

Council Offices
Argyle Road
Sevenoaks
Kent
TN13 1HG



Published: 09.10.23

I hereby summon you to attend the meeting of the Sevenoaks District Council to be held in the Council Chamber, Council Offices, Argyle Road, Sevenoaks commencing at 7.00 pm on 17 October 2023 to transact the under-mentioned business.

Chief Executive

AGENDA

There are no fire drills planned. If the fire alarm is activated, which is a continuous siren with a flashing red light, please leave the building immediately, following the fire exit signs.

Apologies for absence

1. To receive any declarations of interest not included in the register of interest from Members in respect of items of business included on the agenda for this meeting.
2. Matters also considered by the Cabinet
 - a) Farmstead Drive, Spital Cross, Edenbridge - Development (Pages 1 - 26)

EXEMPT ITEMS

Recommendation: That under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting when considering Appendix B of Agenda Item 2a above, on the grounds that likely disclosure of exempt information is involved as defined by Schedule 12A, paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)).

To assist in the speedy and efficient despatch of business, Members wishing to obtain factual information on items included on the Agenda are asked to enquire of the appropriate Contact Officer named on a report prior to the day of the meeting.

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Item 2 (a) – Farmstead Drive, Spitals Cross, Edenbridge - Development

The attached report was considered by the Cabinet, and the relevant minute extract is below:

The Portfolio Holder presented report which provided an update on the Farmstead Drive scheme which provided an update on the project and sought approval from Cabinet for the proposed recommendations.

He advised that the report had been considered by the Finance & Investment Advisory Committee and Members spoke enthusiastically for the development, but also recognised the marginal financial viability for the project at this time. Essentially the Committee were cautious, taking into account the financial elements, but at the same time recognising the benefits to the community in terms of maintaining improving existing amenities and environment. The view was that these issues should be carefully assessed.

In November 2021, the Council approved the development of the scheme and provided approval to undertake further feasibility and design work, agreed the budget and appropriate delegations, subject to the scheme remaining viable and planning permission obtained. Further consultation with key stakeholders and members of the public had been undertaken and had been used to make improvements to the scheme design.

Since the decision, additional funding of £375,000 had been secured from the Brownfield Land Release Fund. However, as a result of recent global market events, notably increases to construction and material costs, alongside the revised scheme design as a result of the public consultation, there has been an impact on the project's cost. Therefore, the initial budget required had increased, however the scheme remains feasible and viable.

The Portfolio Holder highlighted that the Council was utilising the opportunity to provide a wider ranging community benefit redevelopment constructing a new community hall and retail premises, as well as an enhanced play area, landscaping and an additional 41 car parking spaces to serve the wider estate. All of which represented significant planning and community benefits for the local community and residents but would come at significant cost, of which arguably a mainstream private developer would not be providing. If the Council were not intent on delivering these important community benefit facilities and infrastructure the scheme's total project cost would be around £7.952m, which would result in a greater surplus positive margin for the scheme, yielding a 24% profit margin.

The budget required for the project had increased, resulting in an additional funding requirement of £2,741,785. However, the scheme remained feasible and marginally financially viable in accordance with the key financial

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assumptions outlined in the report and in Appendix B. It was viewed that the significant social and community benefits outweighed the weakness of the scheme's marginal viability on purely financial evaluation.

Subject to Council approval of the additional funding required, demolition and enabling works are expected to start in mid-November, with start on site for the main construction works in January next year, with completion in January 2026.

Having discussed the questions raised at Finance & Investment Advisory Committee with Officers he was satisfied that all matters have been appropriately considered and dealt with.

The Regeneration and Development Project Manager further advised that financial due diligence works had been undertaken for the procurement of the contractor by means of tender using the LHC Framework that was compliant with public procurement regulations and the Council's standing orders. It was important to note that officers had been successful in negotiating a fixed works price construction lump sum from the contractor so the cost plan has a very high degree of cost certainty and this price will be locked into. This lump sum fixed price includes key risk items which are being transferred to the contractor.

He advised that expert advice on the VAT implications for the scheme had been received. The residential units would be zero-rated for VAT purposes, so all the related VAT costs would be recoverable by the Council. The lease to be granted for the new convenience store would be VAT-exempt. The lease for the new community hall would be either VAT-exempt or zero-rated, depending on how long the lease is and how the hall will be used.

