

22 February 2022 at 7.00 pm

The Stag Theatre, London Road, Sevenoaks TN13 1ZZ



Council

Supplementary Agenda

	Pages
4. To receive any questions from members of the public under paragraph 17 of Part 2 (The Council and District Council Members) of the Constitution.	(Pages 1 - 2)
6. Matters considered by the Cabinet and/or Scrutiny Committee:	
b White Oak Leisure Centre	Replacement Pages 75 - 76
c Bevan Place, Swanley Development Proposal	Replacement Pages 105 - 106
d Swanley White Oak Leisure Centre Residential Quarter, Swanley - Development Proposal	Replacement Pages 161 - 162
e Treasury Management Strategy 2022/23	Replacement Pages 187 - 188
g Budget and Council Tax Setting 2022/23	Replacement Pages 241 - 242

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or democratic.services@sevenoaks.gov.uk.

Full Council Meeting - Tuesday 22 February 2022

QUESTIONS

- 1) On 25 February 2020 the Council resolved (resolution 41 b)) 'That a definitive statement be sought from the owner of the former Farmers public house site, of their timelines to dispose of the site or to fully implement the planning permission'. What steps (other than the successful pursuit of payment of the Community Infrastructure Levy) have been taken by the Council in the subsequent two year period to obtain such a definitive statement and with what result?

- 2) Is there any reason (and if so what reason) to believe that works on site will recommence during the next two year period?

David Green, Chairman, Sevenoaks Society.

Item 6 (b) - White Oak Leisure Centre

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

White Oak Leisure Centre (10 February 2022, Minute 82)

Members considered the report which provided an update on the progress made on the scheme of the White Oak Leisure Centre and additional costs associated with the construction. Works had commenced on site in May 2022 and construction had taken place at a steady pace.

The Strategic Head of Commercial and Property advised that the Council had demonstrated prudent financial and project management discipline on this project and had under originally planned circumstances incurred a total project cost variance of 2.1%. However, unforeseen abnormal site conditions were encountered during ground works, resulting in unexpected costs and delays to the programme. The new leisure centre was now due to achieve practical completion on 11 February 2022. Despite unforeseen circumstances the Council had avoided disruptions and had been able to keep the disruption to leisure services for residents in Swanley to a minimum.

Public Sector Equality Duty

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

Resolved: That it be recommended to Council that

- a) progress made on the scheme despite difficult market conditions associated with the Covid-19 pandemic and abnormal site conditions encountered and the Council's ability to minimise disruptions to leisure services for the local community, be noted;
- b) due to unforeseen circumstances that additional costs associated with the construction of the scheme had to be incurred, be noted;
- c) an increase to the Capital Programme by up to £2,995,379, be approved, and it be recognised that a significant proportion of the amount was risk assessed contingency and may not materialise.

Item 6 (c) - Bevan Place, Swanley Development Proposal

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

Bevan Place, Swanley Development Proposal (10 February 2022, Minute 80)

Members considered the report which outlined the Council's plans to redevelop the former Swanley Working Men's Club site and adjacent car park at Bevan Place.

The Strategic Head of Commercial and Property advised that paragraph 4 of the report should be altered to read as: "The proposed scheme included up to 93 homes."

The scheme would also incorporate retail uses along the High Street, a communal garden and landscaped surface car-parking for residents. The scheme would include the highest environmental and sustainability standards possible to ensure the scheme was not only an exemplar benchmark scheme for Swanley, but would also enhance residents' well-being.

Officers were seeking approval to progress the scheme, applying for planning permission and procuring a lead design contractor to deliver the scheme subject to obtaining all the necessary statutory consents. Practical completion was expected by 2024.

The Portfolio Holder for Finance & Investment advised that the Finance & Investment Advisory Committee and Housing & Health Advisory Committee had considered the same report. Members of the Finance & Investment Advisory Committee had looked in detail at the information detailed within the exempt appendices. There were concerns expressed over the financial projections of the proposals as a longer-term ambition. The Committee agreed that Cabinet needed to satisfy themselves with the robustness of the assumptions and the robustness of the mitigations for the risks, and the case for locking in the current rates for borrowing and include its findings.

