

From: Rebecca Spore, Director of Infrastructure

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

Subject: Sevenoaks Land East of High Street - Pre-Consultation and the next steps

Decision no: 24/00079

Key Decision: Yes, *decision affects more than 2 Electoral Divisions*

Classification: *Unrestricted report, with exempt Appendix F, not for publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 - Information relating to the financial or business affairs of any particular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).*

Future Pathway of report: Cabinet Member Decision

Electoral Division:

David Brazier – Sevenoaks Rural North East
Nick Chard – Sevenoaks West
Perry Cole – Swanley Sevenoaks
Roger Gough – Sevenoaks North and Darent Valley
Margot McArthur – Sevenoaks Rural South
Richard Streatfeild – Sevenoaks Town

Is the decision eligible for call-in? Yes

Summary: This report provides an update on the pre-consultation activity in respect of the Sevenoaks Land East of High Street project.

This project is being led by Sevenoaks District Council (SDC) who are the principal landowner and are seeking to redevelop the land east of High Street to provide sufficient residential accommodation to fully fund the redevelopment and refurbishment of Council owned properties.

Kent County Council's (KCC) involvement to date is as the landowner of Sevenoaks Library which is located centrally within the subject site.

Recommendations:

The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services is asked to consider and endorse or make recommendations on the proposed decision to:

1. note the feedback from the community consultation exercise conducted by SDC;

2. support the objectives and principles of the regeneration of the Sevenoaks town centre, subject to KCC's red line requirements, which includes the potential relocation of County Council services to new build facilities within a future scheme; and
 3. agree for KCC to work with SDC to progress the scoping of proposals and to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to enter into a Memorandum of Understanding (MoU) which will establish the principles of collaborative working between the two authorities. It should be noted that a further Key Decision will be taken in respect of the consideration of any final business case and the implementation of any proposals.
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1. Introduction

1.1 Kent County Council (KCC) has been engaging with Sevenoaks District Council (SDC) regarding SDC's ambition to regenerate the area to the east of the town centre in Sevenoaks.

1.2 The proposals involve the relocation of KCC services, including the library function, to an alternative new facility within a future scheme. This could potentially deliver more efficient buildings for KCC's estate, supporting Framing Kent's Future – Our Council Strategy 2022-2026. It may also present an opportunity for KCC's facilities to be relocated closer to the town centre.

1.3 Approval is being sought to enter a Memorandum of Understanding (MoU) with SDC, which will establish the principles of collaboration to explore the viability of proposals and would establish KCC's red-line requirements and expectations. Further details on this are contained within exempt Appendix F.

2. Key Considerations

2.1 Public pre-consultation events were undertaken by SDC to establish the community's views on the proposed regeneration of the High Street, which includes the leisure centre, library, museum and art gallery as well as car parking.

2.2 Feedback received following this consultation commented on the following areas:

- Infrastructure
- Townscape
- Facilities
- Housing
- Transport and Accessibility
- Environmental Issues
- Community engagement and process

2.3 SDC is the principal landowner, however the KCC site is in the centre of the proposed development area.

2.4 The KCC owned site currently houses the library and its associated car parking, which was built in 1987.

2.5 The library building accommodates various KCC services, which include the museum, art gallery, the registrar, and adults with learning disabilities.

2.6 While the building is not built to current energy efficiency standards, its current display energy certificate (DEC) assessment is 58-C compared to an average of 100-D for public buildings.

2.7 When compared to the wider KCC estate it is considered the property is fit for purpose, given it meets current and projected service requirements and is not in need of significant planned maintenance expenditure.

2.8 The overarching principle of the proposed collaboration is that by combining the respective KCC and SDC land interests, a mixed-use scheme can be developed which delivers a significant amount of new housing. This housing could generate sufficient capital (land value uplift) to fully fund new and improved community facilities within the mixed-use site, benefitting both KCC and SDC service users.

2.9 KCC would expect reprovision of facilities for its services, at nil cost to the County Council. New facilities would be built to modern energy efficiency standards and would support KCC's aspirations for a modern estate and commitment to reduce carbon emissions.