The Chairman used her discretion to allow Members also in attendance to ask questions of clarification. Officers advised they were content with the due diligence exercises undertaken and were reassured by the fixed price lump sum and the insurance cover within the contract arrangements. The Cabinet discussed the community benefit of the scheme and stakeholders involvement.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the impacts on the project budget outlined in this report, including; recent global events and economic pressures impacting regeneration and construction and changes to the scheme design, including the provision of fewer homes, additional parking, open

- space improvements and community facilities as a result of feedback from the public consultation, be noted;
- b) the scheme remains viable, be noted;
 - c) Subject to approval of recommendation (e) by Council and planning approval being obtained, authority be delegated to the Strategic Head of Property and Commercial following consultation with the Chief Officer - Finance and Trading and the Head of Legal Services to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Contracts Procedure Rules and for the disposal of the residential and commercial units.
 - d) the development sites as outlined red in the Plan (Appendix D) be appropriated for planning purposes in accordance with the section 122 of the Local Government Act 1972 (in reliance on section 227 of the Town and Country Planning Act 1990) consequentially facilitating the Council's powers under sections 203 to 206 of the Housing & Planning Act 2016 to override any outstanding interests, be approved; and
 - e) that it be recommended to Council that the total project budget be increased by £2,741,785 to £10,351,405 and that the Capital Programme, be accordingly amended;

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FARMSTEAD DRIVE, SPITALS CROSS, EDENBRIDGE – DEVELOPMENT

Extraordinary Council – 17 October 2023

Report of: Strategic Head of Property and Commercial

Status: For Decision

Also considered by:

- Cabinet – 19 September 2023
- Finance & Investment Advisory Committee – 5 September 2023

Key Decision: Yes (part)

Executive Summary:

In November 2021, Council approved the development of a scheme at Farmstead Drive in Edenbridge. Council provided approval to undertake further feasibility and design work, agreed the budget and appropriate delegations, subject to the scheme remaining viable and planning permission being obtained.

This report provides an update on the consultation undertaken with key stakeholders and members of the public and how this has been used to make improvements to the scheme design.

Since the Council decision, additional funding has been secured from the Brownfield Land Release Fund. However, as a result of recent global and market events, notably increases to construction and material costs, alongside the revised scheme design as a result of the public consultation, there has been an impact on the project's cost. Therefore, the initial budget required has increased, however, the scheme remains feasible and viable.

The report provides members with an update on these issues, proposed next steps and recommendations.

This report supports the Key Aim of: improvements to public realm and infrastructure, community facilities and meeting housing targets. The provision of new housing is a key priority and pressure for the District.

Portfolio Holder: Cllr Thornton, Leader of the Council, Cabinet Member for Improvement and Innovation

Contact Officers: Andrew Connors, Ext. 7018

Recommendation to Finance and Investment Advisory Committee:

- (a) The Finance and Investment Advisory Committee endorse the proposed recommendations to Cabinet and Council.

Recommendation to Cabinet:

- (a) Cabinet notes the impacts on the project budget outlined in this report, including; recent global events and economic pressures impacting regeneration and construction and changes to the scheme design, including the provision of fewer homes, additional parking, open space improvements and community facilities as a result of feedback from the public consultation;
- (b) Cabinet notes the scheme remains viable and recommends to Council the total project budget be increased by £2,741,785 to £10,351,405 and that the Capital Programme is accordingly amended;
- (c) Subject to approval of recommendation (b) by Council and planning approval being obtained, authority be delegated to the Strategic Head of Property and Commercial following consultation with the Chief Officer - Finance and Trading and the Head of Legal Services to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Contracts Procedure Rules and for the disposal of the residential and commercial units.
- (d) Cabinet approves the development sites as outlined red in the Plan (Appendix D) be appropriated for planning purposes in accordance with the section 122 of the Local Government Act 1972 (in reliance on section 227 of the Town and Country Planning Act 1990) consequentially facilitating the Council's powers under sections 203 to 206 of the Housing & Planning Act 2016 to override any outstanding interests;

Recommendation to Council:

Council approves the total project budget be increased by £2,741,785 to £10,351,405 in the Capital Programme to deliver this scheme which is to be funded as noted in the Financial Implications of this report.

Reason for recommendation: To provide much needed housing and also improved community facilities and open space in Edenbridge.

Introduction and Background

Development location

- 1 The development covers several parcels of land within the Spitals Cross Estate in Edenbridge. The main development site includes the current community hall (Fircroft Hall), a community shop (with ancillary flat above) and playground, together with associated open space and four other areas of poor quality open space in the Council's ownership outside of the main development site. The community hall is used as a social club and provides a resource for local residents on the estate.
- 2 Community facilities on the site are c.60 years old and are looking tired and dated. The buildings are reaching the end of their economic life and require substantial refurbishment/expenditure. The existing store and community hall are no longer fit-for-purpose and will require significant investment to ensure they meet current building regulations, are decarbonised and are environmentally sustainable. The Council is utilising this opportunity to provide a wider ranging community benefit redevelopment including replacement community hall and retail premises, as well as an enhanced play area, landscaping and car parking spaces to serve the wider estate. It will also make better use of the site by providing new housing, which would not only contribute to meeting local housing need/numbers but also cover the financing of the project.

