

Agenda

Economy and Property Committee Meeting

Date: Tuesday, 23 July 2024

Time 7.00 pm

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

Membership:

Councillors Mike Baldock, Monique Bonney (Chair), Hayden Brawn, Ann Cavanagh, Lloyd Chapman, Shelley Cheesman, Roger Clark, Simon Clark, Charles Gibson, Elliott Jayes, Peter Marchington, Sarah Stephen (Vice-Chair), Terry Thompson, Mark Tucker and Ashley Wise.

Quorum = 5

Pages

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- (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 12 March 2024 (Minute Nos. 753 – 760) and [Minutes](#) of the meeting held on 15 May 2024 (Minute Nos. 21 – 22) as correct records.

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.

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|-----|--|---------|
| 5. | Extended Membership of the Levelling Up Fund Member Working Group | 5 - 10 |
| 6. | Consultation - Disposals and Community Asset Transfer Policies | 11 - 24 |
| 7. | UK Shared Prosperity Fund (UKSPF) - Capital Allocations for Town Centres | 25 - 34 |
| 8. | Forward Decisions Plan | 35 - 36 |
| 9. | Disposal of Land at Fountain Street, Sittingbourne | 37 - 42 |
| 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 II - Sale of Freehold Fountain Street

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Issued on Monday, 15 July 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**

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Economy and Property Committee	
Meeting Date	23 rd July 2024
Report Title	Extended Membership of the Levelling Up Fund Member Working Group (LUF MWG)
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	Dean Radmore, Capital Programme Manager
Classification	Open
Recommendations	That the Economy and Property Committee support the extension of membership to the LUF Member Working Group (MWG) as set out in section 3.1, and that officers revise the group's Terms of Reference to reflect this.

1 Purpose of Report and Executive Summary

- 1.1 This report proposes an extension of membership of the LUF MWG to include Island representatives (whilst staying politically balanced) as unanimously recommended at the Shepness Area Committee on 20th Feb 2024.

2 Background

- 2.1 In January 2023, Swale's bid for £20,000,000 from the Government's Levelling Up Fund Round 2 was approved for the Sheerness Revival programme to improve health, education, leisure and employment opportunities and outcomes in Sheerness.
- 2.2 A report went to the Regeneration and Property Committee Meeting on 8th March 2023 and it was resolved that;
- The detailed governance arrangements in the Levelling Up Fund Business Case be adopted
 - That the UK Leisure Framework be used to progress the Beachfields project to RIBA (Royal Institute of British Architects) stage 4
 - That the UK Leisure Framework be used to identify and recommend a delivery contractor for the Beachfields project
 - That upon the convening of an extraordinary meeting of the committee (if necessary), the contract be awarded.
- 2.3 The governance arrangements set out in the approved business case required setting up both Internal and External Stakeholder group meetings and also forming a LUF Member Working Group (MWG) with one Councillor from each political

group that can monitor and review papers relating to outputs/outcomes, spend and delivery.

- 2.4 The LUF MWG primarily has a monitoring and reviewing function (for outputs and outcomes, spend, delivery of the projects and delivery of the Communications and Engagement Plan) apart from approval of the Communications and Engagement Plan (which has already been completed) and approval of Project Adjustment Requests (PARs) if the delivery programme changes or the agreed outputs and outcomes change. PARs may be required further on in the project lifecycles with agreement from DLUHC.
- 2.5 The LUF MWG group meetings currently take place every 3 months ahead of the monitoring report submission date to DLUHC but can be convened more readily for urgent matters (see Appendix 1 for LUF MWG terms of reference).
- 2.6 The current membership of the LUF MWG is as follows;
 - Cllr Monique Bonney (Chair) – West Downs, Swale Independents Alliance
 - Cllr Lee-Anne Moore – Sheppey East, Conservative
 - Cllr Ashley Wise – Kemsley, Labour
 - Cllr Rich Lehman – Boughton & Courtenay, Green Party
 - Cllr Hannah Perkin – Abbey, Liberal Democrats
- 2.7 At the Sheppey Area Committee on 20th Feb 2024 it was unanimously recommended that the LUF MWG membership should be increased to include representation from island members (whilst staying politically balanced).

3 Proposals

- 3.1 Options for increasing membership in line with the Area Committee's recommendation have been discussed by officers, and informally with administration and current MWG members. To best meet the objectives of increasing Island representation and maintaining political balance, it is proposed that the Economy and Property Committee support the extension of membership to the LUF Member Working Group (MWG) - to include a second representative who represents an Island ward from both the Swale Independents Alliance and the Labour Group (to be nominated by the group leads) - and that officers revise the group's Terms of Reference to reflect this.

4 Alternative Options

- 4.1 That the LUF MWG membership stays with its current membership with one member from each political party on the group. This is not recommended because it does not align with the Area Committee's recommendation.
- 4.2 That the LUF MWG membership is expanded in an alternative form.