2.10 SDC's ambitions are to re-provide their existing services, which include the leisure centre, alongside an ambition for a new hotel, refurbishment of other SDC owned assets including 96 High Street, and above policy compliant environmental standards.

2.11 Given KCC's financial position, KCC's engagement to date has been predicated on the assumption that sufficient land value capture would be released to fully fund the new community facilities, which would satisfy KCC's best value obligations, and that surplus would be generated. Any net surplus generated from the inclusion of KCC's land interest within the project would be reinvested back into the Council's Capital Programme, i.e. KCC would have a commercial, rather than a service rationale for engagement in the project.

2.12 The proposed MoU will establish the principles of the collaboration in respect of the project and set out KCC's red lines to protect KCC's legal and financial interests.

2.13 SDC, supported by KCC, have held pre-consultation events, generating feedback from key stakeholders and the community (Appendix A). This feedback would be used at the next stage to inform the brief for the project as it develops.

2.14 Due to the high-profile nature of the proposals and the impact the development may have on multiple electoral divisions, a key decision is being sought to endorse KCC's continued engagement with the project and to provide authority to enter into an MoU to allow this to progress.

2.15 Further information in respect of the content of the MoU is provided in exempt Appendix F.

3. Background

3.1 SDC and KCC own land to the east of the High Street, Sevenoaks. The property assets which would be in the scope of the regeneration project are the current leisure centre, the library/museum/art gallery, car parks, bus stops, Sackville House, and the former M&Co shop (Appendix C). SDC's stated ambition is to regenerate these areas to provide:

- *A new state of the art, environmentally efficient leisure centre.*
- *A new multi-use learning hub that will incorporate a library, adult education centre, art gallery, facilities for learning disabilities, registrar, museum and a community space.*
- *A new market hall to enhance the retail, cultural and dining offer and support for local and emerging businesses.*
- *A new hotel.*
- *New homes, including much needed affordable housing.*
- *Improved pedestrian connections between the town and Knole Park.*
- *Improved public transport and green travel routes.*

3.2 The pre-consultation engagement was undertaken at the end of April 2024 to seek the view of residents, businesses, and other stakeholders on the early ideas for delivering improvements to the area east of Sevenoaks High Street (around Buckhurst Land and Suffolk Way), see Appendix A.

3.3 Feedback regarding KCC's services showed support for the facilities and their retention. The benefits of co-location were acknowledged, but there was a view that the library space should not be reduced. Additionally, there was also support for these community facilities to be relocated closer to the high street as part of any future development project.

3.4 Authority is now being sought to endorse KCC's continued engagement in the project and to formalise this relationship with SDC in an MoU.

3.5 Subject to agreement for KCC to enter an MoU, the project will move to the next stage of delivery; the procurement of a strategic development partner, whose role will be to further refine masterplan proposals and work with both Councils to develop core requirements and establish the viability of proposals.

3.6 Subject to the viability of proposals being established, a further key decision will be needed, in advance of KCC legally committing to the project and relevant Members will be engaged as part of this process.

3.7 Entering into an MoU does not oblige KCC to continue with the project.

3.8 Continued engagement may present an opportunity to secure a newer, more energy efficient facility, in an optimised location at nil cost to KCC. The proposed MoU will cover the following:

- a) The key objectives of the project.
- b) The key inputs and outputs from the project, from both a financial and property perspective.
- c) The principles of collaboration.

- d) The governance structures the parties will put in place and operate. This will involve the establishment of a Project Board and Project Working Group.
- e) The respective roles and responsibilities parties will have during the project.
- f) The equitable treatment of outputs from the project to protect each party's commercial interests.
- g) Clarification that neither party's ability to exercise its statutory duties will be impacted by the MoU.
- h) The right to terminate the MoU should the project be deemed unviable or at either party's discretion with sufficient notice.

4. Financial Implications

4.1 At this stage KCC's financial exposure is limited to the legal costs associated with the drafting and negotiation of the MoU, circa £15k.

4.2 As noted, it is envisaged that for KCC to consider committing to the wider project, it will need to be established that it is viable for community facilities to be fully funded to the required specification solely from land value capture.

