

Agenda

Economy and Property Committee Meeting

Date: Tuesday, 17 December 2024

Time 7.00 pm

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

Membership:

Councillors Monique Bonney (Chair), Hayden Brawn, Ann Cavanagh, Lloyd Chapman, Shelley Cheesman, Roger Clark, Simon Clark, Alex Eyre, Elliott Jayes, Peter Marchington, Lee-Anne Moore, Sarah Stephen (Vice-Chair), Terry Thompson, Mark Tucker and Ashley Wise.

Quorum = 5

Pages

Recording and Privacy Notice

Swale Borough Council is committed to protecting the security of your personal information. As data controller we process data in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation.

This meeting may be recorded. The recording will be retained in accordance with the Council's data retention policy and may be published on the Council's website. By entering the chamber and by speaking at a meeting, whether in person or online, you are consenting to being recorded and to the recording being published.

When joining a meeting online, your username will be visible to others in attendance. In joining the meeting you are consenting to us processing your username. You may use a pseudonym as your username but the use of an inappropriate name may lead to removal from the meeting.

If you have any questions about how we look after your personal information or your rights under the legislation, please email dataprotectionofficer@swale.gov.uk.

1. Emergency Evacuation Procedure

Visitors and members of the public who are unfamiliar with the building and procedures are advised that:

- (a) The fire alarm is a continuous loud ringing. In the event that a fire drill is planned during the meeting, the Chair will advise of this.
- (b) Exit routes from the chamber are located on each side of the room, one directly to a fire escape, the other to the stairs opposite the lifts.

- (c) In the event of the alarm sounding, leave the building via the nearest safe exit and gather at the assembly point on the far side of the car park. Do not leave the assembly point or re-enter the building until advised to do so. Do not use the lifts.
- (d) Anyone unable to use the stairs should make themselves known during this agenda item.

2. Apologies for Absence

3. Minutes

To approve the [Minutes](#) of the Meeting held on 23 July 2024 (Minute Nos. 117 – 127) as a correct record.

4. 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.

- | | | |
|-----|--|---------|
| 5. | Scheme of Delegation - proposed changes relating to Economy and Property Committee | 5 - 12 |
| 6. | Sheerness Revival (LUF) - Masters House contract award | 13 - 16 |
| 7. | Beach Hut Tender | 17 - 22 |
| 8. | Sheerness Revival (LUF) - Beachfields contract award | 23 - 32 |
| 9. | Forward Decisions Plan | 33 - 34 |
| 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. | Exempt Appendix I - Beach Hut Tender | 35 - 36 |
| 12. | Exempt Appendix II - Sheerness Revival (LUF) - Beachfields contract award | 37 - 38 |

Issued on Monday, 9 December 2024

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 democraticservices@swale.gov.uk. To find out more about the work of this meeting, please visit www.swale.gov.uk

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

This page is intentionally left blank

Economy and Property Committee	
Meeting Date	17 December 2024
Report Title	Scheme of Delegation – proposed changes relating to Economy and Property Committee
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	Joanne Johnson, Head of Place
Classification	Open
Recommendations	1. To recommend to Full Council (via the Constitution Working Group) the proposed changes to the Scheme of Delegation as set out in Appendix I.

1 Purpose of Report and Executive Summary

- 1.1 This report sets out the rationale for proposed changes to the Scheme of Delegation in relation to Economy and Property Committee (part 2.8 of the Constitution) and asks Economy and Property Committee to recommend these changes to Full Council.

2 Background

- 2.1 The Scheme of Delegation in relation to economic development and property has not been reviewed since Swale Borough Council switched to the Committee system from a Cabinet system.
- 2.2 The Scheme contains a range of value thresholds which act as triggers for Committee consideration, and these had also not been updated for a number of years prior to the change.
- 2.3 It is therefore considered appropriate to review the Scheme of Delegation, to ensure it is optimally fit for purpose, in terms of the general delegations, and the specific threshold values.
- 2.4 Appendix I shows the current wording of the Council's adopted Constitution for the specific areas where amendments are proposed (left column) set against the recommended changes (middle column). Proposed additions are shown in red text, and proposed deletions are struck through. A rationale for each change is set out in the final column.

3 Proposals

- 3.1 To recommend to Full Council (via the Constitution Working Group) the proposed changes to the Scheme of Delegation as set out in Appendix I.

4 Alternative Options

- 4.1 Members may choose not to recommend some or all of the proposed amendments, to change the proposed values, and / or to recommend additional changes.

