

Economy and Property Committee	
Meeting Date	8 th July 2025
Report Title	34 High Street, Sittingbourne - Disposal
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	David Johnson, Property Consultant
Classification	Part Exempt
Recommendations	<ol style="list-style-type: none"> 1. That the Council in its role as shareholder in Opportunities for Sittingbourne Limited agree with its partner U+I Ltd to dispose the freehold interest in 34 High Street, Sittingbourne. 2. That the property be declared surplus and placed on the open market to affect a freehold disposal. 3. That authority is delegated to the Head of Place, in consultation with the Head of Mid Kent Legal Services, to negotiate a freehold sale of the property and implement any subsequent winding up of Opportunities for Sittingbourne Limited and to complete the necessary legal formalities. 4. That Policy and Resources Committee endorse the winding up of Opportunities for Sittingbourne Limited on a successful disposal of 34 High Street,

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 that the Council in its role as shareholder in Opportunities for Sittingbourne Limited agree with its partner U+I Ltd to dispose the freehold interest in 34 High Street, Sittingbourne.
- 1.2. The property was purchased by Opportunities for Sittingbourne Limited, which is a partnership between Swale Borough Council (the Council) and U+I Ltd, in 2015 for £220,000. Both the Council and its partner U+I Limited loaned Opportunities for Sittingbourne Limited £118,000 to enable this transaction, costs associated to it and company administration costs.

2 Background

- 2.1 34 High Street, Sittingbourne comprises an end of terrace building, the original structure being of two storeys with part of the first floor sitting over an undercroft, which provides access to the rear. To the rear is a two storey and also a single storey extension. The front elevation includes a double, timber framed shop front with a recessed door and with signage over.
- 2.2 Internally the ground floor retail area is mostly open plan with office space kitchen and toilet. The first floor provides for 4 offices and concrete steps from the ground floor lead down to the basement used for storage. At the back of the building is a tarmac yard which is accessed via the undercroft, and which provides parking for six to seven cars.
- 2.3 Having a frontage of approximately 8.00m the total area of the site extends to approximately 0.027 hectare (0.067 acre) with the net internal space measuring approximately 170sq m (1829.9 sq ft).
- 2.4 The property has most recently been used for community, engagement and exhibition space within planning use class F1. However, the property has also been used for retail and has a shop front which falls within planning use class E.
- 2.5 When purchased, the intention was for the building to act as a focal point and incubator space to encourage arts, cultural, creative or digital enrichment of the town centre. It has been let to organisations reflecting this. Most recently Swale Media Arts Centre (CIC) had a five-year lease on the property from 1st June 2021 at a concessionary annual rent of £6000. The tenant served notice to terminate their lease on 11th February 2025 and vacated the premises on 4th April 2025. The property remains vacant.
- 2.6 While vacant, Opportunities for Sittingbourne Limited is liable for the Non-Domestic Rates from July 2025, with an annual liability of approximately £10,725.
- 2.7 U+I Limited is now Landsec U+I (having been acquired) and as the Council's partner in Opportunities for Sittingbourne Limited it has expressed its desire to dispose of the freehold interest in the property. The Council is bound by a shareholder agreement relating to Opportunities for Sittingbourne Limited which enables either shareholder to force the winding up of the company should an agreement on any matter not be achievable.
- 2.8 Restricted Item, Appendix 2
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- 2.10 Should a freehold disposal of the property be concluded, the Council, as 50% shareholders of Opportunities for Sittingbourne Limited, would benefit from 50% of the capital receipt minus any expenses or losses that the company has made. It should be noted that this valuation would need to be tested in the

open market. This has recently seen pressure on capital values and there is always a risk that the achievable price may prove to be less than the above valuation. Such a freehold disposal of the property would also likely lead to the winding up of Opportunities for Sittingbourne as a company.

3 Proposal

- 3.1 That the Council in its role as shareholder in Opportunities for Sittingbourne Limited agree with its partner U+I Ltd to dispose the freehold interest in 34 High Street, Sittingbourne.
- 3.2 That the property be declared surplus and placed on the open market to affect a freehold disposal.
- 3.3 That authority is delegated to the Head of Place, in consultation with the Head of Mid Kent Legal Services, negotiate a freehold sale of the property and implement any subsequent winding up of Opportunities for Sittingbourne Limited and to complete the necessary legal formalities.
- 3.4 That the Policy and Resources Committee endorse the winding up of Opportunities for Sittingbourne Limited on a successful disposal of 34 High Street.

4 Alternative Options

- 4.1 Should the Council decide to refuse U+I Limited's request to dispose of the property, Swale Borough Council would risk being forced to wind up the company via the shareholder agreement. In this instance the assets of the company, including the property would need to be disposed of in any event.
- 4.2 The council could decide to offer to purchase the property from Opportunities for Sittingbourne Limited which would be at a capital cost based on the figure included in 2.9 of this report. The Council would then take the property into its property portfolio and would be liable for the ongoing maintenance and non-domestic rates liability, currently £10,725 pa, whilst vacant.
- 4.3 In this scenario there may be the opportunity to lease the property on the open market and benefit from a rental income moving forward. It should be noted that due to the age and condition of the property it is likely that any incoming tenant would resist a full repairing and insuring lease, and the maintenance liability could remain with the Council. This is not recommended as the council would need to find the capital sum to buy the 50% share which is currently not identified in the budget framework. The property would also come with the attendant risks and ongoing costs associated with acquiring the property, especially whilst not let.

5 Consultation Undertaken or Proposed Considered and Rejected

- 5.1 There have been no external consultations on this proposal. The Ward Councillor for Chalkwell has been consulted, as per the Councils Disposal Policy, and has raised no issues.

6 Implications

Issue	Implications
Corporate Plan	Disposal of the site on the open market would facilitate the repayment of the loan made to Opportunities for Sittingbourne Limited along with a potential additional capital receipt that would support the Council's wider financial position.
Financial, Resource and Property	If the Council agrees to dispose of the property on the open market this would lead to a repayment towards its initial £118,000 loan made to Opportunities for Sittingbourne Limited. There may be an additional sum, subject to the sale price achieved and costs associated with Opportunities for Sittingbourne Limited.
Legal, Statutory and Procurement	Legal instruction from Opportunities for Sittingbourne Limited will be required to draft relevant contracts, supported by Property Services. Any proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972.
Crime and Disorder	The property remaining vacant and unused will possibly be a target for antisocial behaviour and criminal damage.
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 Proposal reduces the Council's risk in terms of holding a vacant property.
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: Plans
- Appendix 2 Exempt Items

8 Background Papers

None