

## AGENDA

### REGENERATION AND PROPERTY COMMITTEE MEETING

Date: Wednesday, 9 November 2022

Time: 7.00 pm

Venue: The Sapling Room, The Appleyard, Avenue of Remembrance, Sittingbourne ME10 4DE\*

Membership:

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

Quorum = 5

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Pages

#### Information about this meeting

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- (b) Await instructions before re-entering the building.
- (c) Anyone who requires assistance in evacuating the building should make officers aware of any special needs so that suitable arrangements may be made in the event of an emergency.

## 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 26 September 2022 (Minute Nos. 314 – 322) and the [Extraordinary](#) meeting held on 26 September 2022 (Minute Nos. 323 - 325) as correct records.

## **Part B Reports for the Regeneration and Property Committee to decide**

- |    |                                                                                                 |         |
|----|-------------------------------------------------------------------------------------------------|---------|
| 5. | Masters House and 44 Trinity Road, Sheerness (Old Library) - Expressions of Interest            | 5 - 10  |
| 6. | Sheerness Modular Toilet Contract Award & Barton's Point Modular Toilet & Shower Contract Award | 11 - 24 |
| 7. | Forward Decisions Plan                                                                          | 25 - 26 |

**Issued on Monday, 31 October 2022**

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 committees, please visit [www.swale.gov.uk](http://www.swale.gov.uk)

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

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<b>Regeneration and Property Committee</b>	
<b>Meeting Date</b>	9 November 2022
<b>Report Title</b>	Masters House and 44 Trinity Road, Sheerness (Old Library) - Expressions of Interest
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Joanne Johnson, Head of Regeneration, Economic Development and Property
<b>Lead Officer</b>	Kieren Mansfield, Economic Development and External Funding Manager  Eva Harris, Business Support Officer - Property
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the Head of Regeneration, Economic Development and Property is given delegated authority to shortlist and select the final choice of tenant for both Masters House and 44 Trinity Road Sheerness, in consultation with the Chair of the Regeneration and Property Committee.</li> <li>2. That the Head of Regeneration, Economic Development and Property is given delegated authority to negotiate and complete all necessary contracts, leases, deeds and ancillary deeds and documents as required, in consultation with the Chair of the Regeneration and Property Committee and the Head of Mid-Kent Legal Partnership.</li> </ol>

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

- 1.1 This report sets out the approach and timetable to securing tenants for Masters House and 44 Trinity Road, Sheerness (separately or jointly), to secure an income stream for the Council and to ensure that the operation will secure local economic and community benefit.
- 1.2 To move forward in as timely a manner as possible the report recommends delegated authority to determine the final choice of tenant and to negotiate and complete all necessary contracts, leases, deeds and ancillary deeds and documents.

## **2 Background**

- 2.1 In March 2021 Cabinet approved the allocation of £1.3m of funding towards the low carbon refurbishment of Masters House to secure the long-term future of the building as a business, social and community hub for Sheerness. This Council

funding was supplemented by a successful bid for a public sector decarbonisation grant of £273,409.

- 2.2 In addition, the refurbishment of the potential workshop space to the rear of Masters House is an integral part of the Sheerness Revival Levelling-up Fund Bid, the outcome of which is anticipated 'before the end of the year'.
- 2.3 As set out to Cabinet in the March 2021 report, Masters House provides three important areas for income generation through 9 x office rentals, 3 x workshop rentals and hiring of 3 x meeting room/conference spaces.
- 2.4 44 Trinity Road is a well-located asset, close to Masters House and a short walk from the High Street and train station. The building had been used as a public library before being occupied by a number of local charities over the past 18 years providing community services. Currently the property is vacant. The building comprises the original single storey with a two-storey addition to the rear.
- 2.5 The March 2021 Cabinet report set out potential management avenues for Masters House as:
  - Management by Swale Borough Council using directly employed staff.
  - Indirect ("arms length") management by a company or trust, working on behalf of Swale Borough Council.
  - Building leased to a company or trust to fully manage
- 2.6 Officers have reviewed these routes and direct lease is the most viable. There is limited in-house resource to provide direct management of the building and under an arms-length management arrangement the Council would carry risks in relation to rental income, voids and running costs.
- 2.7 A lease will provide a guaranteed rental income stream, regardless of occupancy of the building. The Council can influence how the building is used by restrictive covenants and have prevailing breaks so should the operator not be performing to expectations or be in breach of the use clause, vacant possession could be secured. The expected lease covenants are established in the Expression of Interest request, which follow the framework discussed and agreed by Cabinet in March 2021. This option also reflects the approach favoured by those that have made unsolicited expressions of interest in relation to both Masters House and 44 Trinity Road, as lease arrangements give greater certainty for investment.
- 2.8 As some parties have expressed an interest in both Masters House and 44 Trinity Road, seeing synergy between the buildings, Expression of Interest requests have been published in parallel for both buildings. This invites experienced operators to bring forward proposals that will optimise the income revenue to the Council and the economic and community benefit for the locality.