5 Consultation Undertaken or Proposed

5.1 The existing LUF MWG members and the Chair have been consulted and are positive to the expansion of the group.

6 Implications

Issue	Implications
Corporate Plan	Effective governance arrangements support Priority 5 of the Corporate Plan 2023 – 2027 – Running the Council . This in turn will promote effective LUF delivery and respond to Priority 3 – Economy, Using the Levelling Up Fund as a catalyst for further regeneration on the Isle of Sheppey.
Financial, Resource and Property	None
Legal, Statutory and Procurement	The current governance arrangements form part of the project business case.
Crime and Disorder	None
Environment and Climate/Ecological Emergency	None
Health and Wellbeing	None
Safeguarding of Children, Young People and Vulnerable Adults	None
Risk Management and Health and Safety	None
Equality and Diversity	None
Privacy and Data Protection	None

Appendices

Appendix 1 – LUF Member Working Group – Terms of Reference

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Appendix 1

TERMS OF REFERENCE:	Levelling-Up Fund Member Working Group
CHAIRPERSON	Chair – Chair of the Regeneration and Property Committee
MEMBERSHIP:	One representative from each political group. Substitutes can be nominated as required.
PURPOSE AND OPERATION OF THE WORKING GROUP	<p>The Member Working Group will meet and/or review papers to:</p> <ul style="list-style-type: none"> • support the Head of Regeneration, Economic Development and Property in monitoring progress of: <ul style="list-style-type: none"> • agreed output and outcome indicators (as set out in the Memorandum of Understanding with DLUHC) • spend against profile • delivery against schedule • approve the programme Communications and Engagement Plan • review progress against the agreed Communications and Engagement Plan • approve project adjustment requests which are considered to constitute a material change, and for which central government approval is required <p>The Member Working Group will be asked to review the proposed course of action as required, either via email correspondence or a meeting.</p> <p>Meetings will take place at least six-monthly basis, in line with the 'substantive' reporting timetable (to be provided by Government).</p> <p>It is anticipated that the Member Working Group will meet quarterly for the first year.</p>
CONDUCT OF MEETING:	<ul style="list-style-type: none"> • Papers will be circulated at least three days prior to a decision deadline and/or meeting wherever possible. • Notes of any meetings will be circulated within two weeks of the meeting. • Officers or Members named for actions in the notes will update the group on progress against these tasks. • Should any Member of the working group have a pecuniary or non-pecuniary interest in any part of the discussion, this will be declared and they will not participate in that part of the meeting. • Where decisions and/or recommendations are to be made, the group will seek to achieve this by consensus or by a clear majority view. Where no clear majority view is reached the mix of views will be considered by the Head of Regeneration, Economic Development and Property and the Chair, and a course of action determined.

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Economy and Property Committee	
Meeting Date	23 rd July 2024
Report Title	Consultation – Disposals and Community Asset Transfer Policies
SMT Lead	Emma Wiggins, Director of Regeneration & Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	Kieren Mansfield, Strategic Programmes and Assets Manager
Classification	Open
Recommendations	1. To approve the consultation document at Appendix I for publication and circulation to local organisations, inviting responses over an 8-week period.

1. Executive Summary

- 1.1 On adopting the Property Asset Strategy on 14th November 2023, the Regeneration and Property Committee also approved a set of principles as a basis to consult on new Disposal and Community Asset Transfer (CAT) policies.
- 1.2 The attached document at Appendix I is a draft document, intended to form the basis of this consultation with the local community, Parish and Town Councils and local organisations.

2. Background

- 2.1 The Council has fairly 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.
- 2.2 The future Disposals Policy should reflect the aims of the recently adopted Property Asset Strategy, in respect of continual asset review, rationalisation and streamlining of the property portfolio. The financial viability of the Council's assets should also guide disposal decisions, alongside a wider set of considerations that are included in the principles set out in the consultation document at Appendix I.
- 2.3 The Council's new Corporate Plan 2024-2027 identifies a priority to "work in partnership with the local towns and parishes and voluntary sector on our community assets." Community Asset Transfers form part of the toolkit available to the Council to dispose of property assets (usually at less than market value), as a means to empower communities and promoting local stewardship.

- 2.4 The use of a CAT applies to Council assets where community activities are the primary purpose of the asset, e.g. community halls and allotments
- 2.5 The consultation document has been produced to place a particular focus on CATs in part to try and aid understanding, as well as to seek community and partner views to inform the drafting of new Disposals and CAT policies. The drafts of the new policies would return to the Economy and Property Committee, to be considered for adoption.
- 2.6 As part of this consultation it is the intention to provide public access to a map of the Borough that identifies the Council's ownership of land and buildings, via the website. This will allow local organisations to identify assets which may be of interest to them and help make the consultation more tangible.

3. Proposal

- 3.1 To approve the consultation document at Appendix I for consideration by the Economy and Property Committee, prior to publication and circulation to local organisations, inviting responses over an 8-week period.

