

From: Barbara Cooper- Director of Economic & Spatial Development  
Jane Kendal - Head of Service for Customer Relationship

To: Bryan Sweetland - Cabinet Member for Commercial and Traded Services

Decision No: **13/00040 (b)**

Subject: **Creation of Swanley Gateway**

Key decision - Financial Criteria Exceeded - Expenditure over £1m

Classification: **Unrestricted**

**Past Pathway of Paper:** Swanley Gateway was discussed by the Communities Cabinet Committee in 2013

**Future Pathway of Paper:** N/A

**Electoral Division:** Swanley

Local Members: Robert Brookbank

**Summary:** Swanley Gateway has been a long term aspiration and following negotiations with partners over an equitable financial structure and a tender for the refurbishment works, the project is now ready to proceed subject to final sign off on all legal and contractual documents.

**Recommendation:**

As Cabinet Member for Commercial and Traded Services, I agree to the creation of a Gateway in Swanley, to be housed in the current Library building and in accordance with the details set out in the accompanying report

**1. Introduction**

- 1.1 Changes in funding and technology are leading to a shift in the facilities required by some of Kent County Council's (KCC) services. Working with other public, private and third sector partners who are in many cases experiencing the same challenges, presents the ideal opportunity to work towards joined up service delivery via a multi-functional facility able to serve a wider range of community and KCC requirements.
- 1.2 In bringing together services from across KCC and beyond, the opportunity to address historical under investment in facilities ensures the final users will benefit from a fit for purpose property, in an appropriate and accessible location, with enhanced access to modernised services and which are able to deal effectively and efficiently with multiple complex needs.
- 1.3 The challenge in looking to deliver Swanley Gateway will be to provide a holistic response to customer need, whilst also delivering financial savings for KCC through minimising capital and revenue costs, maximising income

to Property Infrastructure and Support and delivering a project in line with the learning points from the Gateway review.

- 1.4 This project will work with partners to co-locate core customer service functions from KCC including Libraries, Registration and Archives, Gateways, Social Care and Community Learning and Skills, along with West Kent Housing Association (WKHA), Swanley Town Council (STC), Sevenoaks District Council, West Kent Extra, Post Office, Department for Work and Pensions (Job Centre Plus) and other 3rd sector organisations.

## **2. Financial Implications**

- 2.1 Total cost of the project is anticipated to be c£1.068M.
- 2.2 Property & Infrastructure Support will gain leasehold income of c£47k per annum with a net income from the facility of c£30k in year 1 rising with rent reviews.
- 2.3 Based on the worst case cost scenario, the overall revenue position-for KCC is broadly neutral.
- 2.4 Favourable long term head lease from STC will give KCC a c£650k asset at a peppercorn rent with break clauses in KCC's favour should longer term strategic plans change.
- 2.5 WKHA and the Post Office will take out full commercial 15 year leases with 5 yearly rent reviews.
- 2.6 West Kent Extra will take out a 15 year lease and will offset service charges to a greater proportion than their demised area.
- 2.7 STC and WKHA will have licences on the ground floor in order to mitigate KCC service charges.
- 2.8 External users will pay over 46% of all facility costs within the building.
- 2.9 External users will contribute c£35k towards the operational costs of the facility.
- 2.10 Where tenants break their licences, partners will be liable for service charge payments for an additional 2 years to give KCC the time to find alternative users.
- 2.11 WKHA and West Kent Extra are both able to benefit from 80% rates relief on their demised areas.

## **3. Policy Framework**

- 3.1 The Swanley Gateway project is consistent with KCC strategic policy in the following ways:
- 3.2 Facing the challenge
  - 3.2.1 Market engagement and service review<sup>1</sup>
  - 3.2.2 Integration and service re-design
- 3.3 Vision for Kent 2012-22
  - 3.3.1 To tackle disadvantage<sup>2</sup>

---

<sup>1</sup> E.g. Libraries moving to a potential trust could mean additional savings on business rates

- 3.3.2 To put citizens in control
- 3.4 Customer Services Strategy 2012
- 3.5 New Ways of Working
- 3.6 Libraries, Registration and Archives Annual Operating Plan 2014/15
- 3.7 Library & Archive Strategy 2004 to 2014-3.2 (ii)
- 3.8 Customer Relationship Team Business Plan 2014/15
- 3.9 Family and Social Care Annual Operating Plan 2013/14

#### **4. General update**

- 4.1 Swanley Gateway has been a long term political aspiration. Due to limited resources, STC have been unable to attract income generating partners and as a consequence, the facility has deteriorated to a point that partners are now in an unsustainable financial position with the potential for the facility to close. The latter would have serious reputational and political risks for KCC as it would lead to the loss of a number of services.
- 4.2 Following discussions at Procurement Board and Budget Programme Board, the project now has permission to spend from PAG and can proceed subject to final sign off from the Director of Property Infrastructure and Support.

#### **5 Options**

- 5.1 A number of options were considered which are below:
- 5.3 Minimal refurbishment (preferred option). This is the preferred approach to refurbish the current facility to maximise income generation opportunities, rationalise service delivery, contract service space requirements and ensure long term sustainable delivery. This option minimised capital requirements and sought to achieve the best outcome for all partners along with delivering a cost neutral revenue position.
- 5.4 Significant refurbishment including new build on the top floor to increase the opportunities provided by the facility. Capital costs were considered to be significantly higher for this option and while income generation would have been maximised there was no certainty that a cost benefit analysis would prove to be worthwhile.
- 5.5 Do nothing. Facility is deteriorating and Swanley Town Council's viability continues to be eroded due to insufficient income generation from partners, should this continue the facility would eventually be forced to close and KCC would need to re-locate, refurbish a new facility and subject to the property, pay a lease. Benefits of this approach would be that short term there would be no need for a capital investment and this could be delayed until the building fabric became critical.

#### **6. Legal and other outcomes**

- 6.1 Legal implications of the deal will see KCC effectively take long term control of a significant c£650k asset at a peppercorn rate for the duration

---

<sup>2</sup> "To ensure there is a choice of high-quality and accessible servicesu

of the Gateway. Property Infrastructure and Support will also benefit from a net income from the proposal.

- 6.2 All Heads of Terms for leases, licenses and partnership agreements have been agreed and legal now require this decision to be confirmed in order to enter into the various agreements.

## 7 Equality implications

- 7.1 A full equalities impact assessment has been done on the scheme and the project will deliver a fully inclusive and DDA compliant facility which is an improvement on the current situation.

## 8. Conclusions

- 8.1 The Swanley Gateway project has sought to deliver a financially sustainable model that allows the council to continue delivering for its customers in an affordable manner. The project will benefit several internal KCC services along with a plethora of external ones which by joining together in one location, will ensure customers can benefit from support across public, private and third sector organisations. In doing so, operational service costs are kept to a minimum, while a refurbished facility will be able to provide KCC with a flexible long term asset capable of adapting and changing to meet the future needs of the Council.

## 9. Recommendation:

As Cabinet Member for Commercial and Traded Services, I agree to the creation of a Gateway in Swanley, to be housed in the current Library building and in accordance with the details set out in the accompanying

## 10. Contact details

Report Author:	Jonathan White
Name and title:	Project and Operations Manager
Telephone number:	01622 696904
Email address:	jonathan.white@kent.gov.uk
Relevant Director:	Barbara Cooper
Name and title:	Director Economic and Spatial Development
Telephone number:	01622 221856
Email address:	barbara.cooper@kent.gov.uk