

PROPERTY SUB-COMMITTEE

Thursday, 11th July, 2013

10.00 am

**Wantsum Room, Sessions House, County Hall,
Maidstone**





AGENDA

PROPERTY SUB-COMMITTEE

Thursday, 11 July 2013, at 10.00 am
Wantsum Room, Sessions House, County
Hall, Maidstone

Ask for: **Ann Hunter**
Telephone: **01622 694703**

Tea/Coffee will be available 15 minutes before the start of the meeting

Membership (7)

- Conservative (4): Miss S J Carey, Mr A J King, MBE, Mr L B Ridings, MBE and Mrs P A V Stockell
- UKIP (1) Mr R A Latchford, OBE
- Labour (1) Mr G Cowan
- Liberal Democrat (1): Mrs T Dean

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A - Committee Business

- A1 Substitutes
- A2 Election of Chairman
- A3 Declarations of Interest by Members in Items on the Agenda
- A4 Minutes of the meeting held on 27 February 2013 (Pages 1 - 4)

B - Key or significant Cabinet Member Decision(s) for recommendation or endorsement

- B1 Swanley Library - Decision No 13/00040 (Pages 5 - 12)

Motion to exclude the press and public

That under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

C - Key or significant Cabinet Member Decision(s) for recommendation or endorsement

C1 Laleham Gap - Decision Number 13/00013/B (Pages 13 - 20)

Peter Sass
Head of Democratic Services
(01622) 694002

Wednesday, 3 July 2013

KENT COUNTY COUNCIL

PROPERTY SUB-COMMITTEE

MINUTES of a meeting of the Property Sub-Committee held in the Wantsum Room, Sessions House, County Hall, Maidstone on Wednesday, 27 February 2013.

PRESENT: Mr R W Bayford, Mrs T Dean, Mr E E C Hotson and Mr L B Ridings, MBE

ALSO PRESENT: Mr K H Pugh

IN ATTENDANCE: Ms M Wilkins (Principal Portfolio Surveyor for the East Kent Area.), Ms D Fitch (Assistant Democratic Services Manager), Mr R Jones (Surveyor) and Ms R Spore (Director of Property & Infrastructure Support)

UNRESTRICTED ITEMS

1. Election of Chairman

(Item A1)

Mr Ridings moved, Mrs Dean seconded that Mr E E C Hotson be appointed Chairman of the Sub-Committee.

Carried without a vote

2. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972 the public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

3. The disposal of the property known as Former County Library "Springfield", Maidstone, Kent - Decision No 12/02032

(Item B1)

(1) Mr Jones introduced a report on the terms for the proposed disposal of the former County Library Headquarters building in Sandling Road, Maidstone. Ms Spore and Mr Jones answered specific questions from Members about the proposed disposal.

(2) Members requested that future reports should contain comments on the proposal from any relevant Directorate. It was confirmed that in accordance with the requirement in the Constitution all future reports would also set out the comments from Local Members, or confirmed that the Local Members had been consulted but had not made any comments on the proposal.

(3) Officers noted the suggestion from Members that it would be helpful to obtain confirmation from Kent Highways that a proposal complied with the parking requirements etc before a planning application was submitted.

(4) RESOLVED that the Property Sub-Committee endorse the proposed Cabinet Member's decision to dispose of the former County Library Headquarters building in Sandling Road, Maidstone on the terms set out in the report, subject to planning permission being obtained.

(It was noted that Mr E E C Hotson was a Member of Maidstone Borough Council but did not serve on Maidstone Borough Council's Planning Committee).

4. St Thomas/St Bartholomew's - disposal - Decision Number 13/00014

(Item B2)

(1) Mr Jones introduced a report on the terms for the disposal of the former St Thomas' and St Bartholomew's Schools Sittingbourne. Ms Spore and Mr Jones answered specific questions from Members about the proposed disposal.

