

## SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 3 March 2026.

PRESENT: Mr R G Streatfeild, MBE (Chair), Mr A Brady (Vice-Chair), Mr W Chapman, Mr J Defriend, Mr J Eustace, Mr A J Hook, Mr M A J Hood, Mrs S Hudson, Mr T Mole, Mr T L Shonk, Mr D Truder and Mr M Paul (Substitute for Dr G Sturley)

ALSO PRESENT: Mr B Collins, Mrs M Lawes, Mr T Prater, Mr P Thomas and Mr P Webb

IN ATTENDANCE: Miss M Bundy (Democratic Services Officer), Mr H D'Alton (Programme Manager (Strategic Programmes)), Mrs S Holt-Castle (Director of Growth and Communities), Mr J Pearson (Head of Libraries Registration and Archives), Mrs R Spore (Director of Infrastructure) and Mrs A Taylor (Assistant Democratic Services Manager (Scrutiny))

### UNRESTRICTED ITEMS

#### **35. Apologies and Substitutes**

*(Item A1)*

Apologies were received from Dr Sturley, for whom Mr Paul was substituting and the church and parent governor representatives.

Mr Collins was in attendance virtually.

#### **36. Declarations of Interests by Members in items on the Agenda for this Meeting**

*(Item A2)*

There were no declarations of interest from Members of the Committee.

Mr Prater who was a guest at the Committee declared that he was a Member of Folkestone Town Council, Folkestone and Hythe District Council, Sandgate Parish Council, Hythe Town Council and Kent County Council.

#### **37. Call-in of Decision 25/00104 - Future of Library Provision in Folkestone Town Centre**

*(Item B1)*

1. The Committee was advised on the formal call- in process and reminded that discussion should be focussed on the valid grounds for call- in with the purpose of scrutinising the decision taken, rather than proposing alternatives. The four possible outcomes were outlined: making no comments, making comments without requiring reconsideration, postponing implementation to allow

reconsideration by the decision- maker, or postponing implementation pending review by Full Council.

2. The Chairman invited Tim Prater, one of the call-in members, to provide reasons for the call-in. Mr Prater outlined that the closure of Grace Hill Library had been a consequence of long- term underinvestment leading to the building becoming unusable, leaving central Folkestone without a library for over three years. He highlighted that only one bid, led by Creative Folkestone and supported by One Folkestone, was submitted following the Asset of Community Value (ACV) and open marketing process, proposing a long- lease arrangement to enable substantial grant- funded restoration. He stated that no substantive discussions had taken place between KCC and the bidders after submission, despite the bid being an initial framework requiring additional negotiation. He also emphasised strong public support for retaining the Grace Hill building as a library and argued that insufficient consideration had been given to developing the partnership option. Mr Prater concluded by arguing the decision be sent back to the decision- maker with comments from the Scrutiny Committee to allow for reconsideration.
3. A written statement from Councillor John Baker (Folkestone West) was read to the Committee, by the Chairman, acknowledging the continued provision of library services in Folkestone but emphasising the historic and cultural importance of the Grace Hill building. Mr Baker highlighted strong community sentiment and stated that disposal via auction would be premature. He called for further structured engagement with Creative Folkestone and other interested parties, full exploration of asset transfer or partnership options and investigation of relevant grant funding. He concluded that all reasonable options to retain Grace Hill as a community asset should be examined before taking an irreversible decision.
4. Paul Webb, Cabinet Member for Community and Regulatory Services, recognised the strong community sentiment in Folkestone and the limited library access experienced since Grace Hill had closed since December 2022. He confirmed that the temporary library at 14 Sandgate Road would provide a full multi- use service for the foreseeable future and stated that the issues raised related mainly to infrastructure. Mr Webb also confirmed that discussions regarding the future of Grace Hill were ongoing but that the proposals received to date had not met the Council's criteria and in the absence of a compliant proposal, the Council would proceed with disposal via auction.
5. Brian Collins, Deputy Leader, highlighted the ongoing holding costs for the Grace Hill building were approximately £100,000 per year and emphasised that exploring grant- funded options that could take up to two years would mean substantial costs would continue to accrue during that period.
6. Hugh D'Alton, Programme Manager, provided background on the earlier public consultation and the interim key decision taken in January 2025. The decision acknowledged further information was needed before determining the long- term future of Grace Hill building and set out next steps, including initiating the ACV process and undertaking a 12- week period of open marketing. He explained that this was a reflection of the strong community interest and allowed for time to engage with potential proposers including meeting with Creative Folkestone both before and during the process. The recent cabinet decision had therefore been

based on the proposals and information received through the structured and transparent engagement over the past year.