- 2.9 The Council has indicated it will consider approaches for the buildings individually or together, based upon the lease of the buildings to a company, trust or charity for it to manage against a set of objectives. The Council has invited prospective tenants to set out their preferred term of lease
- 2.10 Given the refurbishment of Masters House is, at the time of writing, due for completion in late quarter 3/early quarter 4 of this financial year, it is prudent to move forward in as timely a manner as possible. The timetable set for this invitation is as follows:
- EOI advertised: w/c 10th October 2022
  - EOIs returned: 28th November 2022
  - Evaluation and preferred bidders identified: December 2022
  - Negotiations: January - February 2023.
  - Lease signed / occupation: March 2023

### **3 Proposals**

- 3.1 Given the benefits of moving forward in a timely fashion, it is recommended that the Head of Regeneration, Economic Development and Property is given delegated authority to shortlist and determine the choice of tenant for both Masters House and 44 Trinity Road Sheerness, in consultation with the Chair of the Regeneration and Property Committee and in accordance with the criteria set out in the Expression of Interest request.
- 3.2 To secure the occupation as quickly as is practical, it is recommended that the Head of Regeneration, Economic Development and Property is given delegated authority to negotiate and complete all necessary contracts, leases, deeds and ancillary deeds and documents as required, in consultation with the Chair of the Regeneration and Property Committee and the Head of Mid-Kent Legal Partnership.

### **4 Alternative Options**

- 4.1 Do nothing. This is not recommended given the benefits of bringing the buildings back into economic use for the benefit of the local community. Moreover, this represents a chance to generate income, whereas the buildings would otherwise incur costs for Swale Borough Council.
- 4.2 The buildings could be managed by Swale Borough Council using directly employed staff. There is limited resource within the existing staff cohort to manage buildings for this purpose and the costs of recruitment would place additional financial pressures on the Council, alongside ongoing liability for maintenance, voids and running costs. An experienced operator is expected to bring added expertise, resources and value.
- 4.3 The buildings could be managed indirectly, at “arms-length”, by a company or trust, working on behalf of Swale Borough Council. This could potentially attract

an experienced operator but the Council would retain ongoing liability for maintenance, voids and running costs. There would also be more limited incentive for additional investment in the spaces through the management company, as compared to holding a lease.

## 5 Consultation Undertaken or Proposed

- 5.1 There has been a range of unsolicited approaches to the Council in respect of the buildings, for a variety of uses. Some have led to site visits and in these instances the expressed preference in discussion has been for a lease. There has also been consultation with Sheerness Dockyard Preservation Trust regarding its regeneration plans for the Dockyard Church, with the principle of a complimentary offer being agreed.

## 6 Implications

Issue	Implications
Corporate Plan	This project meets the corporate priority to address the climate and ecological emergency by reducing carbon emissions from Council buildings. It also meets the priorities in the Economic Improvement Plan 2020-2023 including the Council investing in its own assets “Securing investment and Infrastructure”, “Raising Swale’s Profile” and “Supporting Local Business”
Financial, Resource and Property	<p>Leasing of the properties, with appropriate measures to secure the intended use and economic and community benefits provides the Council with a guaranteed income and reduces its financial and management liabilities in respect of the management and maintenance of the properties. Whilst the likely income that could be secured is uncertain until Expressions of Interest have tested the market, and negotiations been held, overall, the lease option is considered the most financially predictable and robust. If no suitable expressions are received, officers will revert to Committee for further consideration.</p> <p>Kent County Council are at present undertaking a Communities Review which may impact on their landholdings in Sheerness. At this stage, too little is known about the potential outcome of this exercise to determine any impact on the Council’s estate.</p>
Legal, Statutory and Procurement	Support will be required from Legal Services in relation to the completion of leases, all necessary contracts and ancillary deeds and documents. These will be entered into in accordance with the Council’s Constitution and will be in a form approved by Head of Mid Kent Legal Services.
Crime and Disorder	The occupation of currently vacant buildings will reduce opportunities for anti-social behaviour in the local area.