Public Sector Equality Duty

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

Resolved: that

- (i) the development of a new residential-led scheme on this site which would deliver up to 93 new homes, retails uses,

communal and public garden, resident car parking and highway improvements to Bevan Place, be endorsed;

- (ii) the viability challenges this site and scheme presents, be noted and the delivery of this scheme using an income-based financing model (rent model) that will result in the Council retaining housing and retail stock to generate income to repay the cost of the development, be approved;
- (iii) it be recommended to Council that the provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme to deliver the scheme within the parameters set in Section 57 of this report, be approved and that this was in addition to the previously approved amount of £730,000 in the 2021/22 Capital Programme for this project, be noted;
- (iv) the acquisition/inclusion of the adjacent West Kent Housing Association land and buildings, known as 1-12 Bevan Place, Swanley, be approved and to enter into a development agreement with West Kent Housing Association that will result in 14 residential units being transferred to West Kent Housing Association on a leasehold basis, the terms of which were outlined in the draft Heads of Terms in the confidential Appendix C and delegates authority to the Strategic Head of Property and Commercial Services and the Chief Officer Finance and Trading following consultation with the Cabinet Member for Finance & Investment to agree and finalise necessary agreements with West Kent Housing Association;
- (v) it be recommended to Council that officers be authorised to acquire any outstanding legal interests that may not be in the Council's ownership, which may include using its statutory powers, such as the use of compulsory purchase orders;
- (vi) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegate authority to the Strategic Head of Property and Commercial and the Chief Officer Finance and Trading, following consultation with the Cabinet Member for Finance & Investment to undertake further detailed design and feasibility work and to proceed with the scheme subject to final scheme viability and in accordance with financial parameters set in Section 57; and
- (vii) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property

and Commercial in consultation with the Chief Officer Finance and Trading and the Head of Legal Services to submit a planning application and 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 units to be developed.

- (viii) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial following consultation with the Chief Officer Finance and Trading and the Cabinet Member for Finance & Investment to prepare appropriate contractual arrangements to set up an appropriate delivery vehicle for the scheme and to return to Cabinet at a later date to approve the appropriate delivery vehicle.
- (ix) That it be recommended to Council that Council notes the proposed development scheme and financial model and approves the provision of £26,575,836 in the 2022/23 Capital Programme to deliver the scheme within the parameters set in Section 57 and detailed in Appendix D; and
- (x) It be recommended to Council to authorises officers to acquire any outstanding legal interests that may not be in the Council's ownership, which may include using its statutory powers, such as the use of compulsory purchase orders and return to Cabinet or Council to resolve invoking such powers if needed.

Item 6 (d) - White Oak Leisure Centre Residential Quarter, Swanley - Development Proposal

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

White Oak Leisure Centre Residential Quarter, Swanley Development Proposal (10 February 2022, Minute 81)

Members considered the report that gave an update on SDC's project to redevelop the White Oak Leisure centre complex in Swanley.

The Strategic Head of Commercial and Property advised that work on Phase 1, construction of the new leisure centre, had completed and was due to open on Saturday 12 February 2022. Phase 2, demolition of the existing leisure centre and provision of a new car park, had commenced. The report sought approval to proceed with Phase 3, the residential element of the scheme, which would include 81 new homes. A hybrid planning application was granted permission in October 2019. A full planning application was to be sought by July 2022 and, subject to planning being obtained, works could start on site early in 2023.

The proposed development aimed to provide:

- New homes including both flats and houses with private gardens
- Communal green space at the centre of the site
- Car parking
- Trees
- Enhancement of the urban fabric surrounding the new leisure centre

The Portfolio Holder for Housing & Health advised that both the Housing & Health, and Finance & Investment Advisory Committees had considered the same report, and in response to questions it had been confirmed that the initial 41 units that had been suggested were no longer financially viable. The Strategic Head of Property and Commercial explained that the cost and valuation assumptions needed to be revised to reflect current market conditions and site conditions.

Public Sector Equality Duty

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

Resolved: That

- a) the viability issues associated with this site and endorses the development of a new residential scheme on this site which will

deliver 81 new homes, be noted;

- b) it be recommended to Council that the provision of £20,189,137 in the Capital Programme to deliver the scheme which was note be funded as noted in the Financial Implications, be approved;
- c) subject to Council's approval of the capital provision of £20,189,137 in the Capital Programme, Cabinet delegate authority to the Strategic Head of Property and Commercial and the Deputy Chief Executive and Chief Officer - Finance & Trading, following consultation with the Cabinet Member for Finance & Investments to undertake further detailed design and feasibility work and to proceed with the scheme subject to final scheme viability; and
- d) Cabinet delegate authority to the Strategic Head of Property and Commercial in consultation with the Deputy Chief Executive and Chief Officer - Finance & Trading and the Head of Legal and Democratic Services to submit a planning application and 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 units to be developed.