5 Consultation Undertaken or Proposed

- 5.1 The proposed changes have been discussed extensively among officers, and with members of the administration. They have been informed / verified by a review of other local authorities' schemes.
- 5.2 The next step will be for the Constitution Working Group to consider the proposals, before review by Full Council.

6 Implications

Issue	Implications
Corporate Plan	The proposals align with the corporate priority "Running the Council": to work within our resources to proactively engage with communities and outside bodies and to deliver in a transparent and efficient way.
Financial, Resource and Property	The proposals are likely to have a positive impact on resources as they will focus member and officer time on the most appropriate decisions.
Legal, Statutory and Procurement	The proposals would require an amendment to the Constitution, which requires approval from Full Council, via the Constitution Working Group.
Crime and Disorder	No implications identified
Environment and Climate/Ecological Emergency	No implications identified
Health and Wellbeing	No implications identified
Safeguarding of Children, Young People and Vulnerable Adults	No implications identified
Risk Management and Health and Safety	No implications identified
Equality and Diversity	No implications identified
Privacy and Data Protection	No implications identified

7 Appendices

Appendix I: Relevant Extracts from the Current Scheme of Delegation
Alongside Proposed Amendments and Rationale.

8 Background Papers

None

Appendix I: Relevant Extracts from the Current Scheme of Delegation (Left Column) Alongside Proposed Amendments (Middle Column) with Rationale (Right Column).

Proposed additions are shown in **red text**, and proposed deletions are ~~struck through~~.

Current Delegations to the Head of Regeneration and Economic Development	Proposed Delegations to the Head of Place	Rationale
<p>Cultural Services 2.8.19.1 To work in partnership to enable the delivery of arts, heritage and cultural services in Swale.</p> <p>2.8.19.2 To manage the preservation and development of cultural and heritage infrastructure.</p>	<p>Cultural Services 2.8.19.1 To work in partnership to enable the delivery of arts, heritage and cultural services in Swale.</p> <p>2.8.19.2 To manage the preservation and development of cultural and heritage infrastructure</p>	<p>Proposed to be covered under 2.8.19.5 – for synthesis and to better reflect the balance of service priorities.</p>
<p>Economic Development and Regeneration 2.8.19.3 To implement key regeneration projects across the Borough.</p> <p>2.8.19.4 To enable synergy between the Council, leaning providers and local businesses.</p> <p>2.8.19.5 To enable the delivery of visitor economy projects across the Borough.</p>	<p>Economic Development and Regeneration 2.8.19.3 To implement key regeneration projects across the Borough.</p> <p>2.8.19.4 To enable synergy between the Council, leaning providers and local businesses.</p> <p>2.8.19.5 To work in partnership to promote and enable the delivery of learning and skills, economic development (including the visitor economy), arts, heritage, and culture-based visitor economy projects and services across the Borough.</p> <p>2.8.19.6 To engage with business and relevant representative organisations to promote and signpost services, and to further the economic development of the borough.</p>	<p>Combined with 2.8.19.5</p> <p>Combining 2.8.19.1, 2.8.19.4 and 2.8.19.5 for synthesis and to better reflect the balance of service priorities.</p> <p>This addition will fill a gap where the Constitution is silent.</p>

<p>2.8.19.6 To provide management and administration of grant schemes and payments, including the signing and sealing of grant agreements, in accordance with the Council’s policy framework and/or the requirements of the funding body.</p>	<p>2.8.19.7 To develop and submit bids for external funding for corporate and service priorities.</p> <p>2.8.19.6 To provide management and administration of grant schemes and payments, including the signing and sealing of grant agreements, in accordance with the Council’s policy framework and/or the requirements of the funding body.</p>	<p>This addition will fill a gap where the Constitution is silent. It is also requested to be recommended to CWG as an addition for all Heads of Service.</p>
<p>Property Services</p> <p>2.8.19.7 To enter into all ‘de-minimis’ Agreements, e.g. minor wayleaves, easements, rights of way, temporary occupation of land, tenants-at-will etc.</p> <p>2.8.19.8 To negotiate and agree terms for the modification, variation or release of covenants contained in conveyances and transfers in accordance with any relevant provisions contained within the Asset Management Strategy, the Asset Transfer Policy and Disposals Policy.</p> <p>2.8.19.9 To deal with Blight Notices ensuring final compensation where the notices have been accepted by the Council for conveyancing purposes.</p>	<p>Property Services</p> <p>2.8.19.7 To enter into all ‘de-minimis’ Agreements, e.g. minor wayleaves, easements, rights of way, temporary occupation of land, tenants-at-will etc.</p> <p>2.8.19.8 To negotiate and agree terms for the modification, variation or release of covenants contained in conveyances and transfers in accordance with any relevant provisions contained within the Property Asset Management Strategy and Property Procedure Rules, the Community Asset Transfer Policy and Disposals Policy, and any other related or successor Strategies and Policies.</p> <p>2.8.19.9 To deal with Blight Notices (ensuring final compensation where the notices have been accepted by the Council for conveyancing purposes), encroachments and adverse possession claims.</p>	<p>To update to current strategy / policy context, and to future proof.</p> <p>This addition will fill a gap where the Constitution is silent.</p>