(2) Ms Spore undertook to provide Members with a report in due course on the general market trend in relation to the achievement of the expected property values on sites after disposal

(3) RESOLVED that the Property Sub-Committee endorse the proposed Cabinet Member decision to dispose of the former St Thomas' and St Bartholomew's (Special) Schools, Sittingbourne on the terms set out in the report.

5. Kent Academies, Batch 2 Procurement The John Wallis Academy - Decision Number 12/01901

(Item B3)

(1) Ms Spore introduced a report on approvals to progress the John Wallis project by entering into the Design and Build contract with the preferred bidder for the County Council's Batch 2 Academies Programme. Ms Spore answered specific questions from Members about the proposed contract.

(2) It was agreed that paragraph 4.1.3 in the report relating to Academy should be deleted and that Members would be sent a note of clarification.

(3) RESOLVED that Property Sub-Committee endorse the proposed Cabinet decision to:

(i) agree that the Final Business Case for the John Wallis Academy can be submitted to Education Funding Agency (EFA) and the Department for Education (DFE) for final departmental approval by the EFA, the DFE and the Treasury;

(ii) authorise the Director of Property and Infrastructure to agree final contractual terms, provided that no affordability gap occurs;

(iii) authorise the Director of Property and Infrastructure to enter into any necessary contracts/ agreements on behalf of the County Council, following approval to final contractual terms as set out in paragraph. 6.1.2 of the report in relation to the John Wallis Academy and the Future Schools Agreement;

(iv) authorise the Director of Property and Infrastructure Support to be the nominated Authority Representative within the relevant agreements and to enter into variations as envisaged under the contracts.

(Mr L B Ridings, MBE declared a non pecuniary interest in this item as a Trustee of the Canterbury Christchurch University and a Member of the Diocesan Board of Governors and took no part in the discussion or voting on this item.)

6. Redevelopment of Kingsmead School (construction of the future St John's School, Canterbury) - Decision No 12/01974

(Item B4)

(1) Ms Spore introduced a report on the redevelopment of Kingsmead School to allow progression of St John's School, Canterbury with an anticipated completion date of December 2013. Ms Spore answered specific questions from Members about the proposed disposal.

(2) It was noted that Members of the Property Sub-Committee would receive an update on progress, including any outstanding matters in three to four months time.

(3) RESOLVED that the Property Sub-Committee endorse the proposed decision by the Cabinet Member for Business Strategy Performance and Health Reform to authorise the Director of Property and Infrastructure Support in consultation with the Director of Law and Governance to enter into contract or contracts on behalf of the County Council for the new build extension and refurbishment of the existing Kingsmead School.

7. Sandwich Highways Depot - Decision No. 12/02033

(Item B5)

(1) Ms Wilkins introduced a report on the terms of the disposal of the existing Sandwich Highways Depot site and the construction of an alternative site using capital proceeds to develop a new "fit for purpose" Highway Depot. Ms Spore and Ms Wilkins answered specific questions from Members about the proposed disposal.

(2) RESOLVED that the Property Sub-Committee endorse the proposed Cabinet Member's decision to agree the terms of the sale of the site known as the Highways Depot, Ash Road, Sandwich and the subsequent procure of a replacement Depot on a site to be identified.

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From: Gary Cooke – Cabinet Member for Corporate & Democratic Services

David Cockburn, Corporate Director of Business Strategy and Support

To: Policy & Resources Property Sub Committee – 11 July 2013

Decision No: 13/00040

Subject: The taking of a lease over 20 years duration from Swanley Town Council of the whole property known as Swanley Library, London Road, Swanley, Kent to facilitate the creation of the new Swanley Gateway.

Classification: Unrestricted

Past Pathway of Paper:

Future Pathway of Paper:

Electoral Division: Swanley

Summary: This report considers the background and options for the future of Swanley Library and seeks endorsement from the Property Sub Committee to take a new long lease of the entire building.