Item 6 (e) - Treasury Management Strategy 2022/23

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

Treasury Management Strategy 2022/23 (10 February 2022, Minute 78)

The Portfolio Holder for Finance & Investment presented the report that outlined the Council's Treasury Management Strategy which sets out the Council's Policies for managing its investments and for giving priority to the security and liquidity of those investments. The Principal Accountant (Capital and Treasury) advised that the Annual Investment Strategy remained largely the same as for 2021/22 with Bond, Property, Equity and Multi-Asset Funds as alternative Investment options being retained. Changes to the Treasury Management and Prudential Codes would take effect from 2023/24.

Members were also advised that in regards to calculating Minimum Revenue Provision (MRP) assets were only deemed as operational once they had received a full practical completion certificate. Members also indicated that they would set a benchmark target of an overall return of 2% above the SONIA rate.

Resolved: That it be recommended to Council that the Treasury Management Strategy for 2022/23 be approved as updated in the light of comments.

Item 6 (f) - Property Investment Strategy Update Report

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

Property Investment Strategy Update Report (10 February 2022, Minute 79)

The Portfolio Holder for Finance & Investment presented the report which updated Members with an update on the progress of the Property Investment Strategy to date.

The Deputy Chief Executive and Chief Officer - Finance & Trading advised that investments previously made through the Property Investment Strategy continued to provide a good revenue income stream to the Council and assist it in remaining financially self-sufficient. The budgeted net income for the 2021/2022 year was £1.372m and a higher amount of £1.386m was forecast to be achieved. By externally borrowing to part-fund White Oak Leisure Centre and other schemes, the Council was prevented from making further direct investments primarily for yield. Thus, no changes to the strategy criteria were proposed. The situation would continue to be monitored with the aim to make further investments via the Council or Quercus 7 in future.

Resolved: That

- a) The report be noted;
- b) It be recommended the Council that the changes to the Property Investment Strategy criteria, as discussed above be agreed.

Item 6 (g) - Budget and Council Tax Setting 2022/23

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

Budget and Council Tax Setting 2022/23 (10 February 2022, Minute 83)

The Portfolio Holder for Finance & Investment presented the report which was the final stage of the budget process that had seen significant member involvement. If approved the net expenditure budget for 2022/23 would be £17.3m with the District's Council Tax increasing by 2.2% resulting in Band D Council Tax being £229.86, an increase of £4.95. This report once again leaves the council with a fully funded self-sufficient budget over the next 10 years.

The Deputy Chief Executive and Chief Officer - Finance & Trading advised that it had once again been a challenging budget process with a number of changes made at each stage, which were listed in Appendix E including those supported at the last Cabinet meeting in January.

The Final Local Government Finance Settlement was announced earlier this week and there were no significant changes from the provisional settlement affecting this council.

It was noted that appendices N to R were not included for the meeting but would be included in the Council version of the report after the other preceptors have set their Council Tax.

The report included his opinion, as the Statutory Finance Officer, on the robustness of the budget estimates and adequacy of reserves. It was noted that this report once again left the council with a fully funded self-sufficient budget over the next 10 years, a rare achievement in Local Government.

Public Sector Equality Duty

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

Resolved: That

- a) The saving proposals in Appendix E(ii) be included in the budget; and
- b) it be recommended to Council that
 - i. the Summary of Council Expenditure and Council Tax for 2022/23 set out in Appendix F be approved.
 - ii. the 10-year budget 2022/23 to 2031/32 which is the guiding framework for the detailed approval of future years'

budgets set out in Appendix C to the report, including the growth and savings proposals set out in Appendix E to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve, be approved;

- iii. the Capital Programme 2022/25 and funding method set out in Appendix J(i) and Capital Strategy 2022/23 set out in Appendix J(iii), be approved;
- iv. the changes to reserves and provisions set out in Appendix K, be approved; and
- v. the Local Council Tax Reduction Scheme 2021/22, be rolled forward to 2022/23, with effect from 1 April 2022 (Appendix M).