Environment and Climate/Ecological Emergency	The refurbishment of Masters House and its subsequent operation will make a significant contribution towards the target of achieving net zero carbon by 2030.
Health and Wellbeing	None identified at this stage
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage
Risk Management and Health and Safety	None identified at this stage
Equality and Diversity	The Masters House refurbishment features disabled toilets and the installation of an 8-person platform lift to ensure that the building is fully accessible. 44 Trinity Road includes a disabled toilet on the ground floor.
Privacy and Data Protection	None identified at this stage

## **7 Appendices**

7.1 There are no appendices to this report.

## **8 Background Papers**

8.1. Report to Cabinet - Master's House, Sheerness – low carbon refurbishment. 17 March 2021

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<b>Regeneration and Property Committee Meeting</b>	
<b>Meeting Date</b>	9 November 2022
<b>Report Title</b>	Sheerness Modular Toilet Contract Award & Barton's Point Modular Toilet & Shower Contract Award
<b>EMT Lead</b>	Emma Wiggins, Director and Regeneration and Neighbourhoods
<b>Head of Service</b>	Martyn Cassell, Head of Environment & Leisure
<b>Lead Officer</b>	Jay Jenkins, Leisure Services Manager Trevor Wentworth, Special Projects Surveyor
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the Committee approves the appointment of Company A for the modular toilet block in Sheerness.</li> <li>2. That the Committee approves the appointment of Company A for the modular toilet &amp; shower block in Barton's Point Coastal Park.</li> <li>3. The Head of Environment and Leisure, in consultation with the Chair of the Regeneration and Property Committee, be authorised to complete the required contracts for the projects.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to confirm to the Committee the outcome of the recently undertaken tender process for the Sheerness Modular Toilet Block and Barton's Point Coastal Park Toilet & Shower block.
- 1.2 The Service carried out a one stage tender process based on the most economically advantageous tender (MEAT) which was evaluated on [60%] price and [40%] quality.
- 1.3 The Committee is asked to approve the contract award to construct a modular toilet block at Beachfields in Sheerness to Company A.
- 1.4 The Committee is asked to approve the contract award to construct a modular toilet & shower block in Barton's Point Coastal Park to Company A.

## 2 Background

- 2.1 Two projects have been developed by officers. The toilet and shower block at Barton's Point is getting close to being end of life. The showers are no longer operational and the toilet facilities whilst operational are tired. Sheerness is the only beach not to have public toilets in close proximity and the provision of toilets was recently included in our Levelling Up Fund bid for Sheerness Revival.

- 2.2 The opportunity was advertised on the procurement portal in accordance with current contract standing orders, with interested parties asked to complete an Invitation to Tender. Six submissions were received and following evaluation, scores were allocated for both price and quality according to the criteria explained in the tender document.
- 2.3 A specification was prepared asking companies to tender for both locations in separate lots. The specification required companies to provide a turn-key solution including all utility connections. Various configurations at each location were considered, with the final specified configuration being agreed with Cabinet Members and officers during pre-tender discussions.
- 2.4 At the Sheerness location in Beachfields Park, three individual cubicles (Male, Female and Accessible) and a service/storage room were specified.
- 2.5 At the Barton's Point location, five individual cubicles (2 Male and 2 Female toilet & shower cubicles, either side of one fully accessible cubicle), were specified, with an open sluice sink/wash up area and a services/storage room.
- 2.6 All 6 companies have costed to undertake both projects. Combined prices ranged from £227,299 (Company A) to £564,109 (Company F). Three officers independently evaluated the submissions - the Leisure & Technical Services Manager, Special Projects Surveyor and Green Spaces Manager. Submissions were evaluated on the combined lots and the prices below are based on any discounts given should the companies be awarded both projects.

