. Leysdown has 12 huts privately owned with 8 being rented. Annual revenue from rented huts is £13,000 and an additional £16,000 is achieved from ground rent of purchased huts.
- 2.3 Despite this success, the Council has never formally adopted a beach hut policy to oversee management of the service. In the old cabinet system, the Policy Development and review committee discussed an early draft which set out many of the principles included in this new document.

2.4 The policy sets out the vision and keys to success for the service. It details key policy principles such as;

- a) Provision of additional Beach Huts
- b) Optimising Use, Satisfying Demand and Allocations policy
- c) Standard of Maintenance & Appearance
- d) Security
- e) Pricing Structure

2.5 The policy also details future development plans in two phases. Phase 1 is to install 12 additional huts at Minster Leas and 14 at Leysdown Coastal Park. Phase 2 is to install an additional 46 huts in a second row at Minster Leas.

2.6 A summary of the recent public consultation on phase 1 is included, and a proposal is made to proceed. The required funding is already allocated in the capital programme (£120,000) as part of the medium-term financial strategy.

2.7 It is proposed to undertake further works in relation to phase 2 at Minster Leas.

3 Proposals

3.1 Members are asked to discuss the principles set out within the policy and agree for it to go out to public consultation.

3.2 Members are also asked to consider the results of the public consultation on the new beach hut provision and approve for officers to go out to tender and award the contract if within the allocated sum of money.

4 Alternative Options Considered and Rejected

4.1 To not have a Beach hut policy at all. Continue with the current operation where officers create the terms and conditions and propose fees and charges that are adopted on an annual basis by Members.

5 Consultation Undertaken or Proposed

5.1 The proposal is for the draft Beach hut policy to go out for public consultation following this meeting. It will be run as per the Council's consultations policy for a minimum of 8 weeks and via an online form. Engagement with the relevant Parish Councils and Ward Members will also be undertaken.

5.2 The policy sets out results of a recent consultation on future developments.

6 Implications

Issue	Implications
Corporate Plan	The policy cuts across a couple of objectives under two priorities.

	<p>3.5 Promote wellbeing and enjoyment of life by signposting and encouraging a wide range of sporting, cultural and other leisure activities appropriate and accessible to each age group.</p> <p>4.4 Reduce dependence on government controlled funding sources and support staff to find innovative ways to ensure other objectives can be met in the context of diminished resources.</p>
Financial, Resource and Property	<p>The current 2023-24 budget assumes increased income from beach hut rental. Adopting the policy and agreeing to progress future developments will help to protect and increase that revenue stream for the Council.</p> <p>A sum of £120,000 is already allocated in the capital programme to fund the installation of the 26 additional beach huts.</p> <p>Based on a % split of 80% sales and 20% rentals, 20 hut sales at a projected £15k would generate £300k in capital receipts.</p> <p>The anticipated revenue from 20 huts at £498 ground rent would generate an additional £9,960 in revenue per annum. 6 rentals at £1,463 per annum would generate £8,778, but this is based on all 6 being occupied and at an annual rent. The % split can be amended when built depending on interest.</p> <p>Maintenance of the beach hut sites e.g. litter collection and grass cutting are already covered by existing revenue budgets. There will be an increase maintenance costs for those that are retained for rental but the increased revenue income will help to offset that.</p>
Legal, Statutory and Procurement	<p>Beach huts are a discretionary service and therefore fall under the Local Govt Miscellaneous act where Councils are able to levy fees.</p> <p>The beach huts have been confirmed as under permitted development due to their size and nature.</p>
Crime and Disorder	<p>The policy has a section relating to security and anti-social behaviour. We are confident our policies and terms and conditions allow us to control behaviour at the huts.</p> <p>Due to the remote location of the huts, they will always be susceptible to vandalism and theft. Our terms and conditions encourage owners and renters to secure their asset robustly and to not leave items of value in overnight.</p>

Environment and Climate/Ecological Emergency	<p>The huts are made from sustainable wood sources as detailed in the specification for construction. They do not require mains utilities and we often find owners/renters use sustainable power sources such as solar panels to assist them.</p> <p>The locations of the huts are considered carefully to ensure they do not have a detrimental impact to the environment.</p>
Health and Wellbeing	As detailed in the corporate plan we encourage active recreation and beach huts encourage users to enjoy the coastal environment.
Safeguarding of Children, Young People and Vulnerable Adults	There are no safeguarding concerns considered in relation to the policy.
Risk Management and Health and Safety	The licence requires all owners and the Council (in relation to rental huts) to maintain the asset to a good standard. This reduces the risk of injury. Furthermore, there are strict rules on what can and can't be done in or stored in the huts to reduce fire risks.
Equality and Diversity	<p>The current hut design means steps are required for access. The policy however sets out how the Council will consider adaptations in order to provide for disabled access.</p> <p>The pricing structure has been revised recently to provide more accessible weekly rents for those that cannot afford to purchase or annually rent the hut.</p>
Privacy and Data Protection	The waiting lists and licences are held in accordance with data protection principles.

7 Appendices

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

- Appendix I: Draft Beach Hut Policy 2023

8 Background Papers

n/a

Beach Hut Policy 2023



Foreword by Chair of Regeneration and Property Committee

Swale is proud of our coastal heritage and strives to offer the best facilities possible for local residents and visitors alike. The success of the existing beach huts is another indicator that our coastal offer is attractive.

This policy looks to maintain the success of the existing provision and sets the standards we want to achieve. We also set out how the future of the beach hut service may look.

1.0 Executive Summary

2.0 Background

3.0 Vision

4.0 Keys to Success

5.0 Principles of the Beach Hut Service

- a) Provision of additional Beach Huts
- b) Optimising Use, Satisfying Demand and Allocations policy
- c) Standard of Maintenance & Appearance
- d) Security
- e) Pricing Structure

6.0 Consultation

7.0 Future Developments

8.0 Summary

Appendices:

Appendix I - Standard Beach hut Licences

Appendix II – Summary of consultation on future beach hut development

1.0 Executive Summary

Despite the success of previous developments in the Borough, there has not been a policy for beach huts in Swale and no development of principles with regard to their use. The purpose of this document is to set out a number of priorities to guide the Council's future management of its beach hut service and to also inform residents and visitors of future plans.

There are currently 55 beach huts either directly owned and managed by Swale Borough Council (SBC) or privately owned and sited on land under Borough Council control.

Beach huts are an important feature of Swale's leisure life and are part of the marketing of Swale as a visitor / tourist destination.

Beach huts not only offer a popular recreational activity encouraging use of the seaside for local people, but they also bring in families and visitors from outside the Borough. The current ownership of beach Huts in Swale is divided 60% locally owned (live in the Borough) and 40% owned by non-residents.

Nationally, opinion about the value of beach huts is divided. The huts are seen as vitally important aspects of the local tourist/visitor economy but have also been quoted as 'self-sufficient units', encouraging little in the way of local purchases.

Across the country the market for beach hut sales is private and largely unregulated and its success is dependent upon trust and confidence based on past history. SBC beach hut sites are however closely controlled and currently offer options through direct rental from the Council or owning your own and paying the Council a ground rent.

Demand for beach huts from the Council remains high despite an economic slow-down. The waiting list remains very long despite having been reassessed and people remain committed when the next huts become available. The introduction of further beach huts and the potential to sell or rent these is therefore an essential part of this policy.

Beach hut sites and the licences granted impose obligations on and initial expense to the Council which is positively offset against the revenue received. Maintenance of the land, slopes, footpaths, toilets and provision of water supply are examples of this.