4. Alternative Options

- 4.1 The Council draft and consider adoption of new Disposals and CAT policies without community consultation. This is not recommended as input from community and partner organisations could provide valuable insights that help shape the new policies and which in turn may be better understood and have greater buy-in from external organisations.
- 4.2 It is the intention that this consultation process would not of itself delay disposals or Community Asset Transfers underway or where organisations have an existing interest, which would be subject to existing policies. However, the principles that are set out could be reflected in the approach adopted in progressing such.
- 4.3 Do not update the policies. This is not recommended as the existing policies are relatively dated and the context has changed. The consultation provides an opportunity to update and refresh, in light of this and the views received.

5. Consultation Undertaken

- 5.1 The report proposes publication and wide consultation with local and partner organisations. Assuming the approval of the Economy and Property Committee, this could commence immediately, with an 8 week period concluding tin mid-September. Responses would be collated and the draft policies reviewed in light of comments received, with a view to seeking adoption of the policies at the January meeting of the Economy and Property Committee.

6 Implications

Issue	Implications
Corporate Plan	The Council's consultation draft of its new Corporate Plan 2024-2027 identifies a priority under the Community section to "work in partnership with the local towns and parishes and voluntary sector on our community assets." New policies for Disposals and CATs will support this and the wider delivery of the Property Asset Strategy, which is identified as a priority under the Economy heading
Financial, Resource and Property	None identified directly arising from this report. Future disposals and CATs could have significant financial implications for the Council, which will need to be considered on a case-by-case basis. The basis for such considerations is set out in the draft principles against which the consultation is being conducted. Undertaking disposals, requires a significant degree of officer input and can take time. Staff resources and other work priorities will limit the number of disposals that can take place within a given period.
Legal, Statutory and Procurement	Other than acknowledging the Council's statutory obligations in respect of the disposal of Property Assets, none are identified at this stage.
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	None identified at this stage
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 directly arising from this report. Future disposals and CATs could have significant implications for the Council, which will need to be considered on a case-by-case basis. The basis for such considerations are set out in the draft principles against which the consultation is being conducted.
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: Draft Consultation document for Disposals and Community Asset Transfer Policies

8 Background Papers

8.1 1 4th November 2023, Property Asset Strategy Report to Regeneration and Property Committee.

8.2 Swale Borough Council - Community Asset Transfer Policy, 2014
Microsoft Word - CAT policy - Nov 2014 revision v5 (FINAL).docx
(swale.gov.uk)

Disposals and Community Asset Transfer (CAT) Policies

CONSULTATION

INTRODUCTION

Having adopted a new Property Asset Strategy in November 2023, Swale Borough Council is looking to update its policies for the disposal of property assets and in particular Community Asset Transfers (CATs). This consultation is seeking views from local and partner organisations and presents a set of draft principles which will guide the content of the new policies.

As the principle focus of the consultation, the principles specific to CATs are in the main body of this document. The wider principles for the Council's disposals policy are set out at Appendix I.

Both sets of principles are currently in draft form for consultation and the Council very much welcomes comments and views on the contents of this document.

Please help to inform the final document by completing the consultation questions at appendix II or online at [\[INSERT LINK\]](#) by 19 September 2024.

If you would like a paper copy of the consultation questions, please contact us at property@swale.gov.uk or call 01795 417398. Paper copies should be returned to the Strategic Programmes and Asset Management Team, Swale Borough Council, Swale House, East Street, Kent, ME10 3HT.

To provide further context, a map of Council owned property has been published on the [Council's website](#), which is available to review. The map can be found by clicking on the 'Land' option on the left side of the page and then selecting 'Land Ownership'.

BACKGROUND

The Council has fairly wide discretion to dispose of its assets, including land or buildings. When disposing of assets, the Council is subject to statutory requirements, 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 a disposal.

This duty is subject to certain exceptions that are set out in the General Disposal Consent (England) 2003. Within financial limits, this gave Councils wider powers to dispose of land and property at less than Market Value where it could be demonstrated that they promoted the economic, social and environmental well-being of the area.

A series of subsequent Central Government policies have also encouraged the community ownership and management of assets through a series of initiatives, including the 2007 Quirk Review, which established support that helped deliver over 1500 asset transfers and most recently the 2011 localism act, which established the Community Right to Bid.

The aims of these policies have been to:

- sustain viability and improve service provision;
- deliver sustainable solutions that are accepted, agreed, ‘owned’ and driven by the local community;
- increase the number of local people helping to run or own local services or assets;
- realise wider community benefits such as increased levels of volunteering, social capital and civic participation; and
- improve the leverage of external funding into the local area through increased funding opportunities, encouraging economic development, and social enterprise activity.

COUNCIL PROPERTY ASSETS AND DISPOSAL

Having recently adopted a new [Property Asset Strategy](#), Swale Borough Council is updating its Disposals and Community Asset Transfers policies. This will set out the basis on which the Council will identify property assets that are surplus and the overarching principles that will guide the Council when disposing of its property assets.

