

# KENT COUNTY COUNCIL – RECORD OF DECISION

## DECISION TAKEN BY:

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

## DECISION NO:

**21/00083**

## 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); or*
- b) *be significant in terms of its effects on a significant proportion of the community living or working within two or more electoral divisions – which will include those decisions that involve:*
  - *the adoption or significant amendment of major strategies or frameworks;*
  - *significant service developments, significant service reductions, or significant changes in the way that services are delivered, whether County-wide or in a particular locality.*

### Subject Matter / Title of Decision:

Disposal of KCC's 50% interest in the Former Royal Mail Sorting Office (FRMSO), 98 Sandling Road and Cantium House, 99-102 Sandling Road, Maidstone, Kent to Maidstone Borough Council.

### Decision:

As **Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services**, I agree to the freehold disposal of Kent County Council's interest in the Former Royal Mail Sorting Office and Cantium House 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.
2. The **Director of Infrastructure** to authorise the execution of necessary contractual and land agreements required to implement the above.

### Reason(s) for decision:

Kent County Council (KCC) to sell its interest in the project to gain an anticipated capital receipt over £1m in line with Council's s.123 best consideration obligations, which will be used to support the Council's Capital Programme.

This will also enable KCC to focus resources within its own Estate, whilst continuing to work collaboratively in the context of the wider Town Centre Strategy Masterplan.

### Cabinet Committee recommendations and other consultation:

The decision was discussed by the Policy and Resources Cabinet Committee, 22<sup>nd</sup> 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. The report set out the history of the Council's interest in the site and the more recent reduction in the need for office space arising from the COVID-19 pandemic and changing work practices.
2. Mr Dodd introduced the report and responded to comments and questions from the committee, including the following:-

- a) asked which was the preferred option, as the recommendation in the report did not specify, Mr Dodd advised that it was option 1 – the County Council to sell its 50% stake of the Former Royal Mail Sorting Office plus its freehold interest in Cantium House to Maidstone Borough Council;
- b) asked about the comparative overage for the two sites – the Former Royal Mail Sorting Office and Cantium House – and if the same condition could be applied to both, Mr Dodd advised against seeking to make this too complicated or restrictive for the future; and
- c) concern was expressed about future development or use of the sites and the potential for unattractive development which may be out of place in the area, and the Council's ability to influence this, once it no longer owned the site, Mr Dodd advised that this issue could be mitigated by a new Collaboration Agreement between the County Council and the Borough Council to protect the Councils' respective interests, including references to The Borough Council's emerging Draft Local Plan policy for the Former Royal Mail Sorting Office and Cantium House for a high quality, residential-led mixed use scheme with emphasis on the importance of the setting around County Hall.

3. 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 complete the freehold disposal of the County Council's interest in the Former Royal Mail Sorting Office and Cantium House 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; and
2. the Director of Infrastructure to authorise the execution of necessary contractual and land agreement required to implement the above,

be endorsed

**Any alternatives considered and rejected:**

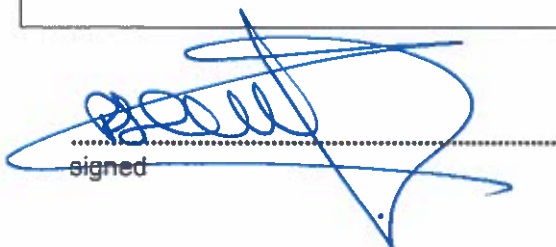
A number of options were considered as to how the partnership best take forward the masterplan which included:

- Option 1 – KCC to sell its 50% stake of the Former Royal Mail Sorting Office plus its freehold interest in Cantium House to Maidstone Borough Council.
- Option 2 – KCC to acquire Maidstone Borough Council's 50% stake of the Former Royal Mail Sorting Office Site.
- Option 3 – KCC/MBC to continue to work in partnership to deliver a scheme through to practical completion (direct development or via securing a development partner).

Following consideration, it is recommended KCC sell its interest in the project to Maidstone Borough Council and focus its resources within its own Estate, whilst continuing to work collaboratively in the context of the wider Town Centre Strategy Masterplan.

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

None

  
 signed

3 Nov '21  
 date