Issues around the appearance of beach huts, unauthorised extensions to them and safety features of the huts themselves can be an area of concern for residents and therefore the policy aims to document the set of standards that owners and occupiers of beach huts need to adhere to and are embodied in a legally binding licence.

The development of the beach hut service has the potential to achieve additional revenue to help the Council meet the future challenges of the Medium Term Financial Strategy and ensure there is resource to maintain the coastline and to improve facilities along the coast.

2.0 Background

Swale Borough Council first permitted the provision of beach huts on our coastal areas in 2010. In 2013, twenty huts were built as part of a pilot project at Minster Leas with half provided by Minster Beach Hut Association and half by the Council. Due to the success of the scheme, in 2015 another fifteen were authorised providing a total of thirty-five huts.

There was a mixture of sales, where the applicant paid a one-off capital sum to purchase the hut itself and then paid the Council a ground rent, or annual rentals where SBC maintained ownership of the hut and applicants paid a rolling annual payment.

In 2017 a further twenty huts were built at a new location within Leysdown Coastal Park. This location was offered on the same basis as Minster with sales and annual rentals although it is felt that the future may offer shorter rental periods for the holiday market such as weekly hires as provided by other coastal local authorities.

Each site has basic provision available in the form of water standpipes, parking and toilet facilities.

3.0 Vision

To create a clear framework for service provision, which will ensure the continued popularity and the quality of offer of Beach Huts in Swale. We want to provide a customer-focused, efficient, quality service, seeking income opportunities which will enable:

- Improved seafront assets
- Increased awareness of local seafront issues
- Support for destination tourism and the inward investment strategies of the Council
- To generate income to contribute to delivering the Council's medium term financial strategy

4.0 Keys to Success

- Increasing the popularity and the use of beach huts in Swale
- Improved infrastructure supporting existing and future beach hut provision
- A pricing policy to meet operating costs, future maintenance requirements and to enable investment to develop further beach hut provision.
- Improved consistency of beach hut standards

5.0 Principles of the Beach Hut Service

a) Provision of additional Beach Huts

Swale's beach hut provision is still in its infancy and so differs when compared with other Councils who have a well-developed and mature stock with their origins of providing beach huts, whether public or private sector, stretching back to the Victorian period.

Many of those coastal local authorities also have extensive sandy/pebble beaches and well developed coastal infrastructure. The Swale coastline is predominately mud flats and

estuary landscape. This narrows down beach hut development sites to the Isle of Sheppey and principally Minster Leas & Leysdown. The large scale sea defences also inhibit further locations.

Consideration will therefore be given to providing additional beach huts at the existing Council sites, so a cluster of facilities can be developed at Minster Leas & Leysdown such as running water, toilets, barbecue area, rubbish disposal and parking where space permits. This will reinforce the aim of improving the quality of the sites.

New sites may be possible and the Council will continue to look for suitable locations. Due consideration needs to be given to environmental issues and the impact on local residents when agreeing future developments. Key considerations are site security (both in terms of vandalism and tidal issues), availability of parking, proximity to local housing and the availability of ancillary services such as cafes and toilets (or ability to create them).

Where possible the Council should encourage the provision of café concessions in close proximity to the sites to both provide a seasonal service to hut users and visitors and also generate additional income for the Council.

Any proposals for further development will need to recognise the impact on the community, planning guidance (the current design falls within permitted development) and consideration of local issues and in particular Regeneration strategies for the Borough.

Any forward plan should incorporate ideas or provision for exploring alternative options which may increase the type of beach hut user and attract a different user.

Priority 1 – The Council will investigate a range of options for provision of more beach huts across the Borough, focussing first on the existing sites and then pursuing other suitable locations.

b) Optimising Usage, Satisfying Demand and a fair Allocations policy

To achieve optimal usage and satisfying demand there is a balancing act between flooding the market by creating high quantities of beach huts in a short period and maintaining a position of them being a sought after provision.

Fortunately, at present, the demand for beach huts in the Borough remains high. Following a recent review of the waiting list, there are currently 328 remaining on the list. There are 146 requesting a hut at Minster only, 13 at Leysdown only and 169 are happy with either location.

In order to manage a fair and transparent service there are a number of key elements in place;

- Waiting List Application process – these are accepted via telephone or email to SBC customer services. Name and contact details are taken along with the applicant's preference on location. There may be periods where we need to close applications to

the waiting list. This will be triggered at 350. At this point applicants are given a copy of the draft licence and policy so they are aware of the legal obligations they will need to adhere to. The waiting list will be reviewed every two years and cleansed to keep current.

- Allocation – when an existing hut becomes available or when we construct new huts, offers are made to those on the waiting list. The waiting list is managed on a strict ‘date of application’ priority to ensure fairness. If the resident at the top of the list declines the offer, then the offer is moved to the next person and so on. At the time of declining an offer, we ask if they wish to remain on the list. This can be a long task, so in order to resolve this it is recommended that when an offer of a hut to buy or rent is made to a person on the waiting list, there is a maximum of 28 days to either accept or decline the offer.
- Licencing – once a verbal agreement is made, the legal documents are sent out for all parties to sign. These licences ensure that applicants adhere to a set of standards and behaviours. See appendix I for the current licences for annual hire and owner ground rent. These are reviewed regularly by our legal team to ensure terms and conditions remain relevant and up to date and existing users can be asked to transfer to an updated licence as required.
- Resales - nationally, the private market for beach huts and beach hut sales remains reasonably buoyant but turnover and sales are subject to overall downturn in the property market. However, this is not currently evident in Swale as previous releases have resulted in the full capacity of sales and rentals.

In order to ensure that those on the waiting list are not by-passed, the licence includes a clause that existing owners have to offer their hut for sale to the SBC waiting list first.

They need to complete a Beach Hut sale form and the allocation follows the same process as above. SBC does not dictate a set resale price and if nobody on the waiting list wants to purchase the hut for sale then it can be offered on the open market.

- Marketing – should waiting list numbers drop to a low level the Council will actively market the opportunities for beach huts using a range of web, print and social media channels. Our website will offer clear information including but not limited to ‘how to apply’, copies of the draft licences, future development plans.

Priority 2 – The Council will operate an open and transparent beach hut waiting and allocation list with the aim of creating interest and satisfying demand for the service.

Swale currently offers a standard style of beach hut, 3m x 3m, lifted off of the ground with a front balcony and steps. The same style will be used for any future hut additions to ensure there is a unity of design. The tenders for construction of huts will be used to ensure high build quality, improving specifications over time to provide longer lasting huts with minimal maintenance.

These standards apply to both the appearance of the individual beach hut (which is the owner's responsibility) and also to the land and surrounding areas upon which beach huts are present (the responsibility of the Council).

All beach hut areas and individual beach huts should be maintained to a high standard, which in turn will support priorities for tourism and inward investment. This will include sound beach hut structures, tidy boundaries, as well as the general attractiveness and appearance of beach huts.

All sites are to be kept clean, with adequate litter bins in place and regular collection and emptying. There will be regular grass cutting throughout the main season.

The Council offers a set palette of colours for owners to comply with when painting their hut, which is a requirement of the licence once every two years (or within the first month from the licence being granted). This ensures that the huts are uniformly presented and eradicates the chance of colour or design schemes that are not in keeping with the area.

All huts are required to be maintained regularly to keep aesthetics to a high standard and remove the chance of injury or accident from huts in a state of disrepair. Who repairs the hut is dependent upon ownership. Those who purchase huts are required under the terms of the licence to keep them in good repair, whilst rented huts are under the responsibility of the Council.