<p>2.8.19.10 To approve disturbance payments, etc. other than payments in respect of well- maintained houses.</p> <p>2.8.19.11 To finalise negotiations in the case of confirmed Compulsory Purchase Orders.</p> <p>2.8.19.12 To deal with applications for the sale of sub-station sites.</p> <p>2.8.19.13 To deal with applications for the sale and purchase of land where the proposed consideration does not exceed £10,000 or where the land is to be sold or purchased on behalf of the Kent County Council.</p> <p>2.8.19.14 To assign leases, subject to the normal investigation of the financial abilities of the new leases and to those cases also requiring a change of the approved use being determined, in consultation with the relevant Committee Chair.</p>	<p>2.8.19.10 To approve disturbance payments, etc. other than payments in respect of well- maintained houses.</p> <p>2.8.19.11 To enter in to and finalise negotiations in the case of confirmed Compulsory Purchase Orders.</p> <p>2.8.19.12 To deal with applications for the sale of sub-station sites.</p> <p>2.8.19.13 To deal with applications for the sale and purchase the freehold disposal and purchase of land where the proposed consideration does not exceed £10,000 £100,000 or where the land is to be sold or purchased on behalf of the Kent County Council. In all matters relating to the disposal of land and property, delegations are subject to the duty under S123 of the Local Government Act 1972 to obtain the best consideration for the land, and any other disposal will require a Committee decision.</p> <p>2.8.19.14 To assign leases, subject to the normal investigation of the financial abilities of the new leases lessees and change of use consents to those cases also requiring a change of the approved use being determined, in consultation with the relevant Committee Chair.</p>	<p>For clarity and completeness.</p> <p>To tighten wording, and to bring the value up to date, optimising use of Committee time, whilst proposing a threshold appropriate for member engagement. (This value matches the key decision threshold).</p> <p>To tighten wording, and for parity with all other delegations, none of which require consultation.</p>
<p>2.8.19.15 To terminate or accept the surrender of a leasehold interest in land where it is of benefit to the Council.</p>	<p>2.8.19.15 To terminate or accept the surrender of a leasehold interest in land where it is of benefit to the Council.</p>	

<p>2.8.19.16 To approve rent reviews and lease renewals up to a maximum increase of £7,000 or 20% per annum whichever is the greater amount.</p> <p>2.8.19.17 To enter into leases for less than seven years or to enter into leases where the annual rent is less than £3,000.</p> <p>2.8.19.18 To retain agents to advise upon terms for sales, leases, purchases, easements, compensation claims and similar matters or otherwise in connection therewith.</p>	<p>2.8.19.16 To approve rent reviews and lease renewals up to a maximum increase of £7,000 or 20% per annum whichever is the greater amount.</p> <p>2.8.19.17 To enter into leases for less than seven years to which statutory security of tenure does not apply or to enter into leases where the annual rent is less than £3,000, £30,000.</p> <p>2.8.19.18 To grant rent concessions in line with Council Policy.</p> <p>2.8.19.18 To appoint and retain agents to advise upon terms for sales, leases, purchases, easements, compensation claims and similar matters or otherwise in connection therewith.</p>	<p>As rent reviews are dictated by market circumstance, and officers should be securing the appropriate value.</p> <p>To tighten wording, and to bring the value up to date, optimising use of Committee time, whilst proposing a threshold appropriate for member engagement.</p> <p>To fill a gap where the Constitution is silent.</p> <p>For clarity and completeness.</p>
<p>2.8.19.19 To negotiate the terms of, and authorise the granting of, landlords licences and consents and variations under existing leases.</p>	<p>2.8.19.19 To negotiate the terms of, and authorise the granting of, landlords licences and consents and variations under existing leases.</p> <p>2.8.19.20 To administer all aspects of short-term tenancies of Swale House.</p>	<p>To fill a gap where the Constitution is silent.</p>