Recommendation: The Property Sub Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to surrender the existing long lease of the ground floor of Swanley Library and take a new similar length lease of the entire building to expire in 2025, to facilitate the creation of a new Gateway with Swanley Town Council as Partners.

1. Introduction

1.1 KCC is freehold owner of the site identified by red edging on Plan 1. The site was leased to Swanley Town Council (STC) in 2004 for a term of 126 years, expiring on 31 May 2125. The building was largely constructed by STC in 1999 and KCC occupy part under a similar contemporaneous lease from STC, for use as a library. The creation of Swanley Gateway has been a long term aspiration for KCC and Swanley Town Council. Discussions have been held over a number of years and it has been agreed that the entire building will be refurbished to facilitate the creation of a new Gateway.

2. Financial Implications

2.1 Approval to plan has been given for KCC to make an investment of approximately £600,000 in order to modernise and improve the existing

fabric, subject to internal approval processes. The investment will ensure the building complies with DDA standards and increase occupation to generate income. The final costings for the Gateway project are dependent on the detailed design which is not yet finalised and partners will be required to make an appropriate contribution.

- 2.2 There will be no rent payable by KCC for the entire building for the duration of the life of the Gateway, therefore KCC will save the current £24,800 pa contribution it makes to STC under the current library lease. If the Gateway (or similar) ceases to exist and a market rent becomes payable to STC, KCC's benefits under the current lease will be preserved.
- 2.3 The taking of a long lease on favourable terms by KCC will be a significant capital asset and to mitigate any increase in revenue costs, it is intended that there will be full cost recovery from occupiers, including a contribution towards shared areas. Hiring opportunities with third parties will be pursued in order to contribute towards KCC's increased costs.

3. Bold Steps for Kent and Policy Framework

- 3.1 The Swanley Gateway project is consistent with KCC strategic policy in the following ways:
 - 3.2 Bold Steps for Kent (2010)
 - 3.2.1 Building new partnerships at the district level
 - 3.2.2 Building a new partnership with the voluntary sector
 - 3.2.3 Putting the Citizen in Control
 - 3.2.4 Organisational Design Principals
 - 3.3 Vision for Kent 2012-22
 - 3.3.1 To tackle disadvantage
 - 3.3.2 To put citizens in control
 - 3.3 Customer Services Strategy 2012
 - 3.4 New Ways of Working
 - 3.5 Customer Services Division Business Plan 2013/14
 - 3.6 Libraries, Registration and Archives Annual Operating Plan 2013/14
 - 3.7 Library & Archive Strategy 2004 to 2014 – 3.2 (ii)
 - 3.8 Future Library Service
 - 3.9 Gateway Annual Operating Plan 2013/14
 - 3.10 Family and Social Care Annual Operating Plan 2013/14

4. The Report

- 4.1 The refurbished building will provide a fully functioning fit for purpose Gateway that meets customer needs and delivers an equitable financial position to both STC and KCC. As STC is unable to provide capital funding for the Gateway project, it has agreed that the building will be its contribution and so it will grant KCC a long lease to expire on 31 May 2125, of the whole building at nil rent for the duration of the Gateway Project. This will give KCC greater control over the management of the building. The proposed Heads of Terms are as outlined in Appendix 1.
- 4.2 The status quo is not considered to be a realistic option as the building does not currently meet customer needs; it is not managed to its full potential and this cannot be sustained financially. If the Gateway project does not go ahead STC are likely to be looking for another long term solution as they have indicated that the status quo cannot be maintained.
- 4.3 The option of creating a first floor extension for occupation by West Kent Housing Association was considered but the alternative solution of refurbishing and leasing the first floor office accommodation is considered to be the simplest and most cost effective option.
- 4.4 Although the proposed action would result in an increase in the County Council's leased portfolio, the net effect should be cost neutral as the costs will be shared with other occupiers.
- 4.5 The Director of Property will need to enter into a contract for the refurbishment project on behalf of KCC; approve terms for the granting of a 15 year lease from KCC to WKHA under delegated authority and recommend the taking of a long lease from STC, subject to satisfactory terms being agreed.
- 4.6 The risks associated with the Swanley Gateway project as a whole include;
1. Securing the necessary leasehold agreements and capital investments and meeting timelines;
 2. All costs coming in within budget;
 3. KCC's costs increasing due to taking over the repair, maintenance and running costs of the entire building under the new long lease from STC and occupier contributions are not sufficient and/or voids occur.
- 4.7 KCC Members Roger Gough and Robert Brookbank have been fully consulted as have Members of Sevenoaks District and Swanley Town Councils.
- 4.8 The next steps are for the capital input to be secured, the detailed design to be worked up and final agreement on the terms to be reached with Swanley Town Council so an agreement for lease can be secured. The draft programme has the works starting in 2013 with completion due in April 2014.