The existing seafront budget is limited in providing for maintenance of beach huts sites including the slopes and footpaths around them. However, adoption of the principles in this policy for improving revenue potential, or the raising of capital, will help to implement a number of improvements. This also has the potential to ensure improvements or the betterment of sites, as opposed to only maintenance to the minimum standard.

Owners are not permitted to make any alterations or extensions to their hut, except in the case of disabled access, which must be agreed with the Council prior to works commencing.

Priority 3 – The Council will uphold high standards of beach hut provision through sound construction, the licencing process and ensuring timely rectification of issues.

All beach hut areas should offer a safe environment for the public to enter and for users to enjoy with the confidence of their own safety, as well as the protection of their investment. The licence requires hut owners to do their utmost to protect their asset, from robust locks and security measures to reducing risks by not leaving valuable items in the huts overnight.

We currently get no complaints regarding anti-social use of the beach huts. This is not the case in other coastal areas where short term lets are more prevalent or where terms and conditions do not adequately control use. We are confident that our licences give us all of the tools necessary to control misuse of the huts by owners or renters.

Our aim is to promote and support Beach Hut Associations with regard to security issues and anti-social use of them. Our seafront team have a regular presence to enable quick identification of potential issues.

Priority 4 – Work with existing beach hut associations and our public sector partners to reduce crime and anti-social behaviour and look towards new associations at other sites.

e) Pricing Structure

Many other Councils charge a non-refundable deposit for applying to be on the waiting list. It is proposed that all new applicants will be charged £30 for a purchase or £20 for a rental. When the applicant is successful in purchasing or renting a hut, the fee paid at the time of entering the list is deducted from the payment for the purchase or initial rental period.

We currently offer two methods of payment for our beach huts.

- Sale – applicants purchase a beach hut from SBC. They become the owner of the hut itself and are responsible for all on-going costs relating to it. They then pay an annual ground rent to SBC for placing the hut on our land.
- Annual Rental – on this option, SBC remains the owner of the hut and is responsible for structural repairs. Applicants are responsible for painting and general upkeep. For this an annual hire charge is paid to SBC by the applicant.

Other coastal areas also offer shorter term rentals (daily/weekly/fortnightly). As mentioned elsewhere, this tends to be in traditional seaside towns where the Council has a much larger portfolio of huts and either employs a specific seafront team or commission the service out. SBC has recently added in a weekly hire charge into its fees and charges. Feasibility is underway to develop an online booking system and easy to manage administration e.g. key or code collection for access.

The prices for beach huts are set annually as part of the Council's standard 'Fees and Charges' process. Owners or hirers will be subject to annual prices changes. A number of factors will be taken into consideration when setting the fees. This includes the current

indexation levels, market analysis with other local areas offering the service to ensure we remain competitive, demand for the service as shown by the waiting list numbers, the costs of maintaining the area and administering the scheme and the fact that as a discretionary service local government legislation allows us to add a premium to help subsidise other services.

In addition to income from the development of new beach huts it is possible to develop additional income by means of new or alternative tariff structures or pricing strategies. Examples include different rates for prime locations and differing rates for front row or second tier within locations.

Capital income (capital receipts) from the sale of huts can be used to reinvest in future huts or to support the Council's overall capital programme.

Priority 5 – Develop a flexible pricing structure that considers a range of factors and offers alternatives to allow accessibility for local and visitor interest.

6.0 Consultation

Regular consultation is to be undertaken with:

- Committee Members with the lead responsibility for this area and Ward Councillors.
- Beach Hut Associations, all hut owners / users
- Representatives of the local community (parish councils/seafront user groups)

At present the Council receives feedback by means of regular meetings with local Beach Hut Associations, individual hut owners, Parish Councils and Borough ward Councillors as well as the web based information and enquiry/complaint system for the Council.

Consultation on individual future developments will also be undertaken.

7.0 Future Developments

The Council has recently consulted on two schemes to offer additional beach hut provision. This includes 12 additional huts at Minster Leas and 14 huts at Leysdown coastal park.

The summary of the consultation can be found at appendix II. It is proposed that we move forward with phase 1 at Minster and Leysdown, but to undertake further work in relation to phase 2 at Minster leas.

The intention is to continue with a yearly programme to install additional huts in order to satisfy the waiting list demand. As detailed above this will be done in line with the principles set out above.

8.0 Summary

By developing detailed policies, as summarised earlier, it will remove anomalies and inconsistencies relating to beach hut provision and help to provide a high quality beach hut service across the Borough.

Using an assessment of demand and identifying the ability to deliver additional provision in suitable locations, it is possible to demonstrate where additional income can be achieved by the Council to contribute to the medium term financial strategy

Achievement of the policies and proposals within this strategy will provide significant support for the Councils tourism and inward investment strategies.

Appendix I - Standard Beach hut Licences

For beach hut owners at all sites

DATED 2023

LICENCE

relating to

Beach Hut Number LEYXX on Land at
Leysdown Coastal Park, Leysdown-on-Sea, Kent

between

SWALE BOROUGH COUNCIL

- and -

XXXXXXXXXXXXXXXX

THIS LICENCE is dated

PARTIES:

1. **SWALE BOROUGH COUNCIL** of Swale House East Street Sittingbourne Kent ME10 3HT (the Council)
2. **XXXXXXXXXXXX** of **XXXXXXXXXXXXXXXXXXXX** (the Licensee)

WHEREAS:

1. The Council is the freehold owner of the land known as Leysdown Coastal Park, Leysdown-on-Sea, Kent (the Land) which is registered at the Land Registry under title number K180884
2. The Council has agreed to allow the Licensee to use the Beach Hut (the Beach Hut) which is owned by the Licensee and is situated on part of the Land (the Site) in accordance with the terms and conditions hereinafter contained

NOW THIS DEED WITNESSES as follows:

1. In consideration of the annual licence fee of **XXXXXXXXXX** (£XXXX.XX) payable annually in advance by the Licensee to the Council. The Council HEREBY GRANTS unto the Licensee FULL RIGHT and LIBERTY for the Licensee to use and occupy the Site on which the Beach Hut number LEYXX which is situated on the Land as shown edged red on the attached plan beginning on and including the date of this licence for an initial term of three years and thereafter from year to year until the date on which this licence is determined in accordance with clause 3 and subject to the terms and conditions hereinafter contained
2. The Licensees agree with the Council as follows:
 - 2.1 to pay:
 - (a) to the Council the annual licence fee without any deduction the first such payment to be made on the date hereof and then annually thereafter
 - (b) to the Council business rates when demanded by the Council and to pay any other rates taxes duties charges assessments and outgoings whatsoever which are now or which may at any time during the term of this Licence be assessed charged imposed or payable in respect of the Site and the Land
 - (c) to the Council VAT on the yearly sum and any other sum payable to the Council to the extent lawfully due on any sums demanded by the Council
 - 2.2 Not to use the Site or Land otherwise than as a private Beach Hut for recreational purposes ancillary to the use of the adjoining beach
 - 2.3 Not to store or allow to be stored anything in the Beach Hut or on the Land or on the Site other than items ancillary to the enjoyment of the beach.
 - 2.4 Not to store on the Land or on the Site or in the Beach Hut any flammable mixtures including gases
 - 2.5 Not to keep animals on the Site or in the Beach Hut. Dogs are permitted during the day but must be accompanied by the Licensee at all times and the Licensee must comply with the Councils Dog Control Orders.
 - 2.6 No dogs or other animals may be kept in the Beach Hut overnight