A draft set of principles can be found at Appendix I, against which we invite comments and views to inform the drafting of a new policy for adoption.

One of the options available to local authorities for disposal of property assets, is through a Community Asset Transfer (CAT). The Council views CAT’s positively as part of its long-term support for engagement and partnership with the voluntary and community sector and therefore also wishes to consult on a new CAT specific policy.

COMMUNITY ASSET TRANSFERS

A CAT is defined as ‘where the Council transfers land or buildings into the ownership or management of a Voluntary and Community Sector (VCS) organisation or statutory body’.

The use of a CAT applies to Council assets where community activities are the primary purpose of the asset, e.g. community halls and allotments. This is usually at less than Market Value, as a means to further local social, economic and / or environmental objectives.

CAT is a voluntary process entered into proactively by public bodies. They can provide significant benefits to both local councils and community groups by empowering communities and promoting local stewardship. Swale Borough Council is keen to embrace the opportunities it presents. The Councils consultation draft of its new Corporate Plan 2024-2027 identified a priority to “work in partnership with the local towns and parishes and voluntary sector on our community assets.”

The Process

Although a number of steps are involved in a Community Asset Transfer, there are three key stages for those groups who are interested: -

- Stage 1 - Expression of Interest.
- Stage 2 - Full Application and Business Case
- Stage 3 –Heads of Terms for the transfer and basis for a Joint Working Agreement.

The CAT process may be started by either the Council advertising an opportunity or by an individual/organisation making an unsolicited request to take on management responsibility for an asset.

It should be understood that the process of implementing a successful transfer can take time and requires resources from both the Council and the organisation seeking to secure the property asset, as well as specific legal input on both sides.

The Principles for a new CAT Policy

The Council's Economy and Property Committee has agreed the following principles to underpin a new CAT policy.

1. **Risk Management:** The Council will identify potential risks associated with a CAT and develop a risk management strategy. This could include financial risks, the risk of asset mismanagement, and the risk of community conflict. A comprehensive risk management strategy will help to mitigate these risks and ensure the long-term sustainability of the asset transfer.
2. **Community Engagement:** The Council will engage the wider community in the decision-making process for asset transfers. This can help to ensure local buy-in and support and may also open up additional sources of support and funding or alternative transferees.
3. **Clear Communication:** The Council will be transparent about the nature of the transfer and its potential implications. It will ensure community groups understand that they are receiving a valuable asset that can equate to a subsidy and what their responsibilities will be, particularly regarding property maintenance and repairs. This can prevent misunderstandings and poor asset maintenance and / or governance down the line.
4. **Long-term Financial Planning:** Community groups will be required to develop robust long-term financial plans that account for ongoing maintenance and repair costs. This might involve setting up a sinking fund for future repairs or seeking external funding sources.

5. **Legal and Contractual Clarity:** The Council will ensure that the legal agreements surrounding the asset transfer are clear and understood by those involved.
6. **Regular Monitoring and Evaluation:** There will be a need to implement a monitoring and evaluation system to track the performance and impact of the transferred assets. This will allow the Council to understand progress against plans submitted in support of the CAT and whether action is being taken to address any issues arising. . This will also prepare the Council should it become clear that the asset is likely to fall into disrepair or be mismanaged.
7. **Exit Strategy:** Every transfer should have a defined and agreed plan in place for what happens if the community group is no longer able to or have failed in managing the asset. This might involve transferring the asset to another group, selling it, or returning it to council control.

Swale Borough Council's approach to Community Asset Transfer

The Council will seek to implement a new CAT policy through targeted awareness raising, outreach and support to encourage town and parish councils or Voluntary and Community Sector (VCS) organisations.

Transfers will only take place to a statutory body (such as a town or parish council) or properly constituted group (for example, but not limited to, a Trust, Charity, Community Interest Company or Charitable Incorporated Organisation)

Any organisation must be able to demonstrate that it has the skills and experience to run the asset and a fully worked up, credible Business Plan for the asset in question. A CAT will not proceed if an organisation cannot adequately address this.

Where a business case is unsustainable, or progress towards a business case is not within appropriate timeframes, officers will make recommendations based on property, strategic and financial considerations. This would maintain the focus on minimising risk and maintaining the long-term viability of the Council's assets, which is key to supporting the wider delivery of services.

The Council will endeavour to work to an agreed and achievable timescale for CAT completions. All CATs will be discussed by Swale Borough Council's Officer Property Review Group which will make recommendations to either Economy and Property Committee or to officers where values fall within the limits of delegated authority. There will also be consultation with local ward members, appropriate Council officers and other organisations as deemed to be required.

Support for organisations

To pro-actively pursue CATs support and training for community groups may be needed to ensure they can build and present a sustainable business model and manage and maintain the assets effectively. Whilst no existing Council resource is currently available to support this, some external funding or advice may be available,

depending on the nature of both the asset and any plans a group is seeking to bring forward for it.