Council approvals to date

- 3 Several design options were considered for the site and the preferred scheme design option for Farmstead Drive was approved by Cabinet on 14 October 2021 and Council on 17 November 2021.
- 4 The development aims to provide:
 - energy efficient new homes including both flats and houses with private gardens;
 - re-provide the community hall to meet net-zero commitments resulting in an energy efficient and modern fit-for purpose new community hall;
 - re-provide the convenience store;
 - re-provide the play area and provide improved amenity space;
 - enhance the urban fabric; and
 - providing parking for the new development (23 spaces) as well as four new areas of parking for the wider estate (41 spaces).
- 5 At the November 2021 meeting, Council provided approval to undertake further feasibility and design work, agreed the budget and appropriate delegations, subject to the scheme remaining viable and planning permission being obtained.

Progress to date

- 6 Local resident and key stakeholder consultation events and public exhibitions were held on the scheme's design development in April and December 2022.

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- 7 The design was consequently modified to reflect site constraints and comments received from the Environment Agency and other statutory consultees. It was also tweaked to take into account various comments made by local residents, the FTRA and local councilors. In particular, the scheme now also includes additional parking provision (an additional 41 parking bays) for Spital Cross residents. The proposed site layout (subject to planning) is detailed at Appendix A.
- 8 The proposals have been designed with energy efficiency in mind from the outset and seek to incorporate passive design measures such as protruding floors to create summer shading, angled rooftops to allow for low-angle winter sun penetration and a thermal mass which reduces the need for heating and cooling. Other energy efficiency measures will be incorporated including low energy lighting, water efficiency measures, exhaust air source heat pumps, efficient mechanical ventilation systems with heat recovery and PV panels.
- 9 A new playground will be located in the north of the site extending to approximately 344 sqm., There will be further soft landscaping and open space, which will also be an informal play area extending to approximately 450 sqm.
- 10 The Council submitted a detailed planning application in May 2023, which was determined at Development Management Committee on 17 August 2023. Members resolved to grant planning permission subject to the completion of the s106 legal agreement and in accordance with the relevant applicable planning conditions.
- 11 The planning application is accompanied by an independent viability assessment that confirms that it is unfortunately not viable for the scheme to provide any affordable housing. This takes into account the significant costs associated with constructing the new community hall, the new retail unit, new landscaping, improved public open space, play areas and satellite parking sites, all of which represent significant planning and community benefits for the local community and residents but come at significant cost. On top of this are the costs associated with CIL and s106 Contributions requested by KCC towards primary and secondary education.
- 12 In March 2023, the Council completed a procurement exercise to appoint Oakwood Building Contractors under a Pre-Construction Services Agreement to help finalise detailed designs for the scheme and also arrive at a fixed price lump sum construction cost for the scheme.
- 13 The Council successfully applied to the One Public Estate Brownfield Land Release Fund, securing £375,000 grant funding; which has required the need to adopt an accelerated procurement process.
- 14 The Council has also submitted an Expression of Interest (EOI) to the Get Building Fund and is seeking additional grant funding of £300,000. If the EOI is successful, we will be required to finalise a Business Case for submission, with final determination in September/October 2023.

Key deliverables

- 15 The Farmstead Drive development will deliver 23 new high quality, environmentally efficient and sustainable homes as well as significant other community benefits including:
- a new Community Hall;
 - convenience Store;
 - public open space;
 - car parking for the new development (23 spaces), and;
 - construction of 4 new areas of car parking for the wider estate (41 spaces).

Current project status

- 16 The Council has also procured a preferred contractor in compliance with procurement regulations and the Council's standing orders.
- 17 During the intervening period since approval was granted back in November 2021, the scheme has been impacted with significant cost pressures These include:
- global events and economic pressures impacting regeneration and construction (as further outlined in Appendix B and the financial implications section of the report);
 - changes to the scheme design and provision of fewer homes, additional parking, open space improvements and community facilities as a result of feedback from the public consultation, and;
 - a significant Community Infrastructure Levy (CIL) contribution of £162,385 and s106 contribution of £166,978 at the request of KCC towards primary and secondary education.
- 18 The scheme remains feasible albeit now marginally viable.
- 19 Subject to the receipt of planning permission and Council approval for the additional expenditure (£2,741,785) required, enabling works are due to commence November 2023 and construction is envisaged to complete in January 2026.

Pre-Application Discussions and Public Consultation

- 20 It has been important for local stakeholders and residents to have a voice and be able to influence change and our approach to the project's design.
- 21 Local residents and key stakeholders were consulted throughout the scheme's design development and public exhibitions were held in April 2022 and in December 2022.
- 22 The public consultation events were well attended and feedback received was exceptionally valuable. The design team have taken the feedback provided and, where feasible and required, improvements were made to the scheme. Key findings can be found in the Farmstead Drive Consultation

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Report.

- 23 Based on the stakeholder and public consultation responses, the initial plans were revised to include;
- fewer new homes;
 - additional parking spaces for residents throughout the Estate;
 - improved play provision;
 - a community hall that enables flexible use;
 - a new, modern community shop, and;
 - other improvements including better signage and landscaping.
- 24 The proposals were also discussed with town and district councilors and statutory consultees including KCC, the Environment Agency, Southern Water, UK Power Network, BT and Kent Police to mention a few. Pre-planning discussions were also held with the local planning authority.