- 2.7 Not to use or allow to be used the Beach Hut for sleeping overnight
- 2.8 To use the Beach Hut between the hours of 05:00 and 23:00 only
- 2.9 Not to in any way part with the possession of the key provided by the Council to the Licensee for use by the Licensee only to access the gates and facilities on the Land or the Site and may only be used by the Licensee within the time set out in clause 2.9 of this Licence.
- 2.10 Take full responsibility for the use and holding of the key and not duplicate the key or permit to be duplicated whether or not proved to be within the Licensees knowledge of duplication
- 2.11 Not to place or display any hoarding advertising board posters or pictures on the Beach Hut without the consent of the Council
- 2.12 Not to do or permit to be done any act or thing which is or may become a nuisance annoyance or disturbance to the Council or to others in the neighbouring premises or to other persons using the beach foreshore or promenade or to people passing the Site or the Land
- 2.13 Not to barbecue food in the Beach Hut or on the Land or on the Site
- 2.14 Not to carry on any trade business or profession in the Beach Hut or on the Land or on the Site
- 2.15 Not to deposit or permit to be deposited on the Land or on the Site or any other part of the beach or foreshore belonging to the Council any bottles paper or rubbish or other refuse of any kind and to ensure that any such rubbish or other refuse is removed at all times
- 2.16 To maintain repair and keep in a clean and tidy condition the Land and the Site and the Beach Hut to the full satisfaction of the Council
- 2.17 Apply an appropriate coloured paint or preservative (that has been approved by the Council in advance) to the external elevations of the Beach Hut at least once every two years the first application being made within the first month of the grant of this Licence
- 2.18 To keep the Beach Hut locked and secured and with the Beach Hut number clearly displayed on the front of the Beach Hut
- 2.19 To repair acts of any vandalism in a timely manner (including the removal of any graffiti)
- 2.20 Not to erect any other building or structure on the Land or on the Site or make any alteration or addition to the Beach Hut without the written consent of the Council
- 2.21 To indemnify the Council and keep them indemnified from and against all losses damages actions costs claims demands proceedings and expenses arising from damage to property or death of or injury to any persons either directly or indirectly as a result of this licence
- 2.22 To permit the Council or its duly authorised Officers to enter upon the Land and the Site at all times in order to examine the condition of the Beach Hut to ensure the Licensee is complying with the provisions of this licence
- 2.23 To allow the Environment Agency local coast protection authorities or their agents to enter the Beach Hut in order to inspect or carry out any sea defence works
- 2.24 To be responsible for insuring the Beach Hut and any contents of the Beach Hut against loss or damage by fire and other insurable risks
- 2.25 To advise the Council within one calendar month of any change of address or contact details and pay to the Council an administration fee for recording the change if demanded

3. It is hereby further agreed as follows:
 - 3.1 The Licensees shall not sub-let or part with possession or responsibility of the Beach Hut or the Land or the Site or any part thereof
 - 3.2 If there shall be any breach of these conditions or if the annual licence fee has not been paid within 28 days after the payment was due the Council shall be entitled to terminate this licence and require the removal of the Beach Hut from the Land either:
 - 3.2.1 at any time after 28 days notice has been given of non-payment of the annual licence fee and where the licence fee (or part) remains unpaid;
 - 3.2.2 at any time if the Council has served a notice on the Licensees to remedy any other breach and after 28 days of the notice the breach has not been complied with;
 - 3.2.3 If the Council gives notice of termination the Licensees shall have one month to remove the contents of the Beach Hut and Beach Hut if required by the Council and if they fail to do so the Council may, remove the Beach Hut or sell the Beach Hut and its contents (provided it promptly gives notice to the Licensees of its intention to sell and store the contents before doing so) and the Licensees will be liable for any associated costs
 - 3.3 The Licensee may bring this Licence to an end if the Licensee decides to sell the Beach Hut. The Licensee shall submit a request in writing to the Council to transfer this licence. The Beach Hut will then be offered at the Licensee's preferred sale value to members of the public on the Council's waiting list in priority order. An amount equal to three times the annual licence fee or ten per cent (10%) of the sale value whichever is the greatest, will be payable to the Council on completion.
 - 3.4 Upon determination of this licence the Licensees shall remove the Beach Hut from the Land and restore the Land and the Site to their former condition if formally requested to do so by the Council
 - 3.5 No claim for rebate of the licence fee shall be made against the Council in the event of the Beach Hut being damaged or otherwise rendered unusable from any cause whatsoever
 - 3.6 The Council shall not be responsible for any damage accidental or otherwise that may occur to the Beach Hut or its contents therein or for any injury to the owner or visitors to the Beach Hut
 - 3.7 The Council have the discretion to reasonably increase the licence fee which shall have been previously notified in writing to the Licensee pursuant to the Council's annual Fees and Charges review process
 - 3.8 Any notice to be served on the Council under the terms of this licence shall be in writing and shall be deemed to be sufficiently served on the Council if sent by first class post addressed to the Leisure and Technical Services Swale Borough Council Swale House East Street Sittingbourne Kent ME10 3HT or alternatively, to the Council's designated email account at beachhuts@swale.gov.uk
 - 3.9 This licence is personal to the Licensees only and the Licensees shall not assign the right hereby granted to any other person
 - 3.10 This agreement constitutes a licence only and confers no tenancy or lease upon the Licensees nor shall anything herein contained whether express or implied shall grant to or confer on or be construed as granting to or conferring on the Licensees any estate or interest in the said Land which shall remain in the possession of the Council subject only to the rights hereby granted

This licence has been entered into on the date stated at the beginning of it

SIGNED as a DEED for and on behalf of
SWALE BOROUGH COUNCIL

)
)

SIGNED as a DEED by the said
XXXXXXXXXX in the presence of:

)
)

Witness Signature.....

Witness Name.....

Address.....

.....

.....

Occupation.....

For beach hut renters at all sites

DATED 2023

LICENCE

relating to

Beach Hut Number LEYXX on
Land at Leysdown Coastal Park, Leysdown-on-Sea, Kent

between

SWALE BOROUGH COUNCIL

- and -

XXXXXXXXXXXXXXXXXX

Mid Kent Legal Services
Swale Borough Council
Swale House
East Street
Sittingbourne
Kent ME10 3HT

Ref: KW/S014508

THIS LICENCE is dated

PARTIES:

4. **SWALE BOROUGH COUNCIL** of Swale House East Street Sittingbourne Kent ME10 3HT (the Council)
5. **XXXXXXXXXX** of **XXXXXXXXXXXXXXXXXXXXXXXXXX** (the Licensee)

WHEREAS:

The Council is the freehold owner of the land known as Leysdown Coastal Park, Leysdown-on-Sea, Kent (the Land) which is registered at the Land Registry under title number K180884

The Council has agreed to allow the Licensee to use the Beach Hut (the Beach Hut) which is owned by the Council and is situated on part of the Land (the Site) in accordance with the terms and conditions hereinafter contained

NOW THIS DEED WITNESSES as follows:

