

## Acquisition of Freehold Property – Swanley Junction Working Men’s Club

### Portfolio Holder Decision

Report of: Head of Economic Development & Property  
Status: For Portfolio Holder Approval  
Key Decision: No

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### Executive Summary

This report builds on the direction set in the Sevenoaks District Council Corporate Plan for the council to move towards a more financially self sufficient position given the background of reducing Government support.

It is also further to the Property Investment Strategy approved by Cabinet on 10<sup>th</sup> April 2014 agreeing the acquisition of property assets in order to deliver increased revenue income.

Following the closure of the Swanley Junction Working Men’s Club the opportunity has arisen to acquire the freehold interest in the club and its adjoining car park. The Council already owns two adjacent properties (Bevan Place Car Park and 16 High Street) either side of the subject property and the combined site offers the opportunity to bring forward a comprehensive development to create a modern and attractive gateway to Swanley Town Centre.

The Portfolio Holder is requested to endorse the acquisition by the Council of the freehold interest via a Portfolio Holder Decision.

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### This report supports the Key Aim of providing value for money

Portfolio Holder: Cllr Ramsay

Contact Officers: Chief Finance Officer – Adrian Rowbotham (Ext. 7153)  
Chief Officer Communities & Business – Lesley Bowles (Ext. 7430)  
Head of Economic Development & Property – Mark Bradbury (Ext. 7099)

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### Recommendation to Portfolio Holder

To endorse the acquisition by Sevenoaks District Council of the freehold interest in the Swanley Junction Working Men’s Club at a price of £1,250,000 (One Million, Two Hundred and Fifty Thousand Pounds)

## **Reasons for Recommendation**

The availability for acquisition of the Working Men's Club provides an opportunity for a comprehensive redevelopment scheme incorporating existing council owned assets at Bevan Place Car Park and 16 High Street, Swanley to provide an attractive and modern gateway to Swanley Town Centre.

The acquisition supports the Property Investment Strategy approved by Cabinet on 10<sup>th</sup> April 2014 authorising the acquisition of property assets in order to deliver increased revenue income.

If the Council does not acquire the property it is likely that the opportunity to deliver a comprehensive scheme will be lost.

The property has been independently valued by Stiles Harold Williams, Chartered Surveyors based on redevelopment for residential use at a figure of £1,250,000 They also advised that the combined site (including the council's existing ownerships) has a value of c. £3,000,000 demonstrating a 'marriage value' resulting from the combination.

A supporting Development Appraisal indicates the potential for the Council to make a profit of c. £2,800,000 through developing the site providing an Internal Rate of Return of 20.55%.

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## **Risk Statement**

The site is identified in the Councils emerging Allocations and Development Plan as a housing led development site. The planning risk associated with acquiring this site for redevelopment purposes is therefore low.

Detailed assessment and appraisal of alternative delivery models balancing risk and return will be carried out prior to development of the site.

## **Conclusions**

Acknowledging ongoing reductions in Government Support and the Cabinet decision to invest in property acquisitions this report sets out an opportunity to acquire a freehold asset which combined with existing council assets will provide an opportunity to create a comprehensive development scheme creating community and economic development benefits and providing an acceptable rate of return to the Council.