Procurement

- 25 The Council undertook an Invitation to Tender exercise to appoint a contractor using the LHC Framework. A two stage Design and Build call off was selected for this project. The first stage is the Pre-Construction Services Agreement to undertake detailed design work and the second stage would be for the actual works. The Council has subsequently appointed Oakwood Building Contractors Ltd as Principal Contractor and as Principal Designer and is expected to undertake all duties as required under the CDM Regulations 2015.
- 26 The early involvement and procurement of the contractor has helped the Council to fulfill the requirements associated with being in receipt of Brownfield Land Release grant funding for this scheme and improves the buildability and cost-certainty of the design.
- 27 Oakwood have been busy working with their sub-contractors and the Council and it's appointed Employers Agent and Cost Consultant via the PCSA to develop the design further and work towards aiming to achieve a construction works fixed price lump sum figure for the scheme.

Delivery Programme

- 28 The project's indicative delivery programme, assuming planning consent is granted, is outlined in the table below. Oakwood's fixed lump sum construction cost is based upon an on-site period of 94 weeks.

Milestones	Date
Planning Determination	17 August 2023
Full Council Approval	17 October 2023
Works JCT Contract Award	November 2023
Start on site	January 2024
Practical Completion	January 2026

Supporting information at Appendix B - exempt from publication under paragraph 3 "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

- 29 The sales values used by the external viability consultant are based on Q1 2023 values. Construction costs and interest rates have increased substantially given global market conditions. At the time of the Council's decision in November 2021, interest rates from the PWLB were circa 1.5% and have now increased to 5%. Construction materials have also experienced significant inflationary pressures of up to 30% since January 2022. Changes to the scheme design have also been required following consultation with key stakeholders via the planning pre-application and public consultation process. One notable element which comes at significant cost is providing the additional car parking to serve the wider estate which a mainstream private sector developer would not be providing.
- 30 These have consequently impacted on the scheme's financials since last reported to Cabinet in September 2021. Our updated cost plan prepared by our cost consultants in consultation with Oakwood suggest that the scheme remains feasible and breaks even with a marginal surplus.
- 31 It is important to note that the cost plan reflects Oakwood's fixed price construction lump sum (including PCSA costs) as well as project design, planning, consultation and survey fee costs already incurred by the Council for the work associated with reaching RIBA Stage 3 and submission of the planning application. Oakwood has agreed to provide the Council with a fixed lump sum contract price. This means that they are prepared to take the full risk on significant cost elements to the scheme and is inclusive of risks associated with:
- ongoing inflation;
 - all utility diversions, disconnection and new connection costs;
 - structural re-designs;
 - assivhaus savings.
- 32 As a result, the cost plan has a very high degree of cost certainty and this price will be locked into. Details of the development appraisal can be found in Appendix B.

Appropriation

- 33 The process of appropriation allows the Council to state that land held for one purpose may now be used for a different purpose. In this case it is for the Council to consider declaring that the land is required for facilitating the development and ensuring proper planning in the area. In order to appropriate the land, the Council should be satisfied on the requirements of sections 122 of the Local Government Act 1972 and section 203 of the Housing and Planning Act 2016.
- 34 Appropriation for planning purposes has an additional effect in protecting the Council from unexpected and disruptive junctions, overriding civil disputes that could otherwise constrict the development. Although the Council has

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taken reasonable steps to identify potential limitations on the land over time the site has become subject to assorted rights and covenants while the Council's former, extensive, holdings have become fragmented including under the transfer to West Kent Housing in 1989 and various Rights to Buy. It is possible that undocumented rights may have arisen, although no harms have been identified from this project.

- 35 The legal tests for the Council to consider are set out below.

Consultation

- 36 As part of the site is also open space land, section 122(2A) of the Local Government Act 1972 requires the Council to advertise its intention to appropriate the land for two weeks in a local newspaper. The Council must then consider the responses before making any decision to appropriate. The consultation process commenced on 24 August 2023.
- 37 The results of the consultation were not available at the time that this report was written and will not be available by the date of the Finance and Investment Advisory Committee. Any recommendation by the Advisory Committee must therefore be subject to this consultation. Detail of the consultation responses will be provided as supplementary papers for Cabinet, who will need to consider the appropriation afresh in light of them.

Appropriation will facilitate the carrying on of development or redevelopment or achieve the interests of proper planning

- 38 The previous use of the site was for an old retail convenience store and community hall in need of significant investment, open spaces and play area, culverted main river to the northern border of the site crossing diagonally across the site and several mature trees.
- 39 The proposed development has a detailed planning application which was approved (subject to a S106 and conditions) on the 17th August 2023.
- 40 The appropriation would allow confirmation that the land was no longer required for its former purpose but was to be utilised for the carrying out of a specific, suitable development which has been given due permission.

