

## **LONDON ROAD, SEVENOAKS - UPDATE**

### **Cabinet – 13 September 2012**

Report of the: Chief Executive

Status: For Decision

Key Decision: No

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**This report supports the Key Aim of** Effective Management of Council Resources

**Portfolio Holder** Cllr. Ramsay

**Head of Service** Head of Legal and Democratic Services – Mrs Christine Nuttall

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#### **Recommendation:**

That the Cabinet of the Council note the contents of this report and the progress made too date and, in order to be able to respond promptly in securing the most advantageous terms for the Council, to authorise the Chief Executive in consultation with the Leader of the Council and the appropriate Portfolio Holder to agree the terms of the transfer of the Council's interests in the site in order to secure the development a described.

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#### **Introduction**

- 1 The District Council owns the freehold of the two car parks shown as 27 Pembroke Road and London Road and hold a long lease of the property shown as 66 London Road on the attached plan.
- 2 The freehold of 66 London Road is owned by a local development company which is in the process of selling their interest to Reef Developments.
- 3 Reef Developments have submitted a planning application for the redevelopment of all three sites shown on the plan to provide a 42,300 sq. ft. retail unit (provisionally pre-let to Marks & Spencer Plc) and 22 one and two bed residential units including 6 social residential units.
- 4 At present the proposal, subject to a satisfactory planning consent being granted, is for the Council to transfer its land interests to Reef Developments and Chase and Partners have been retained to represent the Council's interests in this matter. Members will recall that Chase and Partners advised the Council in respect of the adjoining Blighs Meadow Compulsory Purchase Order and redevelopment and are acknowledged as a leading authority on town centre redevelopment.

- 5 The respective valuers are close to agreeing terms. In negotiations of this type, particularly in the current sensitive economic climate, speed is of the essence, and it is unlikely that the decision making process will be able to wait for the usual cycle of meetings. For this reason it is proposed that Cabinet delegate authority to the Chief Executive in consultation with the leader of the Council and the appropriate Portfolio Holder to agree the negotiated terms. These will of course reflect the best market value terms as recommended by the Council's professional valuers.

### **Other Options Considered and/or Rejected**

Given the current economic and development climate it is considered that a town centre development such as this could only be considered viable if supported by a top quality retail covenant.

### **Key Implications**

#### Financial

Should the project proceed a substantial sum will be added to the Council's reserves but it is considered unlikely that a solution could be found to generate an on-going revenue income from the scheme for the Council

#### Community Impact and Outcomes

The main impacts of such a scheme would be the effect on town centre traffic generation and car parking, these issues and their resolution will form part of the planning considerations.

#### Legal, Human Rights etc.

There are no identified legal or human rights issues associated with this proposal.

#### Value for Money and Asset Management

The disposal of the Council's interests in the properties within this proposal will generate a capital receipt and reduce the revenue expenditure incurred in maintaining its leasehold interest in 66 London Road but reduces the income currently generated by the public car parks within the site.

### **Risk Assessment Statement**

Should this proposal not proceed the land will remain in its current use for the foreseeable future or be developed in a piecemeal manner. The Council owned areas could remain as public car parking and continue to generate income

### **Appendices**

Appendix A – Location Plan

### **Background Papers:**

Property - London Road/Reef Developments file

Planning application SE/12/01611

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