

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

Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee - 23 November 2022

Subject: Decision 23/00108 Disposal of former Halfway Houses Primary School,
Southdown Road, Halfway, Sheerness, Kent, ME12 3BE

Key Decision

Classification: Unrestricted report with exempt appendix A, *not for publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

Past pathway of report: N/A

Future Pathway of report: Member decision

Electoral Division: Sheppey; Mr Andy Booth and Mr Mike Whiting

Summary: This report considers the proposed disposal of the Property, the Former Halfway Houses Primary School, Southdown Road, Halfway, Sheerness, Kent, ME12 3BE

Recommendations:

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree the disposal of the Property, the Former Halfway Houses Primary School, Southdown Road, Halfway, Sheerness, Kent, ME12 3BE 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 terms of the disposal; and
2. The Director of Infrastructure to authorise the execution of all necessary or desirable documentation required to implement the above.

1. Introduction

- 1.1 This paper addresses Kent County Council's (KCC) intention to sell the former Halfway House Primary School and playing fields, which totals approx. 3.76 acres (1.522 hectares).
- 1.2 The site is made up of two parcels of land; the larger site on which the school buildings are located and fronts Queenborough Road and accessed off Southdown

Rd; and the smaller playing field site which is accessed also via Southdown Road as seen in the red-line boundary plans attached in Appendix B.

- 1.3 The two sites are located in a predominantly residential area situated south of Sheerness in the area of Halfway Houses, near the sea front of Minster Leas Beach, approximately 1.5 miles east of Queenborough Train Station.
- 1.4 The larger school building site fronts Queenborough Road with access to both sites currently off Southdown Road. The smaller playing field site is situated behind the residential roads of Southdown Road and is surrounded by residential properties to the east and south.
- 1.5 A site plan is shown in Appendix B.

2. History

- 2.1 The Title Absolute (Freehold) is vested to KCC, and it holds good and marketable title in order to dispose of the Property.
- 2.2 The site became vacant in 2016 following a relocation of the school to a new site at Danley Road. The Site was subsequently held strategically pending the outcome of a planning application for a nearby SEN facility, and then held pending assessment of wider education needs. The site has now been declared surplus and is capable of being progressed as a disposal, no other KCC service requirements have been identified for the site.
- 2.3 Subsequent to the relocation of the school to a new site, the Council have gained consent of the Secretary of State for Education to dispose of the school site and the playing field under Schedule 1 of the Academies Act 2010 and Section 77 of the School Standards and Framework Act 1998.
- 2.4 The site has now been allocated for residential development as part of the Local Plan adopted in July 2017 by Swale District Council. Indicative capacity has suggested the site is suitable for 60 x dwellings.
- 2.5 *Policy A20.9* (Swale Local Plan 2017) defines the site's allocation for Housing Development in which permission will be granted.

3. Financial Implications

- 3.1 The sale of the property will result in a capital receipt which will be reinvested back into the Council's Capital programme. Further financial information is set out in the exempt appendix A.
- 3.2 The disposal of the property will remove associated holding costs whilst easing pressure on revenue budgets.

4. Marketing

- 4.1 Subject to the necessary approvals being forthcoming, KCC will appoint in accordance with its procurement processes a suitably qualified agent to openly market the site in quarter one (Q1) of 2024 on an "all enquiries" basis to allow any interested parties to submit a bid for the site.

- 4.2 A marketing campaign to advertise the site through various media channels will be undertaken to ensure a wide potential audience is reached; appropriate due diligence will be undertaken on any bidders.
- 4.3 Bids will be appraised in line with the Council's legislative and fiduciary duties, and in compliance with the Freehold asset disposal policy.
- 4.4 Following the formal submission of bids, the bids will be assessed against adopted policy, including considering the following criteria:
- Overall price, any pricing caveats, or exclusions
 - Any conditionality on the proposals and deliverability
 - Compliance with the Local Plan affordable housing requirements, if appropriate
 - Deliverability of the proposals submitted if they are reliant on the planning process
 - Funding security
 - Any factors of opportunity cost that KCC may wish to consider other than those described above delivering operational or policy returns.
- 4.5. Due diligence will be undertaken as appropriate which may include valuation, planning or other specialist advice.
- 4.6. Following the consideration of initial bids, 'best and final' offers may be requested. It is proposed to select the best submission that enables KCC to deliver the maximum capital receipt for the Council (considering the factors described in 4.4).

5. Options

- 5.1. Following internal consideration, no operational requirement for the site has been established. Therefore, the only options to be considered were limited to holding the property or disposal.
- 5.2. Continuing to hold leaves the Council exposed to ongoing costs, and the buildings on site remain an inherent risk.
- 5.3. A freehold disposal will allow a capital receipt to be generated for reinvestment back into the Council's stated capital priorities.
- 5.4. A freehold disposal is the preferred option for the site, seeking offers on an "all enquiries" basis to ensure all market interest is explored in line with the Council's statutory duties.

6. Governance and Legal implications

- 6.1. A Key Decision is being sought in line with the constitution and the Council's governance processes. The views of the local Member in accordance with the property management protocol have been sought and will be reported to the Cabinet Member before a Key Decision is taken.
- 6.2. The Council has a duty under s123 of the 1972 Local Government Act to obtain not less than best consideration in the disposal of property assets.

6.3. External legal advisors will be appointed in consultation with General Counsel.

7. Equalities implications (EQIA)

- 7.1. The Key Decision to be taken by the Cabinet Member does not relate to a service delivery or change.
- 7.2. The site has been vacant since 2016 and has already been declared surplus to the Council’s operational requirements.
- 7.3. An EQIA has been undertaken by the Service Directorate in 2014 and has identified no impact on any groups with protected characteristics in relation to the proposed decision.

8. Consultation

- 8.1 Both local Members for the division have been consulted.
- 8.2 Mr Mike Whiting raised potential concerns in respect of the traffic impact from redevelopment of the site due to recent alterations to the highway network in the vicinity. He further suggested that the site could be considered suitable for sheltered accommodation.
- 8.3 KCC officers note that the highway implications of any future development will be assessed through the planning process, and that the site is already allocated within the adopted Local Plan for residential redevelopment.
- 8.4 In respect of potential future uses KCC must abide by adopted policy and legislation. The site will be marketed on an all-enquiries basis. If bids are received for non-residential uses, then these will be assessed against adopted policy. If a proposed use can demonstrate clearly deliverable budgetary savings elsewhere in KCC which exceeds the opportunity cost of not selling at best consideration, this will be factored into the bid appraisal process.

9. Next Steps and Conclusions

9.1. An indicative timetable for the planned disposal is set out below:

Stage	Timescale
Marketing	Q1 2024
Bid appraisal	Q2 2024
Exchange	Q3 2024
Completion assuming unconditional sale	Q3 2024
Completion assuming conditional sale	Q1 2025- Q3 2025 (subject to terms agreed)

9.2. The site has been declared surplus to the Council’s operational requirements and a disposal decision is now sought from the Cabinet Member, in accordance with the Council’s strategy of recycling assets to produce capital receipts for reinvestment into capital project priorities.

10. Recommendation(s)

Recommendations:

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree to the disposal of the Property, the former Halfway Houses Primary School, Southdown Road, Halfway, Sheerness, Kent, ME12 3BE 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 terms of the disposal; and
2. The Director of Infrastructure to authorise the execution of all necessary or desirable documentation required to implement the above.

11. Background Documents

- 11.1 Appendix A – Exempt Appendix
- 11.2 Appendix B – Site Plan
- 11.3 Appendix C – Proposed Record of Decision
- 11.4 Appendix D – Equalities Impact Assessment

12. Contact details

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