7. James Pearson, Head of Libraries, Registration and Archives, clarified that while the main adult and children's library areas at Grace Hill were located on the accessible ground floor, other parts of the service operated across three levels, indicating that the building was not always fully accessible to all users.
8. Rebecca Spore, Director of Infrastructure, outlined that the recent decision confirmed the Council's commitment to maintaining library services, recognised the outcome of the ACV process and established 14 Sandgate Road as the library location for the foreseeable future. The decision also authorised proceeding with an open market disposal of the Grace Hill building, therefore while proposals could still be considered as part of the disposal process, it was separate from decisions about the future location of the library service itself.
9. The Chairman invited questions and comments from Members, and the subsequent discussion included the following:
  - a. Mr Pearson explained that there had been substantial engagement with Creative Folkestone during the development stage before their proposal was submitted. At the start of the marketing period, KCC wrote to all interested groups, including proactively contacting Creative Folkestone, setting out the assessment criteria, required information and bid timetable, and offering opportunities for engagement throughout.
  - b. Stephanie Holt- Castle, Director of Growth and Communities, confirmed that after the January meeting of the Growth, Environment and Transport (GET) Cabinet Committee, she had met twice with Creative Folkestone to discuss how their initial submission could be further developed. A subsequent meeting had also taken place with Infrastructure officers and Creative Folkestone representatives, where Creative Folkestone had agreed to take the discussions away and consider what further proposals they might prepare prior to the building's potential auction.
  - c. Mrs Spore confirmed that financial appraisals for both the proposals received and the option of 14 Sandgate Road were included within exempt appendixes of the original decision papers. She also highlighted that the recent decision related to progressing an open market disposal did not prevent any party, including Creative Folkestone, from submitting a proposal during the disposal process which would be considered by her and her team in line with standard procedures.
  - d. Mrs Spore confirmed that no action on the building's future could progress until a formal decision was made that it was no longer required. She explained that the ACV process determined the timeline, with the window closing on 7 September 2026, after which the process would restart if no arrangement or disposal on the property had been secured. Therefore, to meet the deadline, a new ownership model would need to be in place by summer 2026. It was also clarified that for the purposes of the ACV process, a "disposal" included either a freehold sale or the grant of a lease exceeding 25 years.

- e. In response to questions about the flexibility of the 7 September deadline, it was highlighted that the holding costs associated with Grace Hill were a significant factor for the Council when considering deliverability and timelines and that Creative Folkestone had been aware of these constraints from the outset.
- f. It was confirmed that Creative Folkestone's proposal did not include taking on the building's holding costs. Mrs Spore added that Creative Folkestone had indicated a willingness to assume refurbishment and ongoing maintenance responsibilities through lease terms. However, if the library service was included within the proposal, KCC would incur a service charge, as proportional maintenance and running costs would be recharged back to the Council.
- g. Mrs Spore explained that the disposal risk assessment did not consider wider community impact but focussed solely on KCC's requirements. She also highlighted that the Council could not predict what proposals might come forward on the open market or what would happen to the building thereafter.
- h. Mr Prater reiterated that Creative Folkestone's proposal was a partnership offer rather than a fixed financial bid, which would have required further discussions. He stated that, based on correspondence in recent days, no further partnership discussions had taken place.
- i. Mr D'Alton re-established the timeline of engagement with Creative Folkestone as beginning following the temporary closure of the Grace Hill building in 2022 and confirmed that their proposed vision had been raised prior to the January 2025 Key Decision. Mrs Spore further clarified that some discussions had taken place with Creative Folkestone following their proposal, but no proposal containing additional detail had been submitted to date. The existing submission remained a partnership proposal with detailed terms yet to be developed and this had been evaluated alongside the decision.
- j. Mrs Holt- Castle assured the Committee that engagement with Creative Folkestone had not ceased. She stated that discussions had taken place before and after the January 2026 GET Cabinet Committee meeting, during which she reiterated the Council's key requirements as location, space, partnership potential, cost, deliverability and environmental impact. Creative Folkestone had been asked to consider these points ahead of any future submission. Furthermore, Creative Folkestone had been given clear timelines, including the ACV and market- assessment windows and had been advised to submit detailed proposals within these timeframes before the building would be taken to auction.
- k. Mrs Spore stated that anyone, including Creative Folkestone, was free to submit a proposal, and the Council would welcome this. She added that a recent proposal had been received from another party believed to be working with Creative Folkestone, and this would be considered as part of the disposal process should the decision proceed. She clarified that they were looking for new ownership models for the building and that it could not be taken to auction until the decision was implementable. It was explained that while auction dates were available in June and July, no firm timeline could be given at present.