<p>2.8.19.20 To carry out any site investigation where he/she considers it necessary whether upon the commencement of negotiations or acquisition or otherwise.</p> <p>2.8.19.21 To apply for planning permission for the development of any land or property and to make any other application under planning legislation.</p> <p>2.8.19.22 To be responsible for all aspects of the Community Right to Bid process as per the Localism Act 2011.</p>	<p>2.8.19.20 To carry out any site investigation which he/she considers it necessary for the operation of the service whether upon the commencement of negotiations or acquisition or otherwise.</p> <p>2.8.19.21 To apply for planning permission for the development of any land or property and to make any other application under planning legislation.</p> <p>2.8.19.22 To be responsible for all aspects of the Community Right to Bid / Assets of Community Value process as per legislation the Localism Act 2011</p>	<p>To tighten wording.</p> <p>Proposed for deletion from the Head of Service delegations as due to the combination of functions, this would mean the Head of Service applying to themselves.</p> <p>Proposed to be a new delegation for the Strategic Programme and Assets Manager.</p> <p>For clarity and to tighten wording.</p>
--	--	--

Economy and Property Committee	
Meeting Date	17 th December 2024
Report Title	Contract Award - Masters House Alterations and Refurbishment (Sheerness Revival)
EMT Lead	Emma Wiggins Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	Inger Lorraine, Capital Programme Manager
Classification	Open
Recommendations	1. That the Committee approves the appointment of Company 'B' for the alterations and refurbishment of obsolete garages at Masters House, Sheerness at a value of £329,730 exc. VAT.

1 Purpose of Report and Executive Summary

- 1.1 In October 2024, Place services launched a one stage tender process for the alterations and refurbishment of the obsolete garages at Masters House in Sheerness. The process set out that bids 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 instruct the recommended contractor.

2 Background

- 2.1 Sheerness Revival is a programme of three complementary town centre regeneration projects funded by the UK government's Levelling Up Fund. Funding of £20m was awarded in January 2023, and the Grant Determination Agreement was signed in April 2023.
- 2.2 The Masters House workspace project is a 2-phase conversion of a redundant former Council office to create 589sqm of flexible office workspaces suitable for SMEs, in addition to the conversion of obsolete sheds to create 82sqm of studio spaces suitable for SMEs and/or creative enterprises to address the lack of supply of high-quality, flexible workspace suitable for SMEs in Sheerness and support employment and GVA related outcomes.
- 2.3 Phase 1 was completed at the end of 2023 which consisted of fit out and environmental improvements to the main building (Masters House).
- 2.4 Phase 2 is the current conversion of existing garages and plant room space to create 3 Class E workshop spaces with integrated toilet and kitchenette, replacement of fencing around the rear courtyard including new vehicular and

pedestrian gated access, surface treatment to the rear courtyard and installation of Solar PVs on the main building roof.

- 2.5 £320k budget was allocated for these works from Levelling Up Funding (LUF), including contingency. In order to attract quality bids (and given funding flexibilities within the overall Sheerness Revival budget) a ceiling price of £360k was set at tender stage.
- 2.6 Planning permission was granted in September 2024 prior to a full tender process being undertaken in accordance with current procurement procedure, with interested parties asked to respond to five set quality questions and provide a pricing schedule.
- 2.7 12 bids were received, three of which exceeded the £360k ceiling price and, were automatically excluded from the evaluation stage. The remaining nine bids were assessed by the evaluating panel with scores shown in the table in 2.9 below.
- 2.8 The recommended contractor B scored highly for both quality and cost, and as such represents the most economically advantageous tender. The value of the contract is £329,730 which brings the value above budget at £9,730 and below the ceiling price.
- 2.9 The tender assessment panel consisted of two Swale Borough Council officers and one external project manager for Masters House project, each panel member scored independently, and this was followed by a moderation meeting to review and finalise the scores as follows:

Company	Price Score	Quality Score	Total
A	48.25	28.00	76.25
B	46.65	38.00	84.65
C	60.00	23.00	83.00
D	44.69	22.00	66.69
E	42.86	36.00	78.86
F	46.83	33.00	79.83
G	45.86	17.00	62.86
H	51.28	33.00	84.28
I	42.92	34.00	76.92

- 2.10 Contractor B also scored especially highly in social value benefits and experience of working on similar projects to a high standard and quality.

3 Proposals

- 3.1 The Committee is recommended to approve:

The appointment of Contractor 'B' for the alteration and refurbishment at Masters House to the value of £329,730.00 exc. VAT.