4.3 Limited further revenue expenditure may be required to support this assessment prior to a full business case being prepared and a subsequent key decision being sought. This expenditure will be funded through capitalisation against the currently forecast capital receipt should the project progress, which is KCC's standard practise in respect of capital generating disposals.

4.4 As noted above, engagement to date has been on the basis that the scheme could generate a financial surplus following re-provision of facilities, providing a commercial incentive for KCC's involvement.

5. Legal implications

5.1 While the MoU will set out the principles of collaboration between KCC and SDC it is not a legally binding document on either party, and therefore KCC's land interests are not impacted at this stage.

5.2. A future key decision will be sought before KCC enters into any legally binding documentation in respect of its landholdings. The impact on service delivery and timelines for development will be fully considered at this future stage, subject to feasibility being established.

5.3 KCC has appointed legal advisors through the Office of General Counsel to assist with the drafting of the MoU and to advise on potential collaboration structures.

6. Equalities & Data Protection Implications

6.1 An Equality Impact Assessment (EqIA) has been completed and no issues have been identified at this stage for EqIA, but this will be reviewed as the collaboration project continues.

7. Data Protection Implications

7.1 A Data Protection Implication Assessment (DPIA) screener has confirmed that there are no DPIA implications at this time.

8. Other corporate implications

8.1 Services will be fully engaged during the design stages to ensure that any proposed new facilities meet KCC's organisational requirements.

9. Governance

9.1 Members in Sevenoaks were consulted on the 11 April 2024, prior to the pre-consultation events, regarding the concept of the regeneration of Sevenoaks High Street and KCC's potential involvement. Members were supportive of this concept and noted that due to the early stage of the project further information would be required as the project progresses, prior to KCC's full engagement.

9.2 The Strategic Project Management team in Infrastructure will ensure the working group will involve the relevant services across the Council as the project develops.

9.3 The Policy and Resources Cabinet Committee will be provided with updates on the progress of the Sevenoaks Regeneration Project as the project progresses.

9.4 A further key decision supported by a full business case will be sought prior to KCC committing to the project.

10. Conclusions

10.1 KCC has been engaging with SDC regarding SDC's ambition to develop the land to the east of the town centre in Sevenoaks. The project can only continue in its current form in collaboration with KCC as the County Council is a key landowner and stakeholder. Authority is sought to enter into the MoU and develop proposals to the next stage.

10.2 This will include the following activities:

- Refinement of masterplan.
- Independent planning appraisal of proposals to assess deliverability.
- Independent financial appraisal of development assumptions.
- Valuation advice in respect of KCC's property inputs and property outputs.
- Consideration of co-location opportunities within the theoretical new community space.

10.3 Subject to confidence being established in the deliverability of the project, a full business case will be prepared, and a key decision will be sought prior to KCC entering any legally binding contract committing itself to the project.

Recommendations:

The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services is asked to consider and endorse or make recommendations on the proposed decision to:

1. note the feedback from the community consultation exercise conducted by SDC;

2. support the objectives and principles of the regeneration of the Sevenoaks town centre, subject to KCC's red line requirements, which includes the potential relocation of County Council services to new build facilities within a future scheme; and
 3. agree for KCC to work with SDC to progress the scoping of proposals and to delegate authority to the Director of Infrastructure, in consultation with Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to enter into a Memorandum of Understanding which will establish the principles of collaborative working between the two authorities. It should be noted that a further Key Decision will be taken in respect of the consideration of any final business case and the implementation of any proposals.
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11. Appendices

11.1 Appendix A - Sevenoaks Pre Consultation Report

<https://cds.sevenoaks.gov.uk/documents/s58083/09%20Appendix%20F%20-%20LEHS%20Stage%201%20Engagement%20Report%20-%20Final.pdf?J=1>

11.2 Appendix B – Site Plan of ownership boundary line

11.3 Appendix C – Site Plan showing SDC and KCC Ownership

11.4 Appendix D – EQIA

11.5 Appendix E - Proposed Record of Decision

11.6 Appendix F – Exempt Report

12. Contact details

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