1. In consideration of the annual licence fee of **XXXXXXXXXXXXXXXXXX** if applicable VAT will be applied, payable annually in advance by the Licensee to the Council. The Council HEREBY GRANTS unto the Licensee FULL RIGHT and LIBERTY for the Licensee to use and occupy the Beach Hut number LEYX which is situated on the Land as shown edged red on the attached plan for an initial term **XXXXXXXXXXXX** beginning on and including the date of this licence and thereafter from year to year until the date on which this licence is determined in accordance with clause 3 and subject to the terms and conditions hereinafter contained
2. The Licensee agrees with the Council as follows:
 - 5.1 to pay:
 - (d) to the Council the annual licence fee without any deduction the first such payment to be made on the date hereof and then annually thereafter
 - (e) to the Council business rates when demanded by the Council and to pay any other rates taxes duties charges assessments and outgoings whatsoever which are now or which may at any time during the term of this Licence be assessed charged imposed or payable in respect of the Site and the Land
 - (f) to the Council VAT on the yearly sum and any other sum payable to the Council to the extent lawfully due on any sums demanded by the Council
 - 5.2 Not to use the Site or Land otherwise as a private Beach Hut for recreational purposes ancillary to the use of the adjoining beach
 - 5.3 Not to store, or allow to be stored anything in the Beach Hut or on the Land or on the Site other than items ancillary to the enjoyment of the beach.
 - 5.4 Not to store on the Land or on the Site or in the Beach Hut any flammable mixtures including gases
 - 5.5 Not to keep animals on the Site or in the Beach Hut. Dogs are permitted during the day but must be accompanied by the Licensee at all times and the Licensee must comply with the Councils Dog Control Orders.
 - 5.6 No dogs or other animals to be kept in the Beach Hut overnight

- 5.7 Not to use or allow to be used the Beach Hut for sleeping overnight
- 5.8 To use the Beach Hut between the hours of 05:00 and 23:00 only
- 5.9 Not to in any way part with the possession of the key provided by the Council to the Licensee for use by the Licensee only to access the gates and facilities on the Land or the Site and may only be used by the Licensee within the time set out in clause 2.9 of this Licence.
- 5.10 Take full responsibility for the use and holding of the key and not duplicate the key or permit to be duplicated whether or not proved to be within the Licensees knowledge of duplication
- 5.11 To pay to the Council a deposit of Twenty Five Pounds (£25) towards the keys to the Beach Hut
- 5.12 To have the responsibility to provide to the Council a copy of a key to all locks and including all padlocks for the Beach Hut if they are replaced
- 5.13 Not to place or display any hoarding advertising board posters or pictures on the Beach Hut without the consent of the Council
- 5.14 Not to do or permit to be done any act or thing which is or may become a nuisance annoyance or disturbance to the Council or to others in the neighbouring premises or to other persons using the beach foreshore or promenade or to people passing the Site or the Land
- 5.15 Not to barbecue food in the Beach Hut or on the Land or on the Site
- 5.16 Not to carry on any trade business or profession in the Beach Hut or on the Land or on the Site
- 5.17 Not to deposit or permit to be deposited on the Land or on the Site or any other part of the beach or foreshore belonging to the Council any bottles paper or rubbish or other refuse of any kind and to ensure that any such rubbish or other refuse is removed at all times
- 5.18 To maintain repair and keep in a clean and tidy condition the Land and the Site and the Beach Hut to the full satisfaction of the Council
- 5.19 Apply an appropriate coloured paint or preservative (that has been approved by the Council in advance) to the external elevations of the Beach Hut at least once every two years with the first application being made within the first month of the grant of this Licence
- 5.20 To keep the Beach Hut locked and secured and with the Beach Hut number clearly displayed on the front of the Beach Hut
- 5.21 To repair acts of any vandalism in a timely manner (including the removal of any graffiti)
- 5.22 Not to erect any other building or structure on the Land or on the Site or make any alteration or addition to the Beach Hut without the written consent of the Council
- 5.23 To indemnify the Council and keep them indemnified from and against all losses damages actions costs claims demands proceedings and expenses arising from damage to property or death of or injury to any persons either directly or indirectly as a result of this licence
- 5.24 To permit the Council or its duly authorised Officers to enter upon the Land and the Site at all times in order to examine the condition of the Beach Hut to ensure the Licensee is complying with the provisions of this licence or for any other purpose they see fit
- 5.25 To allow the Environment Agency local coast protection authorities or their agents to enter the Beach Hut in order to inspect or carry out any sea defence works

- 5.26 To be responsible for insuring any contents of the Beach Hut against loss or damage by fire and other usual risks
- 5.27 To advise the Council within one calendar month of any change of address or contact details and pay to the Council an administration fee for recording the change if demanded
6. It is hereby further agreed as follows:
- 6.1 The Licensee shall not sub-let or part with possession or responsibility of the Beach Hut or the Land or the Site or any part thereof
- 6.2 The Licensee may bring this Licence to an end by giving the Council not less than one month's notice in writing at any time in which case the Licensee shall not be entitled to any rebate of the annual licence fee
- 6.3 If there shall be any breach of these conditions or if the annual licence fee has not been paid within 28 days after the payment was due the Council shall be entitled to terminate this licence either:
- 6.3.1 at any time after 28 days notice has been given of non-payment of the annual licence fee and where the annual licence fee (or part) remains unpaid;
- 3.3.2 at any time if the Council has served a notice on the Licensee to remedy any other breach and after 28 days of the notice the breach has not been complied with;
- 3.3.3 If the Council gives notice of termination the licensee shall have one month to remove the contents of the Beach Hut and if they fail to do so the Council may remove the contents and dispose of them (provided it promptly gives notice to the Licensees of its intention to do so) and the Licensees will be liable for any associated costs
- 6.4 The Council will keep the Beach Hut insured against damage or destruction by fire and other usual risks
- 6.5 In the event of the Beach Hut being damaged or otherwise rendered unusable from fire or other usual risks a refund of the Licence fee shall be granted on a pro rata basis
- 6.6 The Council shall not be responsible for any damage accidental or otherwise that may occur to the contents of the Beach Hut or for any injury to the owner or visitors to the Beach Hut
- 6.7 The Council have the discretion to reasonably increase the licence fee which shall have been previously notified in writing to the Licensee pursuant to the Council's annual Fees and Charges review process
- 6.8 Any notice to be served on the Council under the terms of this licence shall be in writing and shall be deemed to be sufficiently served on the Council if sent by first class post addressed to the Leisure and Technical Services Swale Borough Council Swale House East Street Sittingbourne Kent ME10 3HT or alternatively, to the Council's designated email account at beachhuts@swale.gov.uk
- 6.9 This licence is personal to the Licensee only and the Licensee shall not assign the right hereby granted to any other person
- 6.10 This agreement constitutes a licence only and confers no tenancy or Lease upon the Licensee nor shall anything herein contained whether express or implied shall grant to or confer on or be construed as granting to or conferring on the Licensee any estate or interest in the said Land which shall remain in the possession of the Council subject only to the rights hereby granted

This licence has been entered into on the date stated at the beginning of it

SIGNED as a DEED for and on behalf of)
SWALE BOROUGH COUNCIL)

SIGNED as a DEED by the said)
XXXXXXXXXXXXXXXXXX in the presence of:)

Witness Signature.....

Witness Name.....

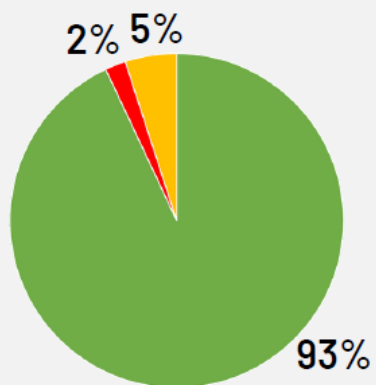
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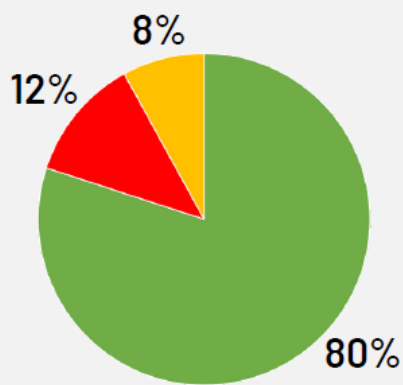
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Occupation.....

