

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

DECISION NO:

21/00084

For publication

Key decision: YES

Key decision criteria. The decision will:

- a) *result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000);*

Subject Matter / Title of Decision: Disposal of Land at Bensted House, Kiln Court, Osbourne Court and Former Secure Enterprise Centre, Lower Road, Faversham, ME13 7NY

Decision:

As the **Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services**, I agree to the disposal of the sites and delegate authority to:

1. The **Director of Infrastructure** in consultation with the **Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services**, to finalise the contractual terms of the disposal, on the most advantageous terms for the County Council that it is able to secure; and
2. The **Director of Infrastructure** to authorise the execution of necessary contractual and land agreements required to implement the above.

Reason(s) for decision:

Facilities operating from the site closed in 2016/17, and the sites were subsequently declared surplus to operational requirements and suitable for disposal.

The eventual sale of the property will result in a capital receipt for Kent County Council (KCC) which will be used to support the Council's Capital Programme.

Proposed surplus property disposal in line with Council's s.123 best consideration obligations.

Cabinet Committee recommendations and other consultation:

The proposed decision was discussed by the Property Sub-Committee on 22nd September 2021 and the proceedings were as follows:

1. Mr Oakford advised the committee that the proposed disposal was part of the regular asset disposal programme but was being reported to the committee for comment due to its large financial value. It gave the Council an opportunity both to gain income from the sale and put an end to the ongoing costs of maintaining the premises.

2. Mr D'Alton introduced the report and responded to comments and questions from the committee, including the following:-
- a) officers were challenged by the local Member whose electoral division included the site about the lack of engagement with him. He asked that officers meet him to appraise him of the details of the proposal and the bids received;
 - b) concern was expressed about the choice of preferred bidder named in the report, and discussion followed about the bids received from it and other companies, comparing the level of Section 106 funding each had offered, the number of residential units they each proposed and the percentage of these which would be affordable;
 - c) concern was expressed that the recommendation on which the committee was being asked to comment did not name the preferred bidder. Mr D'Alton and Mr Oakford advised that the committee was being asked to endorse or comment on the overarching proposal and delegate to the Director of Infrastructure the selection of the best bid and to finalise the contractual terms of the disposal to secure the best value for money, as was always the aim with any property disposal;
 - d) asked if, with the aim of securing best value for money, the Council was able to specify that bidders must include Section 106 funding as part of their bids, Mr D'Alton advised that bidders were expected to include Section 106 funding and not to do so would make their bid less attractive; and
 - e) the committee was advised that the County Council was not able to specify the nature of the affordable housing to be included, for example, to be for sale or rental, but that this would fall to the local planning authority to direct when considering a planning application for the site.
3. A motion by Mr G Cooke to amend the wording of the recommendation to include the name of the preferred bidder was not seconded. Mr Watts suggested that Mr Cooke seek to specify instead what he wanted to see covered rather than specify the name of a bidder.
4. Mr G Cooke then proposed and the Chair, Mr R Thomas, seconded that recommendation 1 in the report be amended to add the words '*...on the most advantageous terms for the County Council that it is able to secure*'. This was agreed with two abstentions.
5. It was **RESOLVED** that the decision proposed to be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to agree to the disposal of the sites and delegate authority to:
1. the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise the contractual terms of the disposal, on the most advantageous terms for the County Council that it is able to secure; and
 2. the Director of Infrastructure to authorise the execution of necessary contractual and land agreements required to implement the above,
- be endorsed.**

Any alternatives considered and rejected:

The sites have been declared surplus by Kent County Council as such there are no operational

requirements for them.

Kent County Council has an overarching duty under Section 123 of the Local Government Act 1972 to secure not less than best consideration in respect of property disposals.

KCC appointed planning consultants to design a residential development in compliance with the local authority's current planning and affordable housing requirements to inform prospective bids.

The sites have been openly marketed by a Kent based agent who advertised nationally in the Estates Gazette. Conditional bids have been received.

In securing the best value of the sites, the planning position underpins the value. In this case, the best chance of optimising the planning position is to work with the preferred developer under a conditional sale contract, which also reduces KCC's exposure to the risk of abortive costs.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None.

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signed

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date

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