Principles for Disposal

Swale Borough Council's disposal policy will reflect the aims of the Property and Asset Strategy; continual asset review, rationalisation and streamlining of the Council's property portfolio. It is key that the Council continually assesses the financial viability of its assets to guide disposal decisions, but also takes account of the wider set of considerations. The continual review of the Council's Assets ensures the efficient and effective management of the Council's property portfolio, maximising value for money, contributing to the Council's long-term goals, and promoting economic development.

Criteria for Disposal

The following criteria shall be considered in determining the potential disposal of an asset:

Financial Viability

The financial viability of retaining or disposing of an asset will be assessed. This includes a thorough evaluation of the ongoing maintenance and whole life costs, potential income generation, the projected market value of the asset and whether this can be enhanced in advance of any disposal.

Long-term Council Goals

The alignment of the asset with the Council's strategic goals will be considered. These goals may include service delivery objectives, community needs, and the Council's sustainability targets.

Community Benefit

The potential community benefit of retaining or disposing of an asset will be assessed. This could include the potential for the asset to be used for community facilities, affordable housing, or other community or operational use.

Regeneration

The potential for the asset to contribute to economic development or wider regeneration in the borough will be considered. This could include the potential for job creation, business development, and the promotion of economic growth.

Legislative Framework and Government Guidance

This policy will comply with the relevant UK legislation and Government guidance, including but not limited to:

- The Local Government Act 1972: which gives local authorities the general power to dispose of land held by them in any manner they wish.
- The Localism Act 2011: which introduced the "General Power of Competence" providing local authorities with greater freedom to act in the best interests of their local communities.

- The Ministry of Housing, Communities & Local Government's (MHCLG) Non-Statutory Guidance on Disposal of Land by Local Authorities (February 2020): which provides guidance on achieving best consideration for the disposal of assets.

The Council's Property Asset Disposal Policy will ensure that decisions regarding the disposal of Council-owned assets are made in a transparent and accountable way, maximising the financial, social and economic benefits for the borough and its residents.

Surplus Properties

An asset shall be deemed to be surplus to the Council's requirements if one or more of the following apply:

- (a) It makes no contribution to the delivery of the Council's services,
- (b) It has no viable potential with regard to the delivery of the Council's Corporate Plan
- (c) An alternative and more cost effective service delivery site has been identified.

A site is deemed to be under-used if:

- (a) The income it generates is below that which could be achieved from one or more of:
 - (i) An alternative use
 - (ii) Disposing of the site and investing the income
 - (iii) Intensifying the existing use, mindful of the viability of doing so
- (b) A significant part of the site is vacant and is likely to remain so for the foreseeable future and has no potential with regard to the delivery of the Council's Priorities.
- (c) The cost of retaining the asset outweighs its likely income generation

Appendix II: Consultation Questions

1. Do you think the principles and approach to Disposals and Community Asset Transfers set out is correct?
2. Are there any changes or additional considerations you believe the Council should take into account?
3. Are there any specific Council assets you would wish to identify that should be considered for Community Asset Transfer? {please refer to the published map of Council-owned property assets)
4. Do you see any immediate barriers to local organisations successfully entering into a Community Asset Transfer?
5. Do you have any other comments you would like to make in respect of Council Property Asset Disposals or Community Asset Transfers?
6. If you are responding on behalf of an organisation, please indicate below. Please note that your organisation name will be associated with your responses.
7. Where are you based?

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Economy and Property Committee	
Meeting Date	23rd July 2024
Report Title	UK Shared Prosperity Fund (UKSPF) – Capital Allocations for Town Centres
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	Kieren Mansfield, Strategic Programmes and Assets Manager
Key Decision	No
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. That the UKSPF town centre capital allocations are used to support the delivery of the projects identified at Appendix I. 2. That the Head of Place is given delegated authority to make changes if required, in consultation with the Prosperity Fund Member Working Group, in line with delegation 2.8.19.3. <i>To implement key regeneration projects across the Borough.</i>

1 Purpose of Report and Executive Summary

- 1.1 The Regeneration and Property Committee (as was), agreed the outline programme of projects to be supported through the use of government funding allocations for Swale, via the UK Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund (REPF) in January 2023.
- 1.2 Delegated authority is in place to deliver the programme and make changes in consultation with the Member Working Group established. However, choices regarding the use of £130,000 of the Town Centre Capital funding within the programme require a further committee decision.
- 1.3 This report sets out the background and recommendations for the use of the funding.

2 Background

- 2.1 The UK Shared Prosperity Fund (UKSPF) is a £2.6bn government fund covering financial years 2022/23 to 2024/25 and is the replacement for European Structural and Investment Funds. Government also launched the £110 million Rural England Prosperity Fund (REPF), as a top-up to UKSPF allocations for Councils with significant rural areas. Swale received funding allocations from both funds of £1,169,496 and £502,995 respectively.
- 2.2 To access these funding allocations, the Council was required to submit a Local Investment Plan (LIP), which outlined the intended use of the funding against government set intervention areas, with prescribed outputs and outcomes.