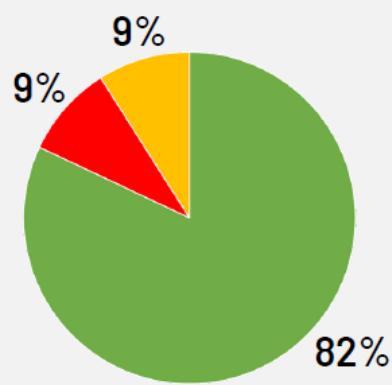
BEACH HUT SURVEY RESULTS WAITING LIST RESULTS



**Minster Huts
Phase 1 (12)**



**Minster Huts
Phase 2 (46)**



**Leysdown Huts
Phase 1 (14)**

In favour
 Neutral
 Against

"I think additional beach Huts would be beneficial to the area"

"I think the plans of where exactly the huts will be sited for both phase 1 and phase 2 could be clearer"

"Excellent initiative for Sheppey"

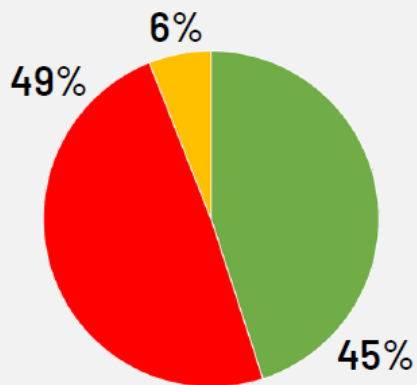
"Additional beach huts will mean more tourists, resulting in additional revenue for local businesses"

"These huts should not be rented to people outside the Swale area"

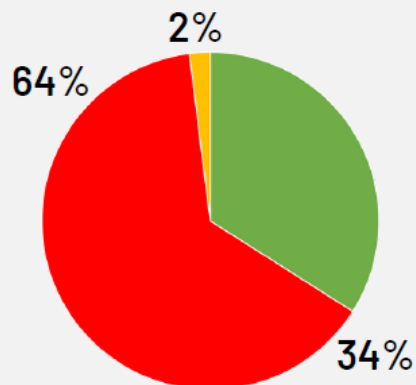
"Please have at least a couple of the huts available for rent for daily/weekly hire to Swale residents who cannot afford to buy one or rent for long term"

BEACH HUT SURVEY RESULTS

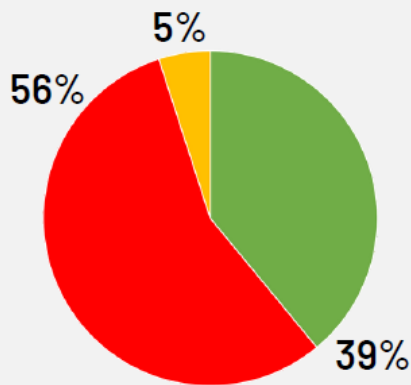
ONLINE & HARDCOPY RESULTS



**Minster Huts
Phase 1 (12)**



**Minster Huts
Phase 2 (46)**



**Leysdown Huts
Phase 1 (14)**

In favour
 Neutral
 Against

"Main concern is where people park"

"Not enough infrastructure for local area, no beach access for wheelchairs"

"At present the maximum number of huts used even on a very sunny day is three"

"Not enough time has been given to this consultation for all residents to have access to written or other forms"

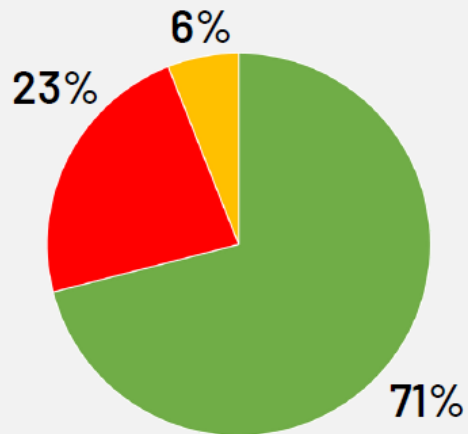
Further loss of the embankment, having impact on wildlife"

BEACH HUT SURVEY RESULTS

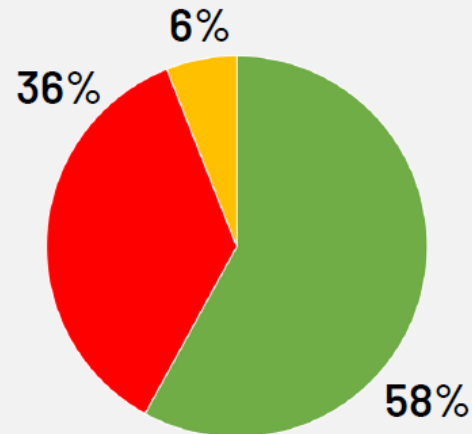
ALL RESULTS COMBINED

These surveys ran from
Monday 3 April to Friday 14 April

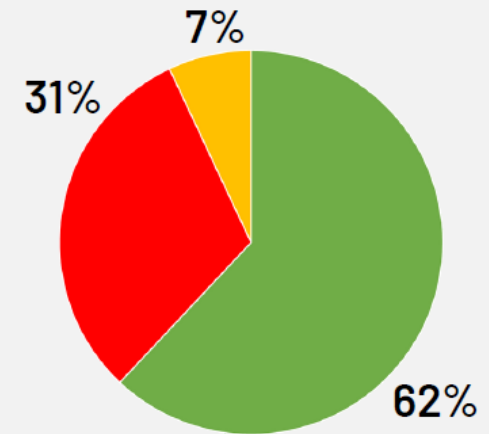
WAITING LIST, ONLINE AND HARDCOPY






**Minster Huts
Phase 1 (12)**



**Minster Huts
Phase 2 (46)**



**Leysdown Huts
Phase 1 (14)**

 In favour  Neutral  Against

Contacting Swale Borough Council

The customer Service Centre deals with all enquiries across the Council, it should be your first stop when contacting us.

Call 01795 417850.

Copies of this report are available on the council website.

Front cover: Beach huts at Leysdown

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Regeneration and Property Committee Forward Decisions Plan

Report title, background information and recommendation(s)	Date of meeting	Open or exempt	Lead Officer and report author
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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Regeneration and Property Committee	
Meeting Date	6 th July 2023
Report Title	Update on Swale House Refurbishment
EMT Lead	Emma Wiggins Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson Head of Regeneration, Economic Development and Property and Interim Head of Planning
Lead Officers	David Johnson MRICS Interim Property Services Manager Debbie Hardy Buildings Operations and Maintenance Manager
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To agree to lease the first and parts of the ground floor of Swale House to generate an income and mitigate the Council's costs in relation to provision of services and Business Rates. 2. That authority is delegated to the Head of Regeneration, Economic Development and Property and Interim Head of Planning in consultation with the Head of Mid Kent Legal Services to complete the necessary legal formalities to agree and effect leases within Swale House. 3. That officers continue to review the balance of operational requirements and surplus space and bring forward related recommendations as appropriate.