5. Conclusions

The proposal to take a long lease from STC will enable the Gateway project to be progressed in line with KCC's strategic policy to provide a modern fit for purpose facility to meet customer needs. It should be noted that no decision will be taken in respect of the lease until the project has received approval to spend in accordance with the Council's processes.

6. Recommendation

Recommendation: The Property Sub Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to surrender the existing long lease of the ground floor of Swanley Library and take a new similar length lease of the entire building to expire in 2025, to facilitate the creation of a new Gateway with Swanley Town Council as Partners.

7. Background Documents

7.1 Appendix 1 - Heads of Terms

7.2 Appendix 2 – Site Plan

8. Contact details

Kahren Knott, Estates Surveyor

01622 696765

kahren.knott@kent.gov.uk

Rebecca Spore, Director of Property & Infrastructure Support

01622 221151

rebecca.spore@kent.gov.uk

SWANLEY GATEWAY - Swanley Town Council

Draft Heads of Terms v3 - Subject to Contract

27 May 2013

Existing KCC Lease	<p>KCC's existing lease of the Library space, dated 25 August 2004, to be extinguished</p> <p>Any requirement for payment by KCC under clause 5.19 of KCC's lease, as varied, to be extinguished</p>
New KCC Lease	A new lease to be granted by STC to KCC of the entire property within STC's existing lease, for the balance of existing term
Agreement for Lease	If necessary, an Agreement for Lease is to be completed to allow time for KCC's negotiations with WKHA, planning etc
Rent	<p>A peppercorn during the life of the Gateway or similar community arrangement</p> <p>On termination of the Gateway use the rent payable by KCC is to STC to be based on the net rental value of the space that is outside:</p> <ul style="list-style-type: none"> a) the extent of the current KCC demise b) the areas within the remainder of the building that are reserved with the existing KCC lease as common parts
Repairs	KCC to be responsible for repairs, subject to service charge contributions from other occupiers/Gateway partners and agencies
User	Clear user clause - KCC free to use the premises for any purpose
Alterations	<p>KCC permitted to alter, subject to landlord's consent (not to be unreasonably withheld). Minor non-structural alterations deemed allowed</p> <p>KCC deemed to have permission to carry out any works necessary to create the Gateway</p>
Alienation	<p>KCC free to assign or sublet</p> <p>KCC deemed to have permission to sub-let the first floor accommodation to West Kent Housing Association on the usual terms, subject to granting WKHA any necessary rent-free period to allow WKHA to carry out works necessary to make the accommodation suitable for single occupancy for office use</p>
Insurance	KCC to insure the premises within its block policy