4 Alternative Options

- 4.1 Given the robustness of the procurement process undertaken, in line with Council policy and procedure, the only alternative option is to not award the contract. This is not recommended, as there are multiple benefits in the project proceeding. In addition Swale Borough Council has a signed Grant Determination Agreement with central government which commits the Council to delivering the related project outputs and outcomes.

5 Consultation Undertaken or Proposed

- 5.1 Officers have regularly engaged with the Procurement team regarding the process and to remain in line with procedures.

6 Implications

Issue	Implications
Corporate Plan	The Masters House project underpins the Plan's Priority of Using the Levelling Up Fund as a catalyst for further regeneration on the Isle of Sheppey.
Financial, Resource and Property	<p>Anticipated spend on the alterations and refurbishments at Masters House Contract is £329,730 +VAT.</p> <p>Financial checks have been undertaken on the robustness of contractor B and have been reviewed by Finance.</p>
Legal, Statutory and Procurement	<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 contract will be drawn up using JCT Intermediate with Contractor's Design along with the Council's supporting terms and conditions which have been approved by Mid Kent Legal Services and Finance.</p> <p>Under The Public Services (Social Value) Act 2012 the recommended contractor has undertaken to provide the following:</p> <ul style="list-style-type: none"> • Target of 60% works to be carried out by local subcontractors/personnel • Local recruitment days and job opportunities for SBC residents and businesses • Use of local labour and contractors (aim of 40%)

	<ul style="list-style-type: none"> • Work experience training placements for 2 students and engagement with schools to promote opportunities in construction, CV advice and interview skills training • Pre-work training sessions for 5 people • Ensuring ethical supplies • Championing and using ethical goods and services. • Reduce carbon footprint and protect biodiversity • Employee commitment to minimum day volunteering • Monetary donation to mutually agreed social value activity or charity
Crime and Disorder	This site / area is known to attract anti-social behaviour and this project aims to help improve this via physical improvements and new stewardship of a vacant site and through the social value contributions from the contractor.
Environment and Climate/Ecological Emergency	The conversion includes solar panels to the roof and the workshops will link to the existing heat source pump that currently serves the main building.
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. The recommended contractor'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

None

8 Background Documents

None.

Economy and Property Committee Meeting	
Meeting Date	17 December 2024
Report Title	Beach Hut Phase 1 Tender Award
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Martyn Cassell, Head of Environment and Leisure
Lead Officer	Jay Jenkins, Leisure and Technical Services Manager
Classification	Open plus Exempt Appendix
Recommendations	1. That the Committee approves the appointment of Company B for completion of Lot 1 at a sum of £202,719.55.

1 Purpose of Report and Executive Summary

- 1.1 The Regeneration & Property Committee approved the progression of a tender for phase 1 of the beach hut developments at Minster Leas and Leysdown. However, the delegation only allowed officers to proceed with awarding the contract within the allocated budget.
- 1.2 This report explains the tender process and recommends the appointment of a contractor.

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. The Council's waiting list has recently been updated but currently still has 189 people remaining that wish to purchase or rent a beach hut.
- 2.3 The previous public consultation set out a proposal to install 12 additional huts at Minster Leas and 14 at Leysdown Coastal Park. (26 huts – Lot 1). At the July Committee meeting, Members agreed for officers to proceed with the tender process for the construction of these 26 huts.
- 2.4 The previous tender returns were significantly over budget. A second tender process was advertised with a revised specification with two lots. Lot 1 was for 26 huts as previous tender and Lot 2 was for 16 huts, 8 at each location.

- 2.5 The opportunity was advertised in accordance with current contract standing orders, with interested parties asked to complete an Invitation to Tender. 7 submissions were received with 2 being rejected at initial scoring stage as they had not provided any quality question responses.
- 2.6 The remaining 5 company scores were allocated according to the criteria explained in the tender document. The Leisure team carried out a one stage tender process based on the most economically advantageous tender (MEAT) which was evaluated on 60% price and 40% quality.
- 2.7 The scores were as follows:

Lot 1. (26 huts)

Company	Price Score	Quality Score	Total
A	23.76	33.00	56.76
B	31.08	36.33	67.41
C	28.06	27.33	55.39
D	60.00	7.00	67.00
E	30.99	32.00	62.99

Lot 2. (16 huts)

Company	Price Score	Quality Score	Total
A	23.88	33.00	56.88
B	30.99	36.33	67.33
C	28.31	27.33	55.64
D	60.00	7.00	67.00
E	31.34	32.00	63.34