- 2.3 The content of the LIP was developed with input from a Member Working Group and local partners, submitted and subsequently approved by Government in December 2022. In January 2023, the Regeneration and Property Committee (as was), considered a paper which set out a more detailed outline programme of activity to be funded, with the (now) Head of Place having delegated authority to deliver the programme and make changes in consultation with the all-party Prosperity Fund Member Working Group.
- 2.4 Within this, capital funds were identified in relation to each of the Borough's Town Centres. The sums set aside for each of the town centres (see Appendix I), reflected a programme wide approach which sought to reflect the relative populations and levels of deprivation for different parts of the Borough. Whilst not reflected at Appendix I, overall a greater sum was set aside for Sheerness, with the inclusion of additional capital sums for securing and display of the Montgomery Masts (£20,000) and a match funding contribution to the Sheerness Revival scheme (£85,000).
- 2.5 Whilst options were presented for the use of £130,000 capital funding for Town Centres allocated in 2024/25 funding year, a further committee decision is now required.
- 2.6 Available officer time has impacted on the deliverability of some of the project options that were originally identified in the programme. Consequently, the Prosperity Fund Member Working Group has considered how the available funding might be used, taking into account the absolute requirement to deliver by March 2025 and the need to meet a minimum capital spend within the current financial year.
- 2.7 The preferred projects of the Prosperity Fund Member Working Group are set out in Appendix I, against the allocated budgets and the original proposed options for the use of the funding, as at January 2023.
- 2.8 Within prescribed limits, the Council has the discretion to make changes to the UKSPF programme, with resultant changes to the outputs and outcomes involved. The proposed re-purposing of the £130,000 capital allocation would not constitute a material change and would not require authorisation from DLUHC. The rules around capital funding mean that the funds must still be used to support capital investment.

3 Proposals

- 3.1 That the UKSPF town centre capital allocations are used to support the delivery of the preferred projects identified at Appendix I.
- 3.2 The ability to deliver by March 2025 has been an important factor in determining the preferred projects. However, there will still be challenges to ensuring delivery within the time and budget available with a potential need to adapt swiftly should project delivery become more uncertain.
- 3.3 Therefore it is recommended that the Head of Place is given delegated authority to make changes if required, in consultation with the Prosperity Fund

Member Working Group in line with delegation 2.8.19.3. *To implement key regeneration projects across the Borough*

4 Alternative Options

4.1 Appendix I sets out the options that were originally considered for the use of the funding and the issues impacting on their delivery.

4.2 The Member Working Group considered a range of potential alternative options, in part informed by the types of capital projects that other Kent Authorities were seeking to deliver in town and city settings. These included the following:-

- **capital investments to support local markets**, largely through the provision of new, branded gazebos. Relatively inexpensive but would need to be after or alongside the re-tendering of the markets. Therefore, this would be subject to the chosen operator’s co-operation and towards the very end of the programme, leaving uncertainty about spend by March 2025.
- **Shop improvement and shop front grant schemes**. There have been reservations about grant support to improve High Street premises, subsidising landlords and/or tenants' own responsibilities.
- **Capital improvements to parks and open spaces** in and around the City/Town Centres. Some opportunities for this were identified and Periwinkle Mill and Trinity Gardens were both supported as options by the Member Working Group
- **Town Centre buildings/workspace** – divert some funding to support the enablement of the Council’s property assets within the Town Centres to provide more useable and beneficial space, with the potential to bring footfall to the towns. Whilst such projects could also bring longer-term revenue funding benefits to the Council they present challenges in delivering by March 2025. Some feasibility work at ‘the Old Library’ in Sheerness was supported, if funds allowed.

5 Consultation Undertaken or Proposed Considered and Rejected

5.1 A review of the capital spend of other authorities in Kent within town centres was undertaken to inform the Prosperity Fund Member Working Group’s discussions.

6 Implications

Issue	Implications
Corporate Plan	Under the Economy priority the Corporate Plan identifies delivery of economic development through the UK Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund (REPF) as a priority action.
Financial, Resource and Property	The projects would need to be funded from the UK Shared Prosperity Funding allocation for 2024/25 and any other previously identified funding from either other external funding sources or through existing project allocations. Significant officer

	time would be required to deliver capital projects directly and this would have to be managed within existing staff resources. Some external support may be required but would need to be contained within the overall budget envelope.
Legal, Statutory and Procurement	All activity identified within the Local Investment Plan is non-statutory. It will be necessary to undertake procurements to deliver the agreed projects. Direct commissions by Swale Borough Council will need to comply with Contract Standing Orders and are anticipated to be of a value that falls within officer delegations.
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	None identified at this stage
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 primary risks are associated with ensuring statutory compliance (such as planning), the management of budgets, outputs and outcomes and completing expenditure by the end of March 2025. The Council is required to report quarterly to Government on progress, with more detailed monitoring reports on spend, outputs and outcomes to government every 6 months. Monitoring and project management will identify the need to accelerate or make makes changes within the projects. Delegated authority to the Head of Place to make further changes to the programme would also provide an ability to respond quickly to emerging issues that could lead to the loss of funding should delivery by March 2025 become uncertain.
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: Town Centre Capital schemes proposed for UKSPF investment.