The development is likely to contribute to the economic, social or environmental well-being of the area

- 41 The proposed development would provide high quality new housing for Edenbridge. Further, the development also facilitates replacing the old outdated retail convenience store and community hall facility with more modern up to date facilities for the local community. It will also be providing additional parking to serve the wider estate and enhanced and improved play and open space areas.

Whether the use of Section 203 (to override rights) is proportionate with any interference with the human rights of those involved

- 42 In all its functions the Council must consider the impact of its decisions, ensuring that any negative or any positive impacts are balanced against each other and that any final decision is proportionate.
- 43 In this case Section 203 necessarily engages the rights to private property (Article 1 of the First Protocol of the ECHR) and Family Life (Article 8). The Council must therefore consider the balance in the decision to appropriate and whether the steps are only those necessary to achieve the legitimate aim. Should an interference arise in practice then it is considered that the role that the development would provide with much needed housing in the District and in facilitating the new community facilities outweighs the impacts that the development would have. The steps are necessary but proportionate.

Contact with third parties with interests

- 44 Parties have not been individually contacted for the reasons set out above, while the certainty needed for the development would not in practical terms allow correspondence with all potential parties within existing timeframes.

Other Options Considered

- 45 The 2021 Cabinet and Council report outlined the various alternative development options. Pertinent to this report, is that there are alternative procurement approaches that could have been deployed but were discounted. In particular, the Council could have continued down the route of a traditional design and build route, obtain planning permission and then tendered for a contractor. This route does not support a condition of the grant funding which required the Council to be in contract with a contractor by 31 March 2023, and the procurement approach and entering into the Pre Construction Services Agreement adopted with Oakwood facilitates this condition.

Risk Assessment

- 46 A table outlining the key risks relating to this project are outlined in Appendix C.

Key Implications

Financial Implications

- 47 Council approved the provision of £7,609,620 in the Capital Programme to deliver the scheme back in November 2021. Due to the reasons set out in this report there is now a requirement for additional funding of £2,741,785 to cover the total project costs.
- 48 The scheme is intended to be funded (ultimately) from capital receipts and from the sale of the residential units and rental income from the commercial buildings (see Appendix B for more information).

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- 49 The table below shows the expected expenditure over the duration of the project.

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£	£	£	£	£	£
Expenditure	50,418	285,705	2,291,123	5,763,417	1,960,742	10,351,405

- 50 The 23 residential units will be disposed of in the open market and price points have been recommended by the Council's property consultant.
- 51 At today current sales values (Quarter 1 2023) for both the residential homes and rental values of the commercial units would be approximately £9,948,059. By applying a modest growth and including the £375,000 BLRF Grant this would see the GDV increasing to £10,379,809 yielding a small surplus of £28,404.
- 52 As the Council is not selling and is retaining the commercial buildings the rental would recoup the rest of the scheme costs. The rental unit values total £57,948 (pa).
- 53 Until the receipts from the sales of the residential units are received, short-term borrowing will be used to fund the scheme. The potential financing costs are outlined in Appendix B.
- 54 Consideration will need to be given to the VAT implications of the project. Dependent on the use of some of the elements of the project it may require specific VAT treatment. Further VAT advice will be sought.

Legal Implications

- 55 The Council has freehold title of the site. The land is currently occupied by a Resident's Association at the Community Hall. The commercial tenant in the retail premises has been given notice to vacate of which the notice period has expired and vacant possession was obtained in May 2023. The Residents Association have been served notice to remain in occupation of the existing community hall until midday on 10th November 2023 to coincide with the date possession would be required under the construction timeline.. New leases will need to be entered into prior to occupation within the new development.
- 56 The residential units are to be disposed of with 125 year leases on the open market. As a result, the Council will need to establish a management company to hold the freehold and to manage the communal areas.
- 57 Planning permission has been granted (23/00925/FUL) subject to a S106 agreement and conditions. The Council will need to obtain further statutory approvals (e.g. building control approval) and these are known to the Project Team.

- 58 Due diligence assessments have identified that, subject to consultation responses, it would be suitable to appropriate the site for planning purposes including to ensure proper planning. The Council is authorised to appropriate land that it owns under Section 122 of the Local Government Act where no longer required for the purpose for which it was previously held. The Council may not appropriate any land which consists of open space land unless it has published its intention in a local newspaper for at least two consecutive weeks and given due consideration to any responses received.
- 59 The Council has procured a contractor using a public framework agreement that is compliant with public procurement regulations and the Council's standing orders. The JCT Form of contract is being used and the contract has been staged to safeguard the Council's position from unnecessary costs.
- 60 The Council will need to comply with the OPE Land Release Fund grant conditions. While the conditions are not overly onerous, a key requirement is for the Council to be in contract by the 31 March 2023. The Council has consequently procured a contractor using the LHC Framework and has accordingly staged the contract by entering into a first stage Pre-Construction Services Agreement. This was executed on the 28 March 2023.
- 61 There are no state subsidy implications associated with the proposed scheme.
- 62 The legal implications of appropriation are as otherwise set out in the report.