1. Purpose of Report and Executive Summary

- 1.1 This report sets out the background to the current occupational use of Swale House and updates on future occupation, and the works being undertaken to facilitate this. Future occupation has been based on business need and staff consultation with specific input from the officer New Ways of Working group (NWOW).
- 1.2 Following the programme of building works in 2022 and the result of the staff consultation, a proposed new occupational approach was presented to senior officers. This provides adequate desk and meeting space for members and officers while reducing floor plate requirements within the building.
- 1.3 Capital works to enable this occupational change have been tendered and are achievable within the remaining budget previously agreed for Swale House refurbishment works.

- 1.4 This recommendation provides an opportunity to generate additional income and reduce the Council's revenue liability in relation to Swale House.

2. Background

- 2.1 Due to the Council's hybrid working operation since the pandemic, significant amounts of Swale House remain underused with the majority of staff working remotely for parts of the working week.
- 2.2 It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. The Council needs to ensure that the management of its assets is aligned with this.
- 2.3 A space planning staff survey was undertaken in November 2022. The survey looked at the number of desks and the equipment required for each team within Swale House. All service areas submitted a response.
- 2.4 The results of this survey fed into a space planning project, resulting in a reduced floor area providing slightly more in terms of head count than needed for the peak occupancy indicated by the staff survey, with a desk count of 184. There is adequate space within the proposed second floor layout to accommodate between 15 and 20 additional desks if required. The maximum number of staff in Swale House in the last twelve months has been c.100.
- 2.5 The results of the survey on occupational figures may be impacted by the recent change to working hours or any future review of working patterns. It should also be noted that the Hybrid Working Policy and staff's current employment contracts are on the basis of employees working from Swale House.
- 2.6 In order to achieve the density required to accommodate the number of desks on the second and third floors of Swale House, and also to promote collaborative hot desking, the space plan removes partitioned offices from the second-floor to create an open plan layout.
- 2.7 The related works have been tendered with the resulting tender returns being within the existing approved budget for works in Swale House as agreed by Cabinet on 17 March 2021.
- 2.8 In parallel with this space planning project, the New Ways of Working officer group (NWOW) looked at the option of procuring a desk booking system currently in use at Maidstone Borough Council. This is a versatile system and could easily be used with Swale House's current or any future floor layout. This booking system is seen by NWOW as a way to mitigate staff concerns about occupying an open plan office and to allow flexibility for staff to book desks with team members. It was made available to staff in June 2023.
- 2.9 The implementation of a completely hot desking environment is a substantial departure from the fixed desk occupation under which the Council has historically operated. Recently however, due to the rolling closures of office space at Swale House to facilitate the window works, hot desking has been

trialled effectively. A Clear Desk/Hot Desking Policy will be developed to promote desks being maintained in a tidy, usable and available to all state.

- 2.10 The Council's revenue budget for the running of Swale House is currently £442,000 per annum. Whilst there have been savings achieved with the mothballing of the first floor since the return to Swale House post-window works, these have yet to be fully costed. Last year's expenditure on gas and electricity at Swale House was £104,000.
- 2.11 A fully let first and part sharing of the ground floor could potentially generate considerable income and reduce the Council's liability in relation to revenue running costs associated to those spaces.
- 2.12 The net internal floor area (NIA) of the (total) ground and first floor of Swale House is approximately 28,536sqft (2,657sqm) representing c. 40% of the total floor plate of the building. In terms of rental value the suggested open market value of comparable office space in Sittingbourne, [REDACTED] is indicated in exempt Appendix I, depending on length of term and inclusion of services. The use of the ground floor will likely be on a shared basis as it still provides essential client-facing/operational uses for the Council but it nonetheless provides opportunity for similar organisations to lease space.
- 2.13 Depending on the size or type of any lettings there could be additional capital costs for enabling works and likely revenue costs in relation to managing the space. There does appear to be demand for office space in Sittingbourne with several enquiries for occupational space having been received by the Council in the past six months. Overall, lettings of a substantial amount of the available space within Swale House are expected to be revenue positive. The timescale for full occupation will be reliant on market demand and officer availability to support promotion and take-up.
- 2.14 The Council's business rates liability for the ground and first floor of Swale House is approximately £65,000 per annum. Disposing of a proportion of this space would reduce some this revenue cost to the Council.
- 2.15 Any letting of vacant space will need to be balanced against the requirement for the Council's operational property portfolio to be dynamic and therefore will be on flexible terms. This will impact negatively on the amount of rent obtainable but is necessary to ensure flexibility.
- 2.16 The vacant areas of the first and ground floors of Swale House, if let on a standard office basis could provide accommodation for up to approximately 250 individuals. The commercial use of this space would represent a significant positive economic impact for Sittingbourne town centre.

3 Proposals

- 3.1 To agree to lease the first and parts of the ground floor of Swale House to generate an income and mitigate the Council's costs in relation to provision of services and Business Rates.
- 3.2 That authority is delegated to the Head of Regeneration, Economic Development and Property and Interim Head of Planning in consultation with the Head of Mid Kent Legal Services to complete the necessary legal formalities to agree and effect leases within Swale House.
- 3.3 That officers continue to review the balance of operational requirements and surplus space and bring forward related recommendations as appropriate.

4 Alternative Options

- 4.1 Do nothing. The Council could continue to occupy as it has historically done with fixed desks throughout the whole of Swale House This approach would be at conflict with the Council's hybrid working arrangements and would leave the vast majority of Swale House underused, and an opportunity to make revenue savings would be missed.
- 4.2 The Council could explore the possibility of relocating its office space requirement to one or more of its other assets and dispose of or redevelop Swale House. This option could provide significant revenue savings as there are other assets that the Council currently maintains that could be suitable thus enabling the whole revenue saving for Swale House. In addition, there would be the possibility of a significant capital receipt or redevelopment opportunity. While this option could be of great benefit and merits exploration, it has been discounted at this stage as it will require significant resource and time to explore. It potentially represents a longer-term solution, particularly since full exploration of the Council's occupation of Swale House would be in line with the requirement for the Council to continually review its assets with a view to rationalisation, financial governance and efficiencies.
- 4.3 The Council could look to rationalise the space in Swale House vertically around stair cores rather than on floor plates. While the costs would likely be similar, vertical occupation would lose the benefits and ability to occupy an open plan space. In addition if the Council is to let the vacant space within Swale House it would be significantly easier to achieve and manage over a single floor rather than multiple floors. On that basis this option has been discounted.

5 Consultation Undertaken or Proposed

- 5.1 A staff Space Planning survey has been undertaken and fed into the space planning process. Further consultation with regard to a Hot Desking/Clear Desk policy will be undertaken.
- 5.2 An All Staff Briefing in early 2022 asked staff to propose budget savings in support of the Medium Term Financial Strategy. More effective use of Swale House was a popular response.

- 5.3 The New Ways of Working Group has been a constant source of advice with regard to the future use of Swale House.
- 5.4 A Member Working Group has met on an ad-hoc basis to receive updates and act as a sounding board for proposals.