- 2.6 The Lot 1 winning tender exceeds the budget set aside in the capital programme by £59,719.55. The Policy and Resources Committee agreed to the additional funding on 16 October 2024, however it is the remit of the Economy and Property Committee to agree the contract award.
- 2.7 Since undertaking the original estimates for the project that formed the capital bid, prices have increased in the construction cost per hut. However, in the same period, the market value for the sale of huts has also increased and so the project plan has been adjusted.
- 2.8 The project would see a percentage of the huts sold and some retained for annual and weekly rentals in line with the Beach Hut Policy, previously agreed at this committee. There will also be one hut at each location for the subsidised use (recommended in the Beach Hut Policy) by the voluntary and community sector

via an anchor organisation who will take responsibility for the hut and usage. This approach would still deliver the original project aims, recouping the capital spend through sales and adding further capital receipts to the Council's capital programme.

3 Proposals

- 3.1 That the Committee approves the appointment of Company B for completion of Lot 1 at a sum of £202,719.55.

4 Alternative Options Considered and Rejected

- 4.1 To proceed with Lot 2. Appointing Company B at a sum of £127,768.35 with the resultant Capital receipts identified in Appendix 1.
- 4.2 This is not recommended as although within the original capital budget allocation (subsequently increased by Policy and Resources Committee), it reduces the ongoing revenue that would be achieved and would not generate the potential higher capital receipts which will contribute to future capital projects. This would result in not meeting the known demand.
- 4.3 To not proceed with the award of contract of either Lot. This is not recommended because it removes the opportunity to maximise the capital receipts and ongoing revenue that would be achieved and would not provide the recommended facilities and associated benefits for residents and visitors.

5 Consultation Undertaken or Proposed

- 5.1 The Beach Hut Policy which was approved by the Regeneration and Property Committee on 12 March 2024 included public consultation but no further consultation has been needed for the tender process.

6 Implications

Issue	Implications
Corporate Plan	<p>The policy relates to two priorities.</p> <p>Community: To enable our residents to live, work and enjoy their leisure time safely in our borough and to support community resilience.</p> <p>Economy: Working with our businesses and community organisations to work towards a sustainable economy which delivers for local people.</p>

<p>Financial, Resource and Property</p>	<p>The current 2025-26 revenue budget assumes increased income from beach hut rental. This will need to be reduced as part of the budget setting process as it assumed phase 2 would also progress. However, building these phase 1 huts will reduce the amount lost in revenue.</p> <p>A sum of £143,000 is already allocated in the capital programme to fund the installation of the 26 additional beach huts. (Lot 1). Following the return of tenders a further £59,719.55 was required to be added to the programme. The Policy and Resources Committee agreed to the additional funding on 16 October 2024.</p> <p>Projected Capital Receipts returns for both Lots can be seen in Appendix I.</p> <p>The project business plan and Beach Hut Policy set out the percentage of huts that will be sold and rented, ensuring there is a balance of availability and income.</p>
<p>Legal, Statutory and Procurement</p>	<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> <p>The contract will be drawn up using the Council's current standard Terms and Conditions which have been approved by Mid Kent Legal Services and Finance</p>
<p>Crime and Disorder</p>	<p>The Beach Hut 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>
<p>Environment and Climate/Ecological Emergency</p>	<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. Relevant surveys (Preliminary Ecological Appraisal) have been undertaken</p>

	<p>in both areas and have concluded that there would be minimal impact in either location.</p> <p>In addition, a Flood Risk Activity Permit Application (FRAPA) has been submitted to the Environmental Agency for the Minster Leas Location.</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 contract award.
Risk Management and Health and Safety	<p>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.</p> <p>Part of the procurement process ensures that contractors are fully competent, particularly in the area of health and safety. Company B's competence is evidenced through their tender submission.</p>
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 should the interested party request it.</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:

- Exempt Appendix I – Beach hut financial projections – October 2024

8 Background Papers

[\P&R\Draft Minutes P&R \(16.10.24\).doc](#)

This page is intentionally left blank

Economy and Property Committee	
Meeting Date	17 th December 2024
Report Title	Procurement of Construction Contractor for Beachfields
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	Inger Lorraine, Capital Programme Manager
Classification	Open
Recommendations	1. That the Committee approves the appointment of Etec Group to deliver the Levelling Up Funded Sheerness Revival Beachfields and public realm projects, subject to the final contract value being within the available budget and to financial due diligence being undertaken to the satisfaction of the Committee Chair and Director of Resources prior to contract award.