Equality Assessment

- 63 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. A positive impact on end users is, however, anticipated. In particular, it is worth noting that appropriate "equalities requirements" will be specified in the various contracts to be entered into for the demolition and construction of the scheme. In addition, the scheme is designed to promote an inclusive environment.

Net Zero Implications

- 64 The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Sustainability

- 65 A sustainability checklist has been completed and was previously reported. The scheme will aim to be delivered in line with SDC's Net Zero ambitions.

Conclusion

- 66 This dynamic scheme will result in the optimisation of Council land for much needed housing and environmental improvements at the Spitals Cross Estate

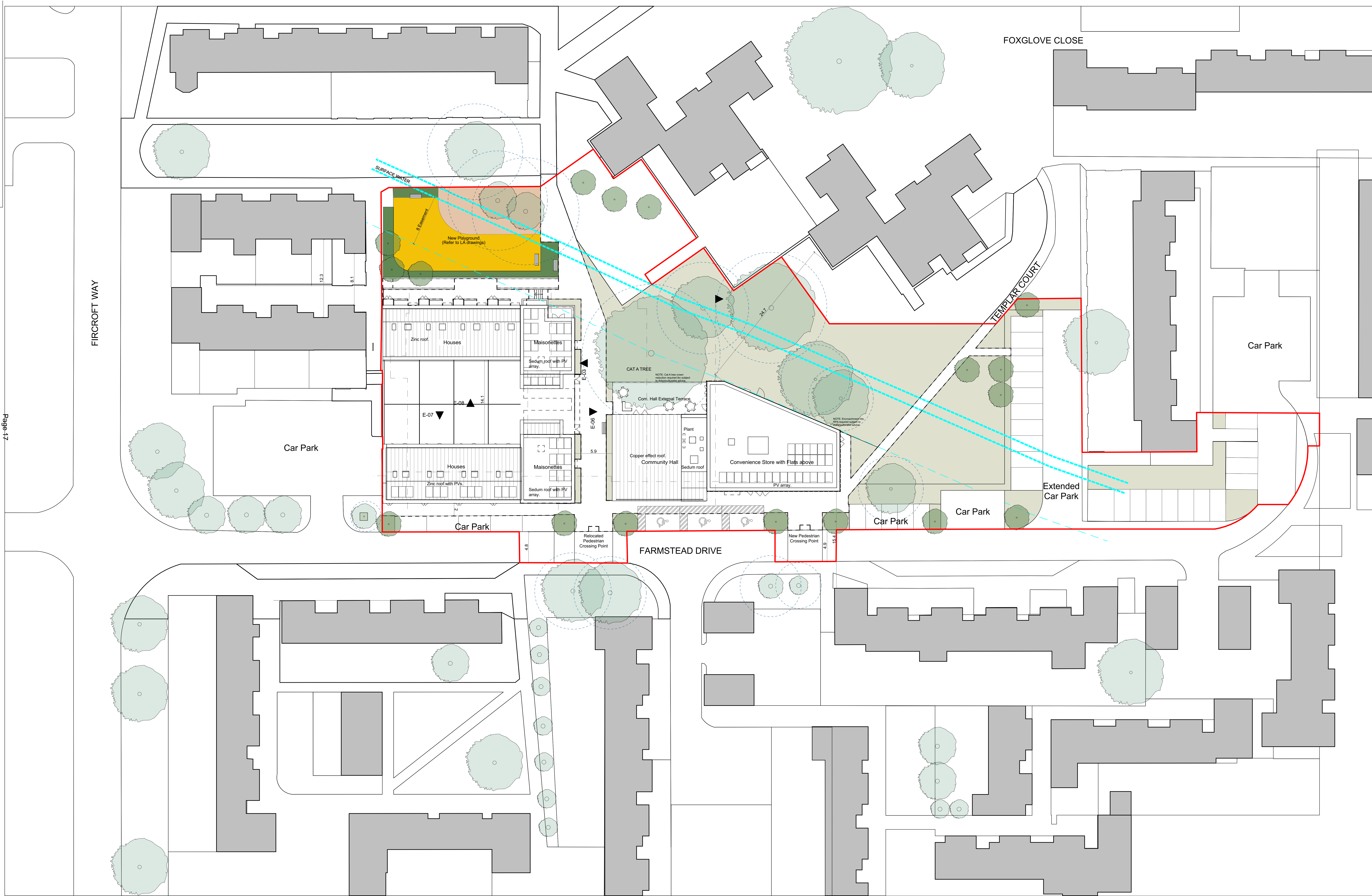
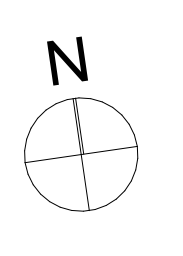
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which has not seen investment since its inception 60 years ago. It presents a unique regeneration opportunity for Edenbridge that will set a new design and sustainability benchmark for future growth.