6 Implications

Issue	Implications
Corporate Plan	The refresh of how the Council occupies Swale House is a positive contribution to renewing local democracy and making the council fit for the future.
Financial, Resource and Property	<p>Letting the first and ground floor will create an additional resource drain on the Property team which currently cannot be met and may require additional capacity in the long term.</p> <p>The capital required for the refurbishment works to enable letting of the first and ground floor is currently not budgeted for. The budget requirement is an unknown as it relies on the market being tested and potential occupier requirements coming forward.</p> <p>The successful letting of vacant space on the first and ground floors of Swale House will generate additional revenue savings and income.</p> <p>The refurbishment works being planned for the second floor are within capital budgets previously agreed for works to Swale House.</p>
Legal, Statutory and Procurement	Letting the first and ground floor will require resource from Mid Kent Legal.
Crime and Disorder	None identified at this time.
Environment and Climate/Ecological Emergency	None identified at this time.
Health and Wellbeing	A more collaborative working environment is expected to provide staff health and wellbeing benefits.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this time.
Risk Management and Health and Safety	<p>A shift to hot desking will result in the Council needing to consider how it manages its obligations in terms of Fire Safety and First Aid and this is under review.</p> <p>Hot desking may present issues for staff with individual workstation needs which will be ascertained and managed.</p>

Equality and Diversity	None identified at this time.
Privacy and Data Protection	Hot desking may increase the risk of sensitive information being left unattended and this will be addressed in the Hot Desking/Clear Desk Policy. The ability to have private conversations or undertaken sensitive work has been addressed within the space planning exercise with the provision of quiet/private rooms.

7 Appendices

Appendix I: Indicative Rental income – exempt.

8 Background Papers

Cabinet Report – Swale House refurbishment project – 17th March 2021.

Cabinet Report - Procurement of Swale House Refurbishment Project – 16th March 2022

An amendment to the recommendations to Item 8 - Update on Swale House Refurbishment - on next week's Regeneration and Property Agenda has been received and in accordance with part 3.1.17 of the Constitution, will be added to the website:

“That this committee agrees to delegate to the Head of Regeneration, Economic Development and Property the authority to appoint an agent to manage the letting of surplus office space in on the ground and first floors of Swale House and bring a progress report to the next meeting of this committee”

Proposed by: Councillor Mike Whiting

Seconded by: Councillor Mark Tucker

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Regeneration and Property Committee	
Meeting Date	6 th July 2023
Report Title	Land at Great East Hall
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods Lisa Fillery, Director of Resources
Head of Service	Joanne Johnson, Head of Regeneration, Economic Development and Property and Interim Head of Planning
Lead Officer	Kieren Mansfield, Strategic Programme and Assets Manager David Johnson, Interim Property Advisor
Classification	OPEN
Recommendations	To delegate authority to the Head of Regeneration, Economic Development and Property and Interim Head of Planning in consultation with the Chair of the Regeneration and Property Committee to secure the transfer of the land, against the draft Heads of Terms set out at Appendix 2, subject to a variation to the relevant section 106 agreement, further due diligence and contract.

1 Purpose of Report and Executive Summary

- 1.1 This report updates members in respect of the discussions between Swale Borough Council and Countryside Properties regarding land at Great East Hall, in Sittingbourne, and recommends that officers have delegated authority to secure the transfer of the land.
- 1.2 This is further to the Regeneration and Property Committee (8th March 2023) agreeing ***“that in principle officers can proceed with negotiations for the transfer of the site to Swale Borough Council, with any transfer subject to terms that can be agreed and an application to vary the relevant section 106 agreement for final Committee approval.”***
- 1.3 The future use of the majority of the site is not yet defined, but a small proportion of the land has been proposed as appropriate to support the development of a community shop, should this come forward.

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 already 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.£97,000 as at March 2023, taking account of indexation).
- 2.3 An offer was made by Countryside Properties, to transfer the land with a commuted sum of £100,000 in lieu of their current obligations, whilst also committing to *“Undertake work to remove the section of haul road within the site and make good”*.
- 2.4 Since the meeting of the Regeneration and Property Committee on 8th March 2023, further negotiations regarding the Heads of Terms have been concluded. The draft Heads of Terms that have been reached can be found at Appendix 2.
- 2.6 This would see the transfer of the site as unfettered, other than overage provisions detailed in the original sale agreement. This would mean that any uplift in value achieved on the land transferred, through development, would be shared proportionately with the original site owner. Further due diligence is required regarding this existing provision, which we understand runs until January 2025.
- 2.7 Swale Borough Council would be bound to this should the land transfer proceed, but only until this date. Thereafter any future use of the site that generates value could be progressed.
- 2.8 A transfer of land would also require a variation to the Section 106 agreement. 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 referred for determination by Committee.

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. This is currently estimated at £10,540 per annum but would be subject to inflation. This would be

offset for a number of years by the maintenance contribution that would be payable under the existing s106.

- 3.2 The transfer of land to the Council, as unmanaged open space, would still incur additional maintenance liabilities for the Council, estimated at £1,000 per annum. A small proportion of the £100,000 commuted sum could offset this whilst the future of the site is determined, with the balance for community use.
- 3.3 Therefore the transfer of the land on this basis represents a reduced revenue cost to the Council over the long-term. The transfer of the site, unfettered beyond January 2025, would provide a potential future opportunity to utilise the land for community use and/or realise value from some form of development. This could potentially generate either income and/or a potentially substantial capital receipt for the Council. Potential uses are yet to be identified and would be subject to further consideration by officers and Members.
- 3.4 It is recommended that Members agree to delegate authority to the Head of Regeneration, Economic Development and Property and Interim Head of Planning in consultation with the Chair of the Regeneration and Property Committee to secure the transfer of the land, against the Heads of Terms set out at Appendix 2, subject to a variation to the relevant section 106 agreement, further due diligence and contract.

4. Alternative Options

- 4.1 Not to proceed with the transfer of the land as set out and request that Countryside Properties meet its existing S106 obligations. This is not recommended. There appears to no pressing need for the play area and delivery of the section 106 obligations would have greater long-term financial implications for the Councils revenue budget. The future potential of the site would also be limited by both delivery of the NEAP and the imposition of restrictive covenants on the land, which are included within the section 106 agreement.

5 Consultation Undertaken or Proposed

- 5.1 The proposed change to the Section 106 obligations for Countryside Properties will be subject to consultation through the relevant planning process.

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 a variation to the relevant Section 106 agreement. The required due diligence on the land in question is also required, as set out in the Council's acquisitions policy, with associated costs to be found from existing budgets.</p> <p>If Members agree to proceed with the transfer of land as per the recommendation, after January 2025 the land could be bought forward for other uses which have the potential to generate an income or capital receipt for the Council. If transferred as un-landscaped open space there would still be an increased maintenance and management liability for the Council, whilst the future of the site is determined. This is currently estimated at £1,000pa, but with some potential additional risks in relation to managing any unauthorised use.</p> <p>By not bringing forward the NEAP and landscaping of the site would also ensure that associated maintenance costs would not be incurred in perpetuity, acknowledging that these would be offset for a number of years by a commuted sum towards maintenance.</p>
Legal, Statutory and Procurement	Officers would need to undertake due diligence, agree draft contracts 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	The vacant site would become the responsibility of the Council and addressing any issues with anti-social activity, such as fly-tipping, would become the Council's responsibility. This would ultimately be the case whether the site were transferred as recommended, or the section 106 obligations were delivered.
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 biodiversity.
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	<p>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.</p> <p>The land would be covered by the Councils public liability insurance. There are risks in respect of potential unauthorised use of the site, in addition to instances of anti-social activity, which the Council would be required to manage. However, these risks will ultimately fall upon the Council in the event that the section 106 obligations were delivered, with the transfer of site to the Council.</p>
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 of land at Great East Hall
- **Appendix 2** – Draft Heads of Terms

8 Background Papers

- Land at Great East Hall report to the Regeneration and Property Committee, 8th March 2023
- Swale Borough Council Property Asset Strategy 2017-2020

APPENDIX 1 – THE SITE



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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