The scores were as follows:

<b>Company</b>	<b>Tender Price (£)</b>	<b>Tender Price Score</b>	<b>Quality score</b>	<b>Overall score</b>
A	227,299	60.00	30.33	90.33
B	287,657	47.41	26.00	73.41
C	347,922	39.20	27.67	66.86
D	383,880	35.53	29.00	64.53
E	268,738	50.75	12.33	63.08
F	564,109	24.18	29.67	53.84

- 2.7 The winning contractor scored the highest on price and quality. Their submission included a range of benefits that met or exceeded the specification requirements.
- The use of a modular unit, clad in cedar boards to make it visually appealing to the surrounding areas
  - Integrated pipework, sanitaryware items and cabling to reduce the effects of vandalism
  - A green roof which will retain rainwater and reduce run off

- Finishes and surfaces that are designed to be easily cleaned
  - Accessible unit with alarm
  - Water saving devices
  - One year's defects liability for which we will hold a 2.5% retention fee
  - Manufacturer's guarantees for any equipment included in the unit
  - Robust doors and protected rainwater pipes to prevent external vandalism
- 2.8 The financial implications section at item 6 sets out the capital and revenue implications of the projects. The Committee need to consider these alongside the current financial challenges set out in the medium term financial plan.

### **3 Proposals**

- 3.1 That the Committee approves the appointment of Company A for the modular toilet block in Sheerness.
- 3.2 That the Committee approves the appointment of Company A for the modular toilet & shower block in Barton's Point Coastal Park.
- 3.3 The Head of Environment and Leisure, in consultation with the Chair of the Regeneration and Property Committee, be authorised to complete the required contracts for the projects.

### **4 Alternative Options Considered and Rejected**

- 4.1 To not award the contract at all.
- 4.2 Option to award a contract for only one site. A tender process is not a guarantee that we will award the work and our documentation confirms this to bidders. However, the evaluations were undertaken on the combined pricing so Members would need to ask officers to rerun the evaluation. 4 of the 6 contractors have offered a discount ranging from 2.5% to 5%. Discounts have been applied to the overall prices shown above.

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

- 5.1 Members of Sheppey Area committee discussed matters regarding the location of the toilet block at Beachfields and the style of finish.
- 5.2 Discussions on replacement of the shower block at Barton's Point have been held with the café concession operator, the Sea cadets due to the links with the drainage project at the site and Cabinet members as the tender documents were prepared prior to the new governance changes.

## 6 Implications

Issue	Implications
Corporate Plan	<p>This project meets the Corporate Plan priority 'Establish a Special Projects Fund to provide much needed investment in the Borough's public realm and open spaces'. It also supports the Visitor Economy Framework priorities.</p>
Financial, Resource and Property	<p>The capital budget for both facilities is £304,000 based on £184,000 via the Special Projects Fund and £120,000 capital receipts from the Sheppey Improvement Fund. Any unspent funds would be returned to the general reserve and used to support the revenue funding gap already identified for 23/24 onwards.</p> <p>The £120,000 for Sheerness was included as match funding in our Levelling Up Fund bid for Sheerness Revival.</p> <p>On-going maintenance will be required and delivered via proactive maintenance schedules. These have been estimated at approx. £3k for Sheerness toilets and £4k per annum for Barton's Point.</p> <p>In addition, the ongoing opening, closing, and cleaning costs would be £4.7k per annum for each location plus it is proposed additional attendant costs for Sheerness during the summer season (circa additional £30,000 per annum). This assumes that the facility would be open all year round 7am until 7pm as per other facilities in the Borough. The medium-term financial plan for 2023-24 has already factored in these costs but clearly if one or both sites weren't to be progressed, or if members decided that Sheerness was not attended in the summer, further savings could be made.</p> <p>It is considered that the return of showers at Barton's Point and a new facility at Sheerness would incur some additional utility costs, but this is difficult to estimate without known usage.</p> <p>The tender process requires contractors to hold prices for up to 90 days which will have been slightly exceeded by the time the committee consider the report. We have recently requested that contractors confirm if they will hold their prices. The proposed contractor has confirmed this to be the case.</p>
Legal, Statutory and Procurement	<p>Tendering of the required works has been undertaken via a JCT MWD Minor Work Building Contract with contractor's design 2016.</p> <p>The tender process was conducted in line with the Council's Contract Standing Orders and Public Procurement Regulations 2015.</p>