- 67 This scheme brings substantial community benefits and improvements in the form of a new, modern fit for purpose community hall, retail store, improvements to landscaping, green space, play areas, new homes and additional car parking.

<p>Appendices</p>	<ul style="list-style-type: none"> • Appendix A –Proposed Site Plan • Appendix B – Cost plan and development appraisal (Gold Papers exempt from publication exempt under paragraph 3 “Information relating to the financial or business affairs of any particular person (including the authority holding that information)” • Appendix C – Outline Risk Assessment • Appendix D – Site Plan for appropriation purposes.
<p>Background Papers</p>	<ul style="list-style-type: none"> • Planning application ref: 23/00925/FUL • Cabinet Report dated 14 October 2021 • Farmstead Drive Consultation Report, Jan 2023 <p>The following background documents are exempt from publication. The applicable reason for this redaction is paragraph 3 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). This is because it could prejudice the returns of a commercial tender that the Council will be undertaking and provides commercially sensitive information</p> <ul style="list-style-type: none"> • Playle and Partners (July 2023): Farmstead Drive Cost Plan • Turner Morum (July 2023): Farmstead Drive Development Viability Appraisal

Detlev Munster, Strategic Head of Property & Commercial



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Client
 Sevenoaks District Council
 Project
 Farmstead Drive, Edenbridge
 Title
 Site
 Proposed Site Plan

Scale @ A0
 1:200
 Date
 03/02/2023
 Drawn
 JMK
 Purpose of Issue
 Issued For Planning
 Drawing Code
 21117-LSI-AAA-XX-DR-A-1125
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 P01

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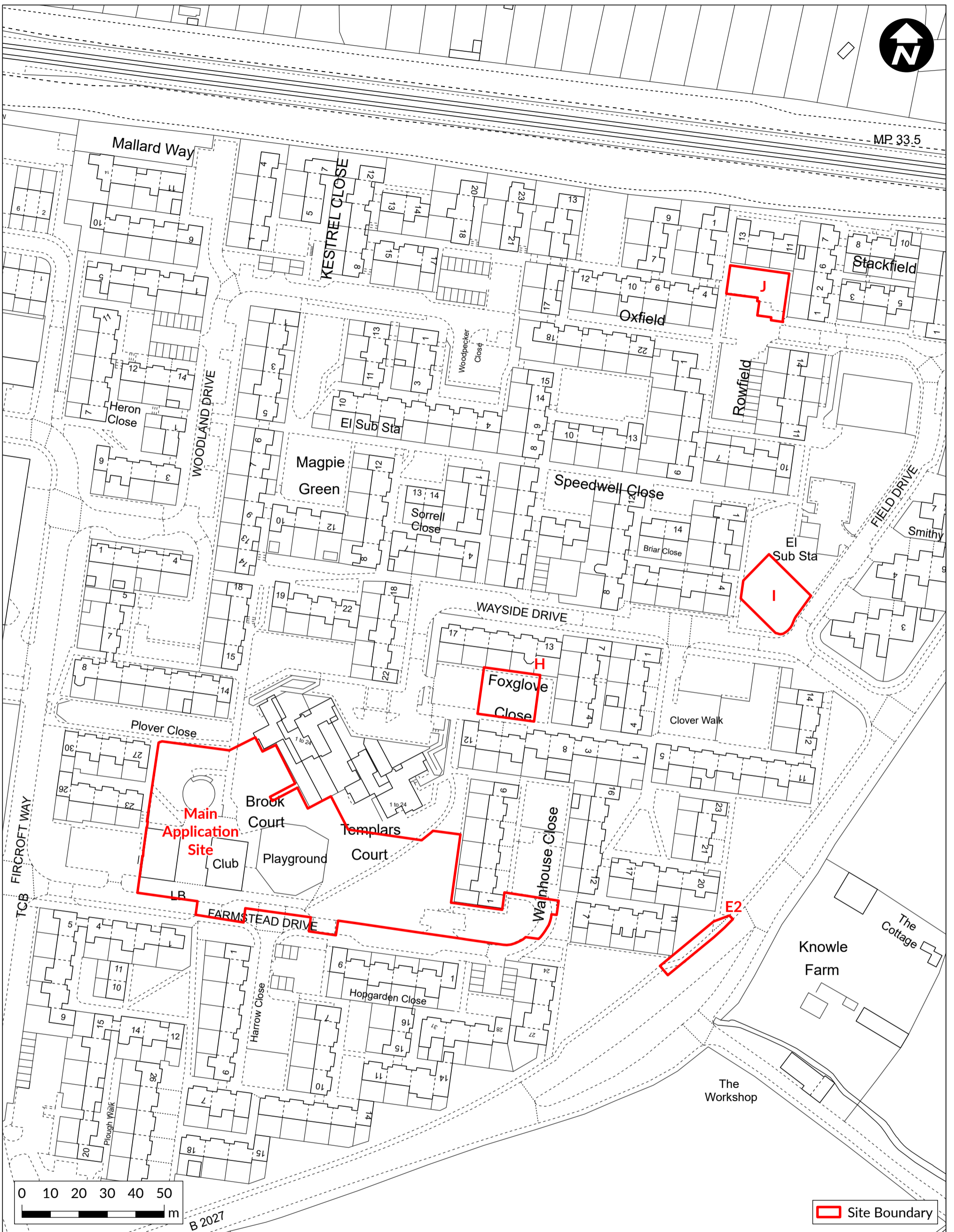
Appendix C - Outline Risk Assessment

The table below summarises the projects risk register and outlines the key project risks considered relevant for this report.