- l. Mr Collins highlighted that the holding costs of the building remained the central challenge. He stressed that the building was in a poor condition and that neither Creative Folkestone nor others appeared willing to take on the ongoing costs, particularly given the uncertainty around grant funding and potentially increasing costs if major issues were to arise.
- m. Mr D'Alton reported that contact with Creative Folkestone had taken place within the preceding weeks, where an update on the Grace Hill building was received.
- n. Mr Collins confirmed that KCC was open to negotiations and potential future partnership options, however he would not be willing to support delays in the process that would result in unnecessary costs to Kent residents.
- o. Mr Collins asserted that his main priority was restoring a full library service for Folkestone residents. He emphasised that the key issue was the lack of available funding to refurbish the Grace Hill building if it were retained, highlighting that no source of capital had been identified to cover the substantial costs required. He also acknowledged that the building could potentially increase in value in the long term if restored through a partnership model but maintained that the upfront investment needed was currently beyond the Council's financial capacity. He argued that the Council needed to balance potential long- term asset value against the practical constraints of existing resources.
- p. Mrs Spore confirmed that, since the January GET Cabinet Committee meeting, an approach and proposal had been received regarding the Grace Hill building but due to the current lack of an implementable decision, a guide price for auction had not been set. She reiterated that any future guide price would be determined based on a range of factors and further detail could be shared with Members outside the meeting or within the exempt papers.
- q. It was established that, under the Local Government Act (LGA) 1972, the Council had a statutory obligation to dispose of assets no longer required. It was also reaffirmed that the lack of available capital funding was a key barrier to progressing partnership proposals. Creative Folkestone's previous proposals had identified potential external funding sources but no applications had yet been made and no funding currently secured.
- r. Mrs Spore advised that within the period of her tenure, there were not any examples of the partnership model proposed by Creative Folkestone in Kent.
- s. Mr D'Alton explained that the County Council had been clear about the criteria that would need to be met in order to take a favourable view of any partnership model and directed Members towards Creative Folkestone's proposals within the appraisal of their bid set out in an appendix to the report.
- t. It was clarified that the majority of the estimated £100,000 annual holding costs related to security rather than insurance. It was also explained that vacant listed buildings carried inherent risks and costs could rise if security

arrangements needed to be strengthened. Whilst officers could not predict any specific future issues, certain risks such as vandalism and the building's listed status could lead to increased holding costs. The current holding costs over the last couple of years had been slightly above £100,000, with specific figures available outside of the Committee.

- u. Mr Prater confirmed that the proposed arrangement with Creative Folkestone would be novel and asserted that the Council had operated a wide range of partnership and leasehold arrangements across the county. It was acknowledged that despite the type of partnership model proposed for the Grace Hill building having not been undertaken before, KCC had the necessary expertise to manage such arrangements.

10. Following the questions, the Chairman welcomed comments and views from the Committee about the call-in. These included:

- a. Members posed whether the proposal was significantly different from other partnership or lease arrangements, particularly due to its financial implications for the Council.
- b. A Member expressed concerns about the long- term risk of the Grace Hill building remaining empty, argued that the ACV process did not allow sufficient time for a comprehensive proposal and asserted greater urgency was needed in discussions with Creative Folkestone. They also questioned whether the case for disposal had been clearly evidenced and suggested that retaining the freehold under a partnership model could provide long- term community value.
- c. A Member stressed the widespread local support for retaining Grace Hill by representatives and local residents as a library and community building. They addressed the funding and holding- cost concerns by referencing previous decisions in which full funding had not been secured in advance. Furthermore, they raised the accessibility considerations and the long- term community and asset value of the Grace Hill building as key points for re- evaluation of the decision. Finally, it was highlighted that partnership models were common across Kent and that the building was originally gifted for community use.
- d. A Member argued that they had heard no evidence that justified further delaying the implementation of the decision. They felt the Committee had all the information necessary and that officers had gone to great lengths to engage with Creative Folkestone on their proposal.
- e. A Member questioned claims surrounding the history of the Grace Hill building, including the assertion it was gifted with restrictions on sale or use.
- f. It was explained that Creative Folkestone had a strong record of maintaining challenging historic properties locally and that selling the building at auction would be a gamble, as the financial return could not be guaranteed.