8 Background Papers

- UK Shared Prosperity Fund Prospectus [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](#)
- Rural England Prosperity Fund Prospectus [Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](#)
- Report to Regeneration and Property Committee, UK Shared Prosperity Fund, January 2023

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Appendix I - Town Centre Capital Schemes proposed for UKSPF Investment

The table below sets out the allocations in place for each of the respective towns, the proposed use of this in the Local Investment Plan as submitted in 2022 and the preferred way forward, discussed at the Prosperity Funds Member Working Group on 29th May 2024.

Town	Funding Allocation	Original options proposed at programme inception	Current position	Preferred project to take forward
Faversham	£50,000	ANPR system to support pedestrianisation or phase 2 of the wayfinding project	<p>Option to fund proposed introduction of ANPR to help enforce pedestrianisation has encountered technical issues, which could delay its effective introduction.</p> <p>The alternative is phase 2 of the wayfinding scheme. Design work has already been completed so funds can focus on delivery. This can be re-costed and if a relatively small additional financial contribution is required there is the possibility of topping up via the UKSPF Community Infrastructure grants or the excess secured from the Council's own resources via the limited remains of the High Street Reserve.</p>	<p>Delivery of phase 2 of the wayfinding scheme Second phase of new wayfinding signage, with first phase already completed. Investment in design elements already completed. This project appears to provide a greater degree of certainty and impact, albeit some challenges in terms of timescales remains.</p>
Sittingbourne	£60,000	Greening of the High Street or additional wayfinding project, linking with heritage and leisure at Creek and Milton Regis	No significant preparatory work has been undertaken for a wayfinding project for Sittingbourne and/or Milton Regis. Some very preliminary work had been undertaken in respect of the greening of the high street, but significant further work is required, and delivery timescales are not understood.	Periwinkle Mill project was discussed and agreed as the preferred option. A longstanding project for the Sittingbourne Society, seeking improvements to the old watermill at the corner of Church Street and Periwinkle Close. This has been identified as a Priority intervention in the Swale Heritage Strategy, to increase the

			<p>Staff time to deliver either project will be limited and costs could be increased by the need to make use of outside support.</p> <p>Budget would be significantly beneath that required, with both projects requiring potentially expensive design input as well as significant capital expenditure. Taking either project forward within the available timescale would likely not be possible.</p>	<p>heritage and amenity value of the feature, and place it on a sounder footing for its long-term conservation and management</p> <p>This site sits close to and between the town centres of Sittingbourne and Milton Regis, as a linking point of heritage interest and for which preliminary work has already been undertaken.</p> <p>Supporting funding is available via the Sittingbourne Society. The full funding allocation may not be needed but to be established.</p>
Isle of Sheppey	£20,000	Wayfinding investment in Sheerness or Queenborough	<p>No significant preparatory work has been undertaken for a wayfinding project for Sheerness or Queenborough. Staff time to deliver the project will be limited and costs could be increased by the need to make use of outside support. The available budget leaves extremely limited scope for delivery, without further funding</p>	<p>Improvements to Trinity Road Gardens This emerged from member discussion as the preferred option as it would build on the refurbishment of Masters House and efforts to reduce anti-social behaviour in the area through the use of Safer Streets funding.</p> <p>Subject to sufficient funding available, The 'Old Library' at 44 Trinity Road Sheerness is currently unoccupied and has been subject to damage from vandalism. Whilst there is no prospect of making the extensive improvements required to 44 Trinity Road in the life of this programme, some further feasibility work would help establish what would be possible and at what cost, with a view to informing any future funding bids.</p>

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Economy and Property Committee Forward Decisions Plan – July 2024

Report title, background information and recommendation(s)	Date of meeting	Open or exempt	Lead Officer and report author
Beach Hut Tender	9 October 2024	Open	Head of Service: Martyn Cassell Report Author: Jay Jenkins
Property Scheme of Delegation – Review	9 October 2024	Open	Head of Service: Joanne Johnson Report Author: Joanne Johnson
Sheerness Revival – Masters House contract award	9 October 2024	Open	Head of Service: Joanne Johnson Report Author: Dean Radmore
Sheerness Revival - Beachfields contract award	9 October 2024	Open	Head of Service: Joanne Johnson Report Author: Dean Radmore
Property Disposals Policy and Community Asset Transfer Policy – policy approval	30 January 2025	Open	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Great East Hall - Community Shop Update	30 January 2025	Open	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Great East Hall - disposal of wider land	30 January 2025	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Old Library, 44 Trinity Road – next steps	30 January 2025	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Land rear of Guidhall, Queenborough - disposal	30 January 2025	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Bourne Place / Princes Street – contract award	30 January 2025	Open	Head of Service: Joanne Johnson Report Author: Kieren Mansfield
Markets Operation - contract award	30 January 2025	Part Exempt	Head of Service: Joanne Johnson Report Author: Kieren Mansfield