Crime and Disorder	The remote location of the toilets could provide an opportunity for vandalism. The specification design has been written to minimise the impact of this.
Environment and Climate/Ecological Emergency	A Grey water flushing system has been included which will save approx. 420 litres of water per day -in excess of 150,000 litres per annum. The Sedum roofs will help to offset Carbon emissions.
Health and Wellbeing	<p>One of the key drivers of the project is to provide a much-needed public facility for all users in the Sheerness location (Beachfields) and replacing the current provision at Barton’s Point.</p> <p>Providing good quality facilities helps to improve people’s well-being and will encourage more to use of the two areas for healthy activities such as walking, running, dog-walking and sue of the play areas at both locations.</p>
Safeguarding of Children, Young People and Vulnerable Adults	<p>Safeguarding team have reviewed Company A’s safeguarding policy.</p> <p>The design of the blocks (with individual units rather than communal areas) aimed to reduced potential safeguarding scenarios.</p>
Risk Management and Health and Safety	<p>Project will be undertaken in accordance with CDM Regulations and regular monitoring will be undertaken by Officers and the Special Projects Surveyor.</p> <p>Both locations will have a contractors’ compound set up which will be secure and restrict access. The ‘site’ will be always secure.</p> <p>Traffic management plans will be submitted and approved ahead of delivery of both units.</p>
Equality and Diversity	<p>Specification will meet disability and access requirements.</p> <p>Any repairs or refurbishment will be undertaken according to the relevant guidelines/legislation.</p>
Privacy and Data Protection	n/a

## 7 Appendices

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

- Appendix I: Conceptual Sheerness Toilet Block Images
- Appendix II: Conceptual Barton’s Point Toilet & Shower Block Images
- Appendix III: Conceptual internal layout of Sheerness

