

Council 25 January 2017: Questions submitted from Members of the Public

Question No.	Question from	Question:	Question to:	Service Area
1.	Kane Blackwell	<p>Can the Leader please tell me how the Council and Swale Councillors will work with other agencies to identify and deal with mental health issues amongst young people in Swale?</p> <p>Also as a representative of KYCC I ask for the Council's support for the Kent Youth County Council's mental health campaign, by urging you to encourage all secondary schools, colleges and youth centres in the Borough of Swale to have at least one copy of the mental health directory we have created on their premises. So when a young person does come to a member of staff about a mental health issue, or a member of staff is worried that a young person might have a mental health issue, they can look in the directory and see who they can call for this young person. I would also urge you to encourage schools, colleges and youth centres to use the lesson and assembly plans we have created so that there can be open discussion and proper education for young people on this important issue that affects 1 in 3 people. At KYCC we found out through our survey that teachers in Kent do want mental health training. If 10 members each gave £300 from their grants to Maidstone and Mid Kent Mind it would provide a session of training at 10 secondary schools in Swale.</p> <p>This could change lives, and I urge this Council to support this Mental Health initiative for the young people of Swale.</p>	Cllr Ken Pugh/ Cllr Alan Horton	Director of Regeneration/ Housing Services

Response: I would like to thank you for this important question. I have personally been very impressed with the KYCC campaign on Mental Health, and believe that the Directory is an excellent piece of work, and we will happily encourage other agencies and organisations to utilise it. Our front line Housing officers who are regularly in contact with young people with mental health issues work with all of the agencies detailed within the Directory.

Mental ill health is a cross-cutting priority for Swale's Local Children's Partnership Group and, as Chair of this Group, I would like to invite you to present to a future LCPG meeting where Education are represented, and your request to support Lesson Plans and fund training can be fully discussed.

I will also arrange for this to be added to the Youth Forum Agenda for discussion on how awareness can be raised.

2.	Graham Smith	The Council is proposing to add a debt of £28m to it's finances to subsidise the Sittingbourne Town Centre scheme, whilst developers have access to publicly-owned car parks to build apartments, the Council taxpayer is funding a multi storey car park to replace the lost car parks. How is that a good deal for the people of Swale? Why it is considered justifiable to incur a debt of £28m for the proposed development in the Town Centre that few of the electorate or, it appears, the developers consider viable, and what will be the effect of this debt on future council taxes and services?	Cllr Duncan Dewar-Whalley	Finance
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Response: The funding and ownership of the Sittingbourne Town Centre regeneration project is a very positive move for the Council.

As the reports that went to Cabinet on 9 November and 7 December showed, the Council will make a substantial financial return which will more than cover the borrowing costs. The borrowing costs will be wholly met by income from the commercial tenants, and there will be no financial cost of the borrowing to the Council Tax payer.

By 2019/20 the Government will have completely eliminated the general grant it gives to the Council, so if we are to maintain the services we currently provide then we have to generate new income streams, and that is exactly what this project does. The Council will also benefit from substantial additional business rates.

As well as the financial benefits the facilities available to the residents of the Borough will be substantially enhanced by the cinema and the associated restaurants.

The project always envisaged a multi-storey car park being built, and the Council decided to fund this directly and keep the income rather than paying the developer to do it.

The housing part of the scheme will also enhance the Town Centre and generate substantial additional Council Tax and New Homes Bonus receipts.

3.	Vic Wintergreen	Given the size of the proposed borrowing of £28 million to invest in leisure and retail in Sittingbourne Town centre, and the precarious financial situation this country finds itself in, what security is being offered against the loan should the investment fail?	Cllr Dewar-Whalley	Finance
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Response: The Council will not be borrowing £28m - the November and December Cabinet reports clearly state that we will consider borrowing **up to** £28m. We aim to minimise debt interest costs to the Council, hence we will minimise the borrowing necessary.

The Sittingbourne Town Centre project is based upon national chains of cinemas, restaurants and retailers wanting to operate in Sittingbourne, and signing up long term contracts to do so. As a result, the Council has the security of the long term leases with these companies, and as we would also own the properties we would replace any tenant that ceased to trade.

4.	Paul Steele	In view of Sittingbourne’s inability to sustain a viable cinema for many years past – and the present being a time when home cinema, simultaneous downloads, and on-line releases are on the rise – what market research exists to justify an expectation that a successful and financially independent multi-screen cinema will be sustainable over a long period of time?	Cllr Mike Cosgrove	Director of Regeneration
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Response: The Light Cinema has carried out extensive market testing and research, and it has considerable experience in opening new cinemas in markets similar to that in Sittingbourne. As a result of their research, they are convinced enough to fully invest in the Sittingbourne project and their method of operation, where taking the cinema experience to new and more modern levels has been justified at a number of similar locations across the country.

In those locations where they have recently completed and opened new venues their forecasts have been exceeded, and as a result the Council has every confidence that they will be a great success for Sittingbourne Town Centre.

5.	Helen Martins	<p>The Council has publicly claimed that the risky investment in Sittingbourne Town Centre is forced on them because of a decline in funding from central government, but this is not a justification for proceeding with the development.</p> <p>Do you not agree that Swale Council (public) money should be spent on services for the public, and not on a highly speculative project - of questionable public value even in the unlikely scenario that it paid for itself?</p>	Cllr Dewar-Whalley	Finance
<p>Response: The Council has never said that it is being forced to do anything. As the report to Cabinet in November, and the following very extensive discussion at Scrutiny Committee showed, this is a strong investment opportunity that has been tested independently to verify the business case. There will be a further stage of due diligence when final build costs for all the elements are received.</p> <p>The Cabinet report made it very clear that we are not spending public money, and that once built the debt financing costs will be met by the lessees and not by the Council tax payer.</p> <p>So I entirely disagree that this is either speculative or of questionable value - the cinema and restaurants will transform the Town Centre and be the basis of the regeneration we have wanted for so long.</p>				
6.	Simon Clark	<p>How many sources of independent financial advice did this authority obtain regarding the financial viability of Swale Borough Council borrowing up to £28 million to fund Sittingbourne Town Centre Regeneration?</p> <p>Who were they, and what was the standing and status of these sources of advice?</p>	Cllr Dewar-Whalley	Finance
<p>Response: The Council took advice from Turnberry Real Estate Limited, an independent property investment consultancy introduced to the Council by Pinsent Masons who have undertaken the legal work on the Town Centre project.</p> <p>As was made clear in the Cabinet reports, the final decision to proceed will be dependent upon a further round of due diligence, and once again we will be commissioning Turnberry Real Estate to undertake this work.</p>				