1 Purpose of Report and Executive Summary

- 1.1 On 8th March 2023, Regeneration and Property Committee (as was) agreed “to utilise the UK Leisure Framework to identify and recommend a delivery contractor for the [Sheerness Revival] Beachfields and public realm projects, to be appointed following Committee approval”.
- 1.2 This report summarises the procurement process and recommends a contractor to deliver the Levelling Up Funded Sheerness Revival Beachfields and public realm projects, subject to the final contract value being within the available budget, and to appropriate due diligence.

2 Background

- 2.1. *Sheerness Revival* is a programme of three complementary town centre regeneration projects funded by the UK government’s Levelling Up Fund. Funding of £20m was awarded in January 2023, and the Grant Determination Agreement was signed in April 2023.
- 2.2. The Beachfields and public realm projects focus on health, wellbeing, leisure community, visitor economy and placemaking objectives.
- 2.3. The projects will deliver the comprehensive reconfiguration, refurbishment and extension of the existing dry-side leisure facility and Healthy Living Centre to deliver enhanced and expanded health, wellbeing, community and leisure provision.
- 2.4. It will deliver public realm and placemaking interventions to reinforce Beachfields' position as an important node connecting the railway station, high-street, seafront

and the surrounding community, delivering catalytic and visible change in the heart of Sheerness.

- 2.5. The related planning application is due to be considered at 16th January Planning Committee. Current images of the project can be found in Appendix I.
- 2.6. In March 2023, Committee agreed 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”*.
- 2.7. The role of a framework provider is to help public and third sector buyers to procure goods and services from a list of pre-approved suppliers, with agreed terms and conditions and legal protections.
- 2.8. The UK Leisure Framework (operated by Alliance Leisure) was chosen due to the accelerated access it provided to a pre-approved supply chain with proven expertise in large-scale public sector leisure projects. This was felt beneficial given the accelerated pace of delivery central government – and local stakeholders – expected and would welcome.
- 2.9. In line with this Committee decision, officers undertook the due diligence exercise with Legal and Procurement, and then worked with Alliance Leisure to appoint contractors to design the Beachfields and public realm schemes up to and including RIBA stage 4. This included a mini-competition among three pre-selected potential contractors.
- 2.10. Due to the use of the Framework, and in line with the March 2023 Committee decision, today’s Committee decision does not take the standard approach of reviewing the price and quality scores of multiple bidders. The Committee is instead asked to agree the award of contract to the contractor identified and recommended through officers’ work with the framework provider Alliance Leisure.
- 2.11. Throughout Swale Borough Council’s work with Alliance, the combined objectives of delivering a quality development, in line with the agreed outputs and outcomes of the business case, and within the defined budget have been paramount.
- 2.12. In order to deliver the project at the pace required by stakeholders (including central government and the wider community), officers are asking members to agree the contract award on the basis of the end of RIBA stage 3 cost plan. The identified cost of works may therefore alter, in line with information gained during RIBA stage 4.
- 2.13. On this basis, Committee is asked to agree to the award only if it is within the available budget. Should the final value exceed the available budget, the decision will return to Committee.

2.14. The available budget is set out in exempt Appendix II.

2.15. Etec Group were selected by officers via the UK Leisure Framework and scored well for quality and pricing. They have an established working relationship with Alliance Leisure and evidenced experience of public leisure projects. Their draft project programme illustrates an ability to move at the pace required by stakeholders, including Government, to progress the project to construction and delivery. Etec will also manage the Adventure Golf delivery, providing a single point contract solution for the council. They have also evidenced a strong commitment to social value, for example:

- Prioritising the use of local supply chain contractors
- Providing cost free logistical support for the temporary relocation of Beachfields' partners
- Supporting the engagement of primary and secondary school students, through a series of site visits, design / construction workshops and careers advice
- Supporting public engagement for planned activities across the projects

3 Proposals

3.1 That the Committee approves the appointment of Etec Group to deliver the Levelling Up Funded Sheerness Revival Beachfields and public realm projects, subject to the final contract value being within the available budget and to financial due diligence being undertaken to the satisfaction of the Committee Chair and Director of Resources prior to contract award.

3.2 Etec are a reputable contractor that has experience of successfully delivering similar leisure and health projects for various Local Authorities and the NHS across the UK.