- Appendix III: Conceptual internal layout of Barton's Point

## **8 Background Documents**

Not applicable

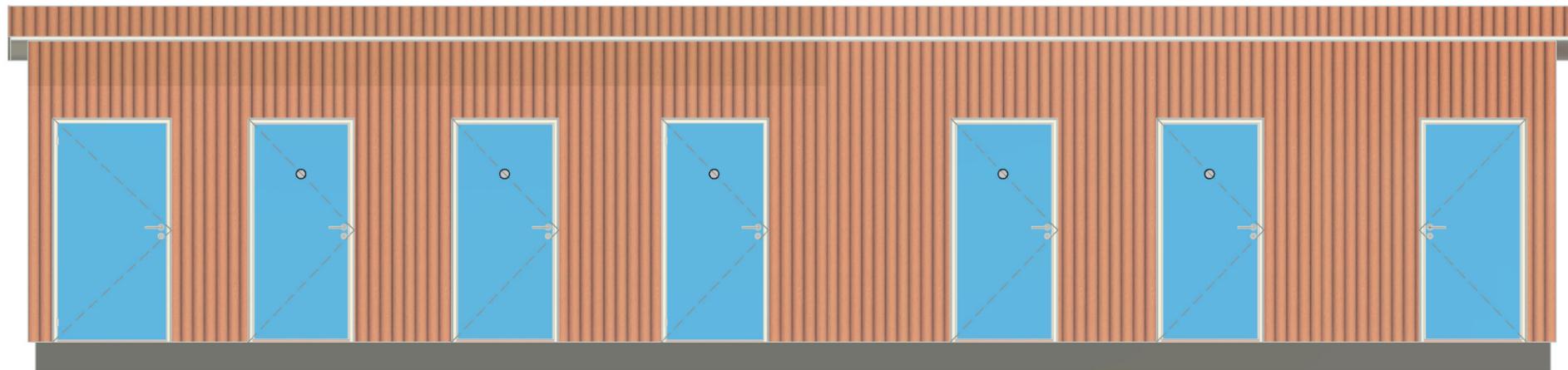
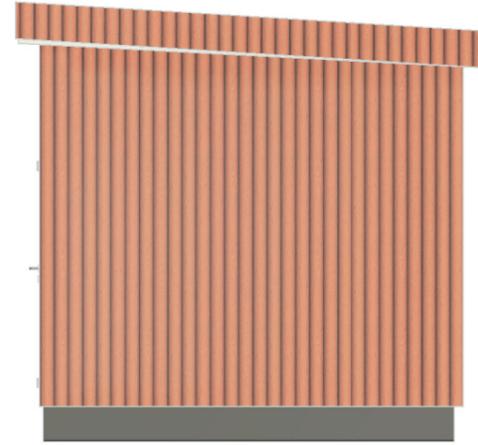
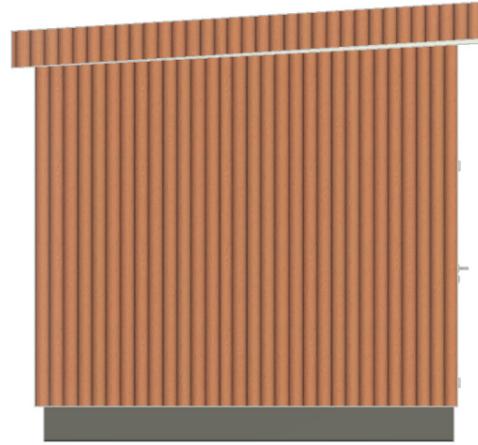
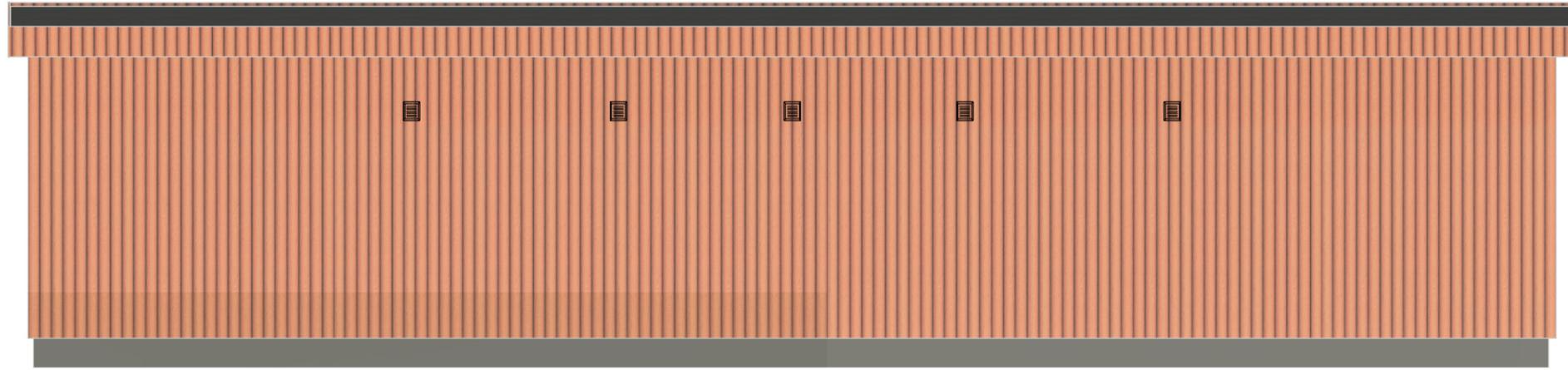


Notes:

Rev	Description	Date	By

PROJECT			
Sheerness Beech Front			
TITLE			
3D Render			
CLIENT			
Swale Borough Council			
DATE	PROJECT NUMBER		
01/07/20	5439		
DRAWN BY	DRAWING NUMBER	REV	
M.P	5440.102		
CHECKED BY			
S.W			
STATUS		SCALE (@ A1)	
PRELIMINARY		1 : 1	

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Rev	Details	Date	By

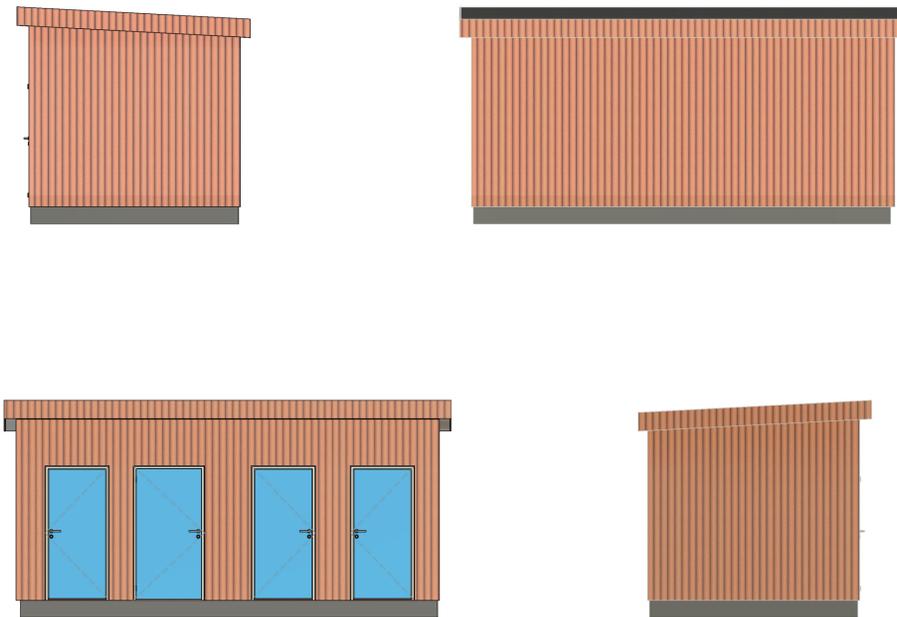
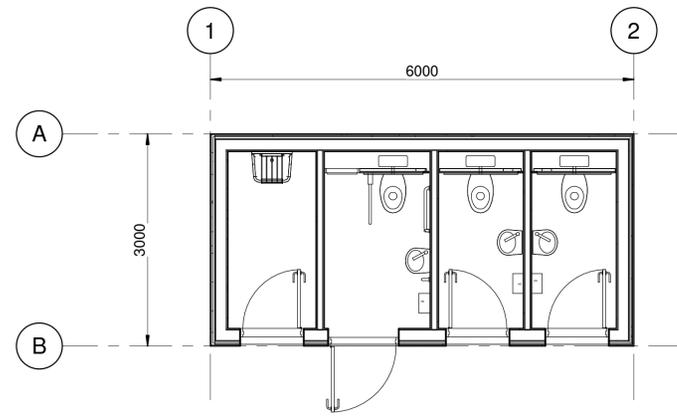
PROJECT  
Barton Point

TITLE  
Elevations

CLIENT  
Swale Borough Council

Date 25/07/22	Project number 5439	
Drawn by M.P	DRWAING NUMBER 5439.102	REV
Checked by S.W		
Status Preliminary		Scale (@ A3) 1 : 50

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Notes:

Rev	Description	Date	By

PROJECT			
Sheerness Beech Front			
TITLE			
GA/ Elevations			
CLIENT			
Swale Borough Council			
DATE	PROJECT NUMBER		
25/07/22	5439		
DRAWN BY	DRAWING NUMBER	REV	
M.P	5440.101		
CHECKED BY			
S.W			
STATUS		SCALE (@ A1)	
PRELIMINARY		1 : 50	

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**Regeneration and Property Committee Forward Decisions Plan**

<b>Report title, background information and recommendation(s)</b>	<b>Date of meeting</b>	<b>Open or exempt?</b>	<b>Lead Officer and report author</b>
Masters House and 44 Trinity Road, Sheerness (Old Library) - Expressions of Interest	09.11.22	Open	Head of Service: Head of Regeneration, Economic Development and Property  Report author: Kieren Mansfield
Sheerness Modular Toilet Contract Award & Barton's Point Modular Toilet & Shower Contract Award	09.11.22	Open	Head of Service: Head of Environment and Leisure  Report author: Jay Jenkins
Barton's Point – Expressions of Interest	Jan 23	Open	Head of Service: Head of Environment and Leisure  Report author: Jay Jenkins
Central Stadium – Options Report	January 2023	Open	Head of Service: Head of Regeneration, Economic Development and Property  Report author: David Johnson

TS Hasarde -future ownership	January 2023		Head of Service: Head of Regeneration, Economic Development and Property  Report author: David Johnson
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