- g. A Member warned of the risk that, if the building was sold at auction without safeguards, a new owner might leave it derelict, creating long- term social problems for Folkestone and incurring associated costs to emergency services and KCC. They posed that disposals contracts could include terms to minimise this risk. They also argued that further time was needed to explore opportunities by interested parties and that grant- funded restoration of historic buildings was achievable but required multi- year planning. Finally, they raised the number of successful partnership arrangements delivered by KCC as one of the reasons for reconsideration of the decision.
  - h. A Member clarified that the call- in was centred around financial governance, not whether Grace Hill was valued and, in that regard, they saw no evidence of procedural failure. They argued that spending £2.9 million on repairs was not a responsible use of scarce capital and highlighted the Council's duty to provide an efficient library service, not preserve a specific building. They emphasised that services would continue under the new Sandgate Road location, and that delays risked leaving residents without a library provision. The Member finally raised that all consultation and statutory processes had been properly followed and expressed concerns that retaining the building could set a precedent that was detrimental to the Council.
  - i. It was emphasised that consultation responses showed strong resident support for retaining Grace Hill as a library, which strengthened rather than weakened the case for referring the decision to Full Council.
  - j. A Member reported that local residents welcomed the addition of the temporary library service and argued that the new location served the community better due to its proximity to attractions such as Folkestone Museum.
  - k. A Member praised the more central location of the new library service and highlighted that the estimated £2.9 million restoration cost for the Grace Hill building could ultimately be much higher in the case of unforeseen expenses.
  - l. It was highlighted that the new library site was more central, in a pedestrianised area and not on a bus route, which could make access harder for elderly and vulnerable residents. It was also emphasised that no one was proposing a £3 million restoration, rather Members were asking officers to engage with interested parties to explore options and demonstrate openness to retaining the asset. It was added that this initial exploratory work would represent a relatively small financial commitment.
11. The Chairman called on the Cabinet Members and call- in Members to provide comments and clarifications on the Member's points of debate:
- a. Mr Webb assured the Committee that the library provision aspect of the decision was now secured in the town centre. He stressed that while Creative Folkestone had expressed interest in the Grace Hill building, they had not, over the three-year period, submitted a proposal that officers considered acceptable in terms of partnership arrangements or liabilities. As the Council had to consider both ongoing and potential future costs, the conclusion had

been reached to proceed with decision. However, if Creative Folkestone were to bring forward a viable proposal in the future, it could be reconsidered.

- b. Mr Collins stated that Creative Folkestone and other interested parties had been given ample opportunity to present constructive proposals but had not done so. He argued that any further delay to the decision's implementation would result in unnecessary cost to the Council and Members should consider this when judging the call-in.
- c. Mr Prater argued that the Committee recognised the building's community value and wished to see it retained for community use, but without the ongoing financial burden falling on the Council. He therefore suggested that any sale should include covenants to safeguard future community use.

12. The Chairman summarised the key issue of the debate as balancing the financial cost to the Council with the value of the Grace Hill building to local residents. He outlined the arguments made in favour of disposal on economic grounds, as well as those seeking further consideration of options that might preserve community value. He acknowledged differing views regarding the extent of partnership discussions with Creative Folkestone but confirmed that officers considered the option for further engagement still open. He emphasised that the call-in had been declared valid and therefore required proper scrutiny and highlighted the importance of the decision for the 631 central Folkestone library borrowers identified in the EQIA. The Chairman also reiterated key points raised by the Local Member for Folkestone West and the importance of considering local views in the debate.

13. Following the debate, the Chairman welcomed proposals from the Committee:

- a. Mr Hood proposed and Mr Brady seconded option (d) in the report to 'require implementation of the decision to be postponed pending review or scrutiny of the matter by the full Council.'
- b. The Committee was informed that referring the matter to Full Council would not change the decision making route, as Full Council was not the decisionmaker for this issue. If option (d) were agreed, the matter would first return to Cabinet for an urgent meeting. Cabinet would then decide whether to rescind or confirm the original decision. Only if Cabinet confirmed the decision would the matter proceed to Full Council for debate. It was also stressed that escalation to Full Council was generally reserved for exceptional circumstances.
- c. Following guidance from the Chairman, Mr Hood rescinded his proposal of option (d) in the report and instead proposed option (c) to 'require implementation of the decision to be postponed pending reconsideration of the matter by the decision-maker in light of the Committee's comments'. This was seconded by Mr Brady. Comments raised by the Committee included the following:
  - i. The Committee expresses concern about the risk of buyers of the building leaving it empty and requests the Cabinet Member reflect on possible steps to avoid or mitigate that risk.

- ii. The Committee expresses the desire that the Cabinet Member talk further with the interested parties in the community about what could be done for the building.
  - iii. The Committee fully understands that the full library service with a temporary lease would open in May, in regard to the long- term future of the Grace Hill building.
  - iv. The Committee understands the argument for speed but acknowledges that option (c) would not necessarily cause a long delay to the decision's implementation or for a summer auction to take place.
  - v. Before any final decision is made on the Grace Hill building, Mr Webb and Mr Collins should meet with Creative Folkestone to discuss their proposal.
  - vi. The Committee expresses the desire that the Cabinet Member aims to maintain the building for community use in disposal.
- d. Members voted on the motion. The motion failed.
- e. Mr Eustace proposed and Mr Chapman seconded option (a) to 'make no comments'. Members voted on the motion. The motion was passed by majority vote.

RESOLVED that the Scrutiny Committee make no comments.