

Item 7 - Farmstead Drive, Spitals Cross, Edenbridge - Development Proposal

The attached report was considered by the People & Places Advisory Committee on 6 October 2021 and Improvement & Innovation Advisory Committee on 7 October 2021. The relevant Minutes extract are below.

People & Places Advisory Committee (6 October 2021, Minute 20)

The Strategic Head of Property and Commercial presented the report which sought approval for funding to undertake further feasibility and design work to facilitate the submission of a planning application and to deliver the scheme subject to receiving the necessary statutory consents. The development proposal was for a site located on Farmstead Road, within the Spitals Cross housing estate in Edenbridge. As this was a new capital project that was not accounted for in the Capital Programme 2020/21, and the estimated project budget, Council approval was required.

The estate was built in the 1960s, and as such the community buildings that currently occupied the proposed development site were at the end of their economic life and required substantial refurbishment. There was the opportunity to redevelop and re-provide the community hall and its facilities and to replace the shop with modern premises, to provide new housing, and public open space and parking. The sale of the residential accommodation would provide capital receipts to pay for these improvements.

Members asked questions of clarification. The District's Strategic Housing Market Assessment (2017) suggested that this part of the District required 79 new homes a year.

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 Cabinet that

- a) It be recommended to Council that, the provision of £7,609, 620 in the 2021/22 Capital Programme to deliver the scheme within the financial implications, detailed as (i) to (vi) below, be agreed;
 - i. The scheme be intended to be funded (ultimately) from capital receipts from the sale of residential units in the scheme;
 - ii. A summary of the estimated scheme funding, based on feasibility to date;

- iii. 23 residential units would be disposed of in the open market and according to the Council's property consultant, which were expected to generate a sales receipt of £8.143m. The affordable housing units were expected to generate £1.172m and would be discounted to reflect development costs and were in line with current market practice for affordable housing;
 - iv. Until receipts from the sales of the residential units were received, short-term external borrowing be used to fund the scheme. Potential financing costs were detailed within paragraph 18 of the report;
 - v. The new retail unit would be retained by the Council, and let on market terms. The Community Hall be leased to reflect community benefit, but also to ensure future on-going liabilities be recuperated; and
 - vi. Consideration be given to the VAT implications of the project, dependant on the use of some of the elements of the project may require specific VAT treatment and further VAT advice be sought.
- b) subject to approval, of recommendation (a) by Council, authority be delegated to the Strategic Head of Property and Commercial and the Chief Officer Finance & Trading, following consultation with the Cabinet Member for Finance & Investments to proceed with the Scheme subject to final scheme viability; and
 - c) subject to approval of recommendation (a) by Council, 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 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 and commercial units.

Improvement & Innovation Advisory Committee - 7 October 2021

The Strategic Head of Property and Commercial presented the report which sought approval for funding to undertake further feasibility and design work to facilitate the submission of a planning application and to deliver the scheme subject to receiving the necessary statutory consents. The development proposal was for a site located on Farmstead Road, within the Spitals Cross housing estate in Edenbridge. As this was a new capital project that was not accounted for in the Capital Programme 2020/21, and the estimated project budget, Council approval was required.

The estate was built in the 1960s, and as such the community buildings that currently occupied the proposed development site were at the end of their economic life or required substantial refurbishment. There was the opportunity to redevelop and re-provide the community hall and its facilities and to replace the shop with modern premises, to provide new housing and public open space and parking. The sale of the residential accommodation would provide capital receipts to pay for these improvements.

Members asked questions of clarification, and were advised that local residents would be consulted following approval of the scheme from Full Council.

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 Cabinet that

- a) it be recommended to Council that, the provision of £7,609,620 in the 2021/22 Capital Programme to deliver the scheme within the financial implications, detailed as (i) to (vi) below, be agreed;
- b)
 - i. The scheme be intended to be funded (ultimately) from capital receipts from the sale of residential units in the scheme;
 - ii. A summary of the estimated scheme funding, based on feasibility to date;
 - iii. 23 residential units would be disposed of in the open market and according to the Council's property consultant, which were expected to generate a sales receipt of £8.143m. The affordable housing units were expected to generate £1.172m and would be discounted to reflect development costs and were in line with current market practice for affordable housing;
 - iv. Until receipts from the sales of the residential units were received, short-term external borrowing be used to fund the scheme. Potential financing costs were detailed within paragraph 18 of the report;
 - v. The new retail unit would be retained by the Council, and let on market terms. The Community Hall be leased to reflect community benefit, but also to ensure future on-going liabilities be recuperated; and
 - vi. Consideration be given to the VAT implications of the project, dependant on the use of some of the elements of the project

may require specific VAT treatment and further VAT advice be sought.

- c) subject to approval, of recommendation (a) by Council, authority be delegated to the Strategic Head of Property and Commercial and the Chief Officer Finance & Trading, following consultation with the Cabinet Member for Finance & Investments to proceed with the Scheme subject to final scheme viability; and
- d) subject to approval of recommendation (a) by Council, 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 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 and commercial units.