Their portfolio of refurbishment and expansion projects include: -

Leisure	Health
Mayfield Leisure Centre, London Borough of Redbridge	East London Surgeries, NHS
Long Stratton Leisure Centre, South Norfolk Council	Rhyl Community Centre - GP Consultants, NHS
Bobby Moore Sports Hub, Barking and Dagenham Council	Brandon Leisure Centre - GP Consultants, NHS

Further information on Etec Group projects can be found on their website [Etec Group - Refurbishment & Construction Services](#).

4 Alternative Options Considered and Rejected

- 4.1 Not to award the contract to the recommended contractor. This is not recommended, as the process to identify and recommend the delivery contractor is considered robust, and the selection process has been undertaken in line with the earlier Committee decision.
- 4.2 To award the contract to the recommended contractor regardless of cost. This is not recommended as the budget is fixed, as it risks limiting the ability to minimise expenses. Without the appropriate cost constraints in place, other projects within the programme could be adversely impacted with an overall lower output. This could lead to reputational risks.
- 4.3 To wait to award the contract once RIBA stage 4 concludes. This is not recommended, as this would add a delay to the programme which would exceed the central government approved timeframe for delivery. The recommended decision includes appropriate safeguards to ensure the contract is awarded appropriately without incurring delay.
- 4.4 Withdraw from the UK Leisure Framework and conduct a new open tender activity to procure a construction contractor. Conducting a tender activity at this stage of the programme will further delay the project. An activity of this type would take 10 – 12 weeks to complete and would impact the project delivery timeline significantly. Given the current economic climate, cost could exceed the budget and may require extensive value engineering that would result in a reduction in scope. All of which would have consequences to the Beachfield project and the outputs and outcomes of the wider Levelling Up Funded programme.

5 Consultation Undertaken or Proposed

- 5.1 Legal and Finance departments have been consulted as part of the recommendations process.
- 5.2 Members of the LUF Member Working Group are kept updated on project finances, outputs and outcomes, as per its Terms of Reference.

6 Implications

Issue	Implications
Corporate Plan	The Beachfields project underpins the Plan's Priority – Economy, Using the Levelling Up Fund as a catalyst for further regeneration on the Isle of Sheppey.
Financial, Resource and Property	The budget for the works is set out in exempt Appendix II.
Legal, Statutory and Procurement	<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 contract will be drawn up using the UK Leisure Framework Terms and Conditions which have been approved by Mid Kent Legal Services and Finance.</p> <p>Under The Public Services (Social Value) Act 2012 the recommended contractor has undertaken to provide the following:</p> <ol style="list-style-type: none"> 1. Training and Skills – apprenticeships and work experience 2. Community Engagement – consult with local schools/colleges 3. Local cause <ul style="list-style-type: none"> - Financial/equipment contribution - Logistical support with the temporary relocation of Beachfields' partners
Crime and Disorder	None identified.
Environment and Climate/Ecological Emergency	The LUF business case demonstrates how the programme aligns to and supports net zero ambitions.
Health and Wellbeing	The LUF business case demonstrates the accessibility improvements that the project will make to the GP Surgery within the Healthy Living Centre and the improved leisure and community facilities will support health & wellbeing
Safeguarding of Children, Young People and Vulnerable Adults	None identified.
Risk Management and Health and Safety	<p>A Sheerness Revival risk register exists and is regularly reviewed. Each project also has a project specific risk register with the highest priority risks feeding into the Sheerness Revival risk register.</p> <p>Part of the procurement process ensures that contractors are fully competent, particularly in the area of health and safety.</p>
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 I: [Current Images of Beachfields and Public Realm](#)

Appendix II: [Budget Available](#)

8 Background Documents

8th March 2023 Committee paper (link) [Public reports pack 08032023 1900 Regeneration and Property Committee.pdf](#)

Beachfield and Public Realm Project – external (concept drawings)



New Café and Reception (concept drawings)



Improved GP Surgery (concept drawings)



Enhanced Fitness Offer (concept drawings)



This page is intentionally left blank

Regeneration and Property Committee Forward Decisions Plan – December 2024

Report title, background information and recommendation(s)	Date of meeting	Open or exempt	Lead Officer and report author
Disposals and Community Asset Transfer Policies – for adoption	30-Jan-25	Open	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Great East Hall - Community Shop Update	30-Jan-25	Open	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Old Library, 44 Trinity Road – next steps	30-Jan-25	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Markets Operation - contract award	30-Jan-25	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Land rear of Guidhall, Queenborough - disposal	20-March-25	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Bourne Place / Princes Street – contract award	TBC	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Great East Hall – disposal of wider land	TBC	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank