

## Appendix 2 Background information to Executive decision 24/000068 – windmill divestment

- 1.1 KCC owns eight historic windmills having saved them from destruction in the 1970s and 1980s as owner of last resort. Financial responsibility for the maintenance and management of these eight windmill properties rests solely with KCC, apart from small-scale investment by the mill groups. The annual cost to the Council of maintaining the windmills portfolio in a safe structural and mechanical condition is considerable. Management of the mills is only possible, however, through the work of the Friends volunteer groups who carry out small scale maintenance tasks, operate the mills and open them to the public.
- 1.2 A strategic review of KCC's windmill assets was undertaken in 2022-23 (as part of a wider review of KCC's assets) by a task and finish group comprising officers from Infrastructure, Environment and Circular Economy and Finance (see report for ETCC on 15 11 2023). Five key considerations were evaluated:
  - A) The heritage value of the windmills,
  - B) Current arrangements for managing the windmills,
  - C) The potential for divestment of the windmills,
  - D) The potential for alternative uses for the windmills,
  - E) KCC's current financial situation.
- 1.3 Divestment of each of the eight sites was identified as the most financially advantageous option for KCC. This could allow KCC to save the annual costs associated with maintaining the buildings in a safe and accessible condition.
- 1.4 As divestment of the mills would be a change to the policy set out in the adopted Heritage Conservation Strategy, a public consultation was undertaken which ran for nine weeks from 28 November 2023 until 29 January 2024. The consultation invited residents, windmill and heritage volunteer groups, and other interested parties to provide views on the proposal to seek alternative arrangements for the ownership of these windmills.
- 1.5 The consultation, which received 2,330 responses, showed minimal public support for divestment of the mills - further details on the consultation and its findings can be found at <https://letstalk.kent.gov.uk/windmills-consultation>
- 1.6 The consultation results were considered alongside an options appraisal of:
  - Do nothing - rejected because it did not address the cost burden to KCC
  - Retain the windmills but reduce the financial input - rejected because options for income generation were limited.
  - KCC divests itself of the windmills – determined as the recommended option, owing to the reduction of future capital expenditure – then estimated at a total of £657,700 minimum for ongoing maintenance and minor repairs. over a five-year period from 2024 to 2029. In the long term if all the windmills were divested there would be savings to the revenue budget of between approximately £124,000 and £220,000 per annum

- 1.7 Consequently, on 2<sup>nd</sup> August 2024 the Cabinet Member for Environment took the decision that 1) KCC should seek to divest itself of the windmills it currently owns by a method that ensures that the windmills have a sustainable future in which they are appropriately cared for and maintained as community assets and 2) the Heritage Conservation Strategy is updated to reflect this. The decision was taken on the basis that it would allow alternative ownership arrangements for the eight historic windmills which KCC owns to be explored, with the aim of reducing KCC's long term financial obligations. It was noted that the council is sensitive to the importance that communities and volunteers place on windmills and wish to work with those who are committed to them to secure their future. More detail on the decision is available from <https://democracy.kent.gov.uk/ieDecisionDetails.aspx?id=2892>
- 1.8 Officers have been exploring the most effective way to divest, based on the local circumstances of each windmill, and mitigating as far as possible the concerns raised during the consultation. Considering the unique character of each windmill, as detailed in Table 1 below, it is expected that each mill will require its own tailored divestment pathway. A fair and open process for divestment will be agreed; the method could potentially include freehold divestment, divestment through long lease or other appropriate means to achieve the executive decision. Interest will be invited from any suitable party, encouraging proposals for long-term stewardship and community benefit to safeguard the windmills' future. Initial meetings have been held with the volunteer mill groups, tenants and significant interested parties. Future management of the mills could involve the establishment of one or more charitable trusts; however, this is dependent on proposals received and the evaluation process to ensure any proposals for sustainable

**Table 1 – Characteristics of the windmills**

Windmill	999-year lease/ restrictive covenant	Within another property or surrounded by another property	Mill building only in freehold	Vehicle access [*restricted]	Mill volunteer group
Chillenden	No	Yes	No	Yes	Yes
Davison's, Stelling Minnis	No	No	No	Yes	Yes
Drapers, Margate	No	No	No	Yes	Yes
Herne	No	No	No	Yes*	Yes
Meopham	Yes	Yes	Yes	Yes*	Yes

<b>Stocks, Wittersham</b>	Yes	Yes	Yes	No	Yes
<b>Union Mill, Cranbrook</b>	No	Yes	Yes	Yes*	Yes
<b>West Kingsdown</b>	Yes	Yes	Yes	Yes*	No

1.9 Work will continue to identify the most effective way to divest, based on the local circumstances of each windmill, and mitigating as far as possible the concerns raised during the consultation. Support will be provided to the volunteer mill groups, tenants and other interested parties. A divestment plan will be brought back to Environment and Transport Cabinet Committee for information and discussion.