TYPE	DESCRIPTION	MITIGATION
Finance	Capital receipts from the sale of the residential units are not achieved.	Residential units are appropriately designed and to be finished for the target market. Intention is to also commence marketing of units as soon as possible to achieve off-plan sales. This will allow us to gauge and track market interest. Significant research has also been undertaken to gauge future house price values. In unlikely event that sales are not achieved, Council will consider issuing AST (place on market for rent) through an appropriate vehicle and delay capital receipts.
Finance	Change in interest rates resulting in a higher cost of capital	Rates will continue to be monitored and always considered on the side of caution. An active treasury management approach will be adopted that seeks to draw-down funding as and when required. The funding draw-down is modelled to reflect the s-curve associated with the construction programme. This will ensure funding is only sought when needed rather than the traditional approach of seeking a fully funded financing facility prior to the project commencing. The advantage to this approach is that interest is only applied when capital is employed and allows for the cost of capital to be aggregated at a lower rate.
Finance	Correct VAT treatment for this complicated scheme may increase costs.	Expert VAT advice being sought to assess and minimise any financial impact.
Planning	Planning consent not obtained.	Pre-planning discussions have taken place with the planning, highways and environmental health authority and advice incorporated in the scheme. Consultation has also taken place with other key statutory stakeholders (such as the drainage authority and the Environment Agency). Public consultation was undertaken in two stages, and local residents and affected parties were kept informed throughout the design process. Public comments/feedback were also incorporated into the scheme where feasible. Planning application has been submitted awaiting determination with no key objections received so far.
Developer	SDC acting as developer is exposed to more risk than in previous capital projects where it has transferred risk by procurement via frameworks and developers.	Ensure adequate resourcing, programming, contingencies and robust project management in place. Team will ensure procurement of suitable, well qualified consultants and advisors to assist in delivery where needed. Risk is to be passed onto contractor appointed via the LHC Framework. Additionally, a fixed fee lump sum contract has been negotiated with the contractor. This lump sum contract includes key risk items which have been transferred to the contractor.

Agenda Item 2a

Economic/Health	Impact of Covid-19 pandemic, (tender pricing, risk pricing, programme fixing, contractual amendments, availability of labour, availability of materials, onerous sub-contractor conditions), causes additional cost and/or delay to the programme.	<p>Include Covid19 question in PQQ. Provide detailed tender information to assist on risk assessment and mitigation. Close monitoring of Covid-19 and latest government guidance.</p> <p>Contingency and inflation allowance provided by contractor under fixed lump sum construction cost.</p>
Construction	Capital costs exceed budget due to factors including: construction market tender disinterest, tender risk cover pricing, tender period over Christmas, covid-19 costs.	Contractor appointed via first stage Pre-Construction Services Agreement using LHC Framework. Value Engineering to identify potential savings has been carried out. Contractor has offered fixed lump sum construction price and is prepared to take risk on significant cost element items. As a result, cost certainty with construction costs (manufacturing) is obtained.
Construction	Delays in scheme approval lead to increased costs due to construction inflation.	Robust information submitted to allow SDC Committees/Cabinet/Council to make timely decisions. Project Contract sum based on programme. Contractor taking commercial view and prepared to reduce construction inflation sum and fix construction sum price.
Construction	Problems during ground works (contamination/obstructions/soil type) exceed allowances based on RIBA stage 3 surveys, cause delay and extra costs.	Detailed ground investigation surveys undertaken prior to contractor being appointed. Realistic contractor and client contingencies in place for unforeseen costs. Contractor prepared to take risk by offering fixed lump sum construction price.
Public opposition	Residents oppose the scheme.	Community engagement undertaken in 2022 when consulting on proposed development plans. Extensive discussion with key stakeholders to refine and improve the design. Additional parking being provided on land outside the main development site to serve the wider estate as result of direct feedback from residents.
Public opposition	Vacant possession of convenience store and community hall not obtained.	Notices to be served in timely fashion with appropriate notice periods well ahead of programme for start on site. Notices already served on both premises, with vacant possession obtained on convenience store. Notice period expires on 21 st August for occupiers of Community Hall. SDC assisting in locating alternative accommodation whilst build takes place.
Planning	Securing areas of KCC adopted highway for parking.	Consultation with KCC on securing sites for parking purposes. Aware of development proposals via planning application submission and need for additional parking. Proposed to be dealt with via S278 Agreement.



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