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Economy and Property Committee	
Meeting Date	23 rd July 2024
Report Title	Disposal of Land at Fountain Street, Sittingbourne
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	David Johnson MRICS Interim Property Advisor
Key Decision	No
Classification	Part Restricted
Recommendations	<ol style="list-style-type: none"> 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. 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.

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 m² 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:

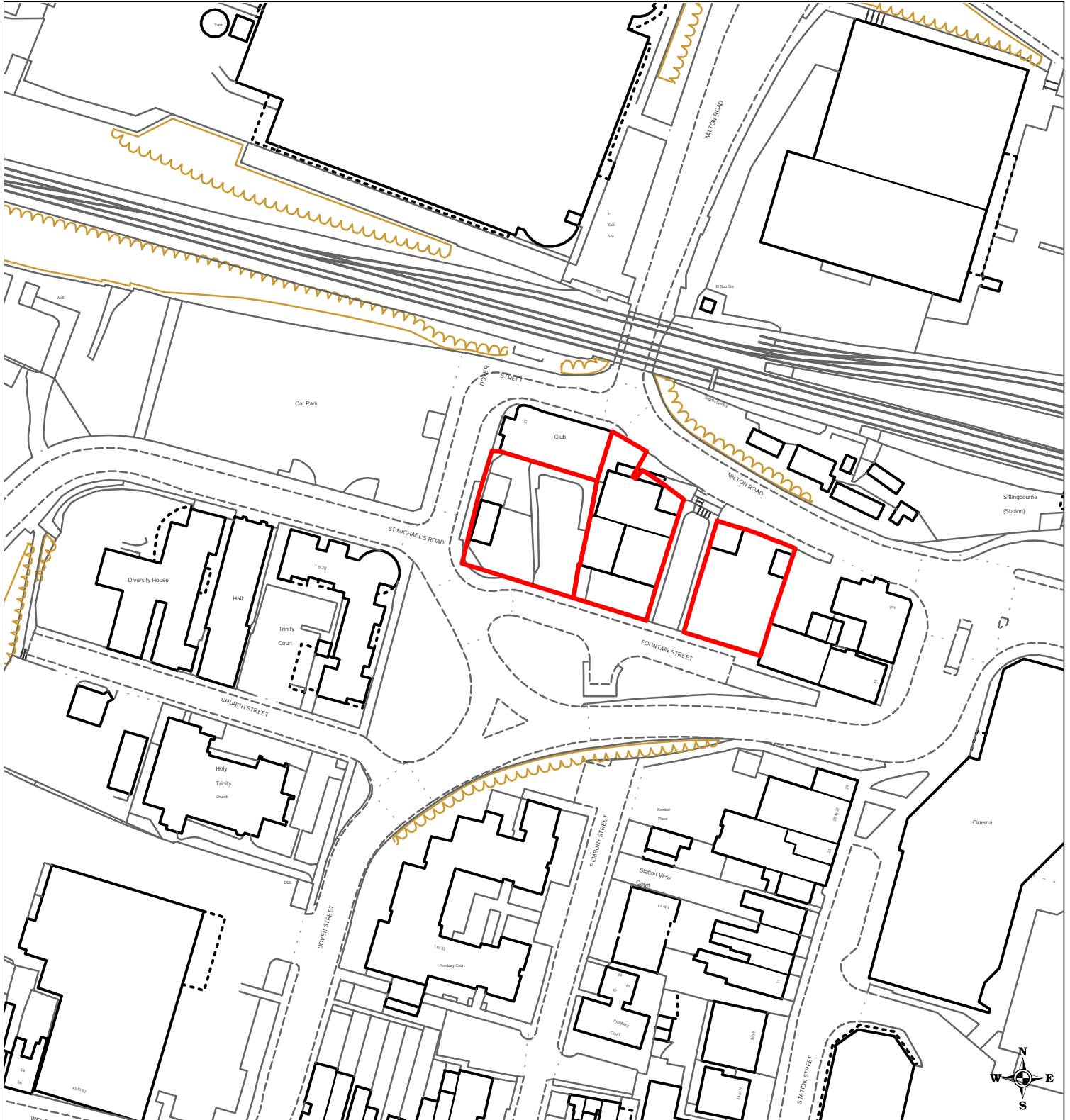
- Appendix I: Plan
- Appendix II: Exempt Item

8 Background Papers

None

THE SWALE BOROUGH COUNCIL

**Address: Fountain Street Annexe
Fountain Street
Sittingbourne**



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