

<b>Economy and Property Committee</b>	
<b>Meeting Date</b>	23 <sup>rd</sup> July 2024
<b>Report Title</b>	Disposal of Land at Fountain Street, Sittingbourne
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Joanne Johnson, Head of Place
<b>Lead Officer</b>	David Johnson MRICS Interim Property Advisor
<b>Key Decision</b>	No
<b>Classification</b>	<b>Part Restricted</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the Land at Fountain Street, Sittingbourne is not transferred to Swale Rainbow Homes Limited, be declared surplus and placed on the open market to affect a freehold disposal.</li> <li>2. That authority is delegated to the Head of Place, in consultation with the Head of Mid Kent Legal Services and the Chair of the Economy and Property Committee, to negotiate a freehold sale of the property and to complete the necessary legal formalities.</li> </ol>

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

- 1.1 It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. This report recommends the freehold disposal of the Council owned property known as Land at Fountain Street, Sittingbourne, as shown on the attached plan (Appendix I).
- 1.2 The property, of which the Council is the freeholder, was previously identified as a potential residential development site for the Council's Local Housing Company (LHC), Swale Rainbow Homes Ltd.
- 1.3 The Council has wide discretion to dispose of its assets (such as land or buildings) in any manner it wishes. When disposing of assets, the Council is subject to statutory provisions, in particular to the overriding duty, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained for the disposal. This duty is subject to certain exceptions that are set out in the General Disposal Consent (England) 2003.
- 1.4 Disposals should reflect the aims of the adopted Property Asset Strategy, in respect of continual asset review, rationalisation and streamlining of the property portfolio.
- 1.5 Appendix II attached to the report is exempt as it contains information relating to the financial or business affairs of particular persons, including the authority holding that information (Swale Borough Council). This seeks to ensure the Council is able to contemplate financial or business affairs in relation to the site, without prejudice.

## **2 Background**

- 2.1 The property comprises an island site close to the town centre, to the west of St Michael's Road, Sittingbourne. The site is divided by an access road which remains unregistered and adopted as highway. The total site area is approximately 2,000 m<sup>2</sup> of largely hard standing.
- 2.2 Having previously been let on short term tenancies, the property has been vacant for a number of years and it is not currently suitable for letting due to its condition.
- 2.3 The property has been increasingly the focus of antisocial behaviour and in July 2023 the main building on the site was subject to an arson attack. The main building has been demolished due to its condition and structural integrity.
- 2.4 The property currently falls within Class E (Commercial Business and Service) of the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020.
- 2.5 The site is located within the Town Centre Planning Policy area DM2 and is noted on the Brownfield Land Register.
- 2.6 In May 2022 the land was one of three sites to be passed over to the Council's LHC, Swale Rainbow Homes Ltd (SRH) after a decision by the Council's Cabinet, in order to bring forward appropriate affordable homes.
- 2.7 It was reported to the Swale Rainbow Homes Shareholder Sub-Committee in February 2024 that although the sites had been agreed to be passed over, the SRH board would not be able to develop them out and therefore the Council might wish to consider future use of these sites.
- 2.8 The assets team has undertaken an internal valuation of the property and the value attributed to the site is include in Appendix 2. The site is considered to have potential redevelopment value subject to planning. the valuation and it potential for redevelopment has been confirmed by through 'soft market testing'.
- 2.9 The Council has received enquiries from users interested in purchasing the freehold for development. Further 'soft market' testing has also confirmed that there would be interest int he site. A sale of the freehold may facilitate it being brought back into beneficial use or enable the site to be developed, subject to planning.
- 2.10 A sale of the freehold would generate a capital receipt for the Council while removing a financial and health and safety liability.

## **3 Proposals**

- 3.1 That the Land at Fountain Street, Sittingbourne is not transferred to Swale Rainbow Homes Limited, be declared surplus and placed on the open market to affect a freehold disposal.
- 3.2 That authority is delegated to the Head of Place, in consultation with the Head of Mid Kent Legal Services and the Chair of the Economy and Property Committee to negotiate a freehold sale of the property and to complete the necessary legal formalities.

## 4 Alternative Options

- 4.1 An alternative option would be to remediate and secure the site and then seek to find a tenant to use the property as open storage. This would require capital investment and as a prominent site this would not be in keeping with the ambitions for the town centre.
- 4.2 A further option is to retain the site, leaving it vacant. This option is not recommended as leaving the asset vacant would result in ongoing maintenance costs and the Council would be failing in its obligation to manage its property portfolio and dispose of underused assets.
- 4.3 An alternative option would be for the Council to seek to improve the value of the site through planning gain. This option is not recommended as the value of the property will not substantially increase as a result given its brownfield site designation.

## 5 Consultation Undertaken or Proposed Considered and Rejected

- 5.1 There have been no external consultations on this proposal. The property is currently of no beneficial use and disposal of it may have a positive impact on the locality.

## 6 Implications

Issue	Implications
Corporate Plan	The proposal supports the Corporate Plan Objective of 'Running the Council' and sub-objectives to maintain a fiscally sound and stable position and seek to make best use of assets and staff resources.
Financial, Resource and Property	The proposal looks to reduce the Council's future maintenance liabilities and produce a Capital receipt by way of a freehold disposal.
Legal, Statutory and Procurement	Legal will be required to draft the freehold disposal contract agreement in consultation with Property once a sale is negotiated. Any proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972. Appendix II attached to the report is exempt as it contains information relating to the financial or

	business affairs of particular persons, including the authority holding that information (Swale Borough Council). This seeks to ensure the Council is able to contemplate financial or business affairs in relation to the site, without prejudice.
Crime and Disorder	The property remaining vacant and unused will likely result in it continuing to be a target for antisocial behaviour and criminal damage. A disposal to allow beneficial use will reduce this risk.
Environment and Climate/Ecological Emergency	Any future development of the site would be subject to planning which would consider the environmental and ecological impacts and would need to meet Bio-diversity Net Gain requirements.
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	The proposal reduces the Council's risk in terms of holding a vacant and degrading property which is the focus of ASB and criminal damage.
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 I: Plan
- Appendix II: Exempt Item

## **8 Background Papers**

None