Peter Riley
Mouchel
27 May 2013

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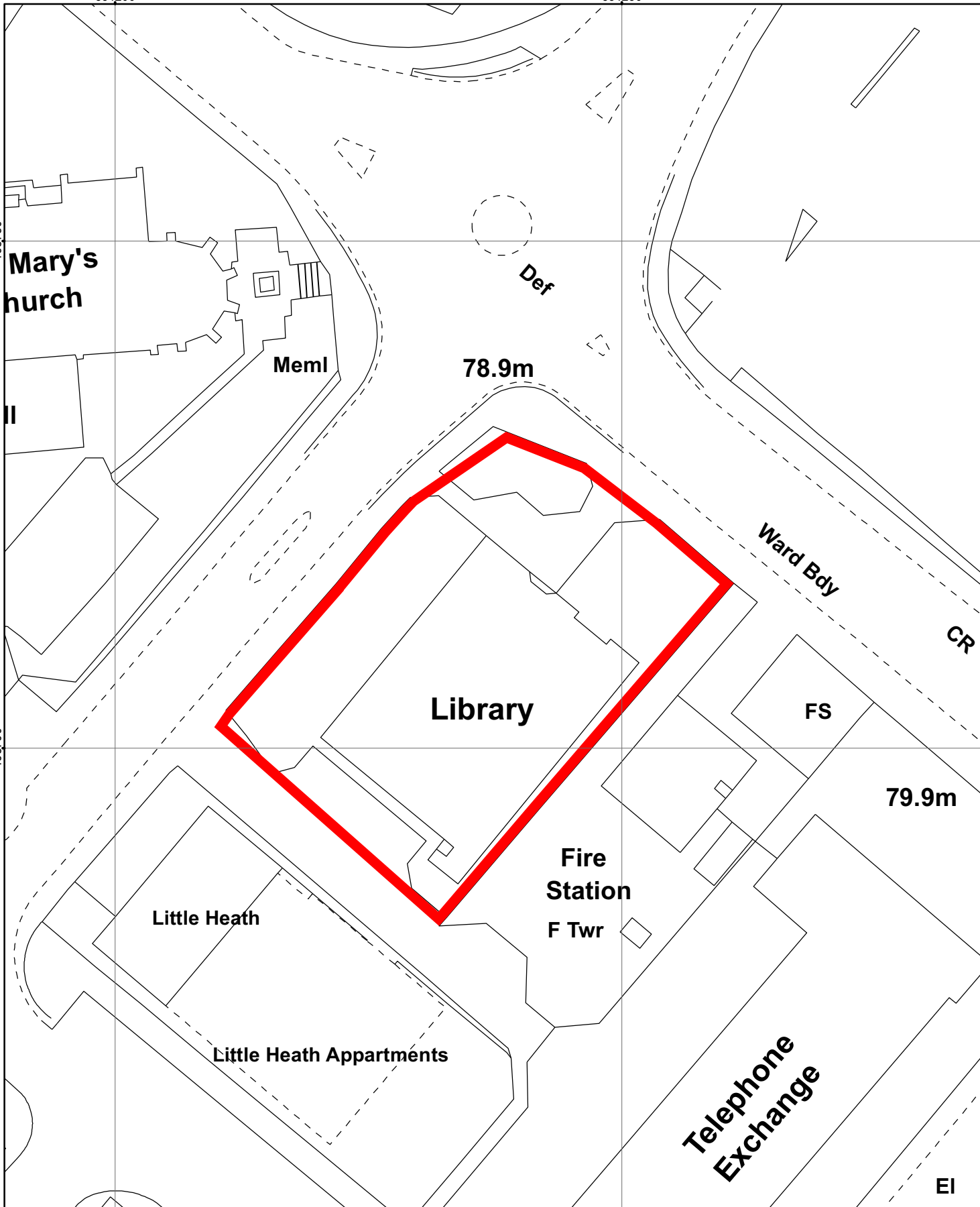
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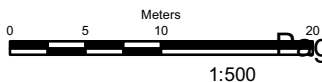
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PROPERTY AND
 INFRASTRUCTURE SUPPORT
 County Hall, Maidstone
 Kent ME14 1XQ
 Tel:08458 247247

Drawn By
 MTD

Date
 SEP 2012



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Drawing No.
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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item C1

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