

This Report will be made public on 14 February 2023

Report Number **C/22/88**

To: Cabinet
Date: 22 February 2023
Status: Non-Key Decision
Responsible Officer: Andy Blaszkowicz, Director Housing & Operations
Cabinet Member: Cllr Monk, Leader of the Council

SUBJECT: PRINCES PARADE – PROPOSAL RECEIVED

SUMMARY:

This report updates cabinet following a proposal received recently from a private developer to acquire and develop out the Princes Parade site.

REASONS FOR RECOMMENDATIONS:

Cabinet has not previously considered this option and should be made aware of the offer, and consider if this matter should be pursued further.

RECOMMENDATIONS:

1. To receive and note report C/22/88.
2. To note the offer, and:
 - a. take no further action; OR
 - b. instruct officers to consider the matter and potential next steps.

1. BACKGROUND

1.1 On 14th December 2022 in report C/22/73 cabinet agreed that option B be pursued to “do just the necessary works to implement the planning permission”. Budget was made available, and works are progressing in line with that direction.

1.2 On 3rd February 2023 the Leader received a written offer from [REDACTED] to acquire the Princes Parade site with the following terms identified by them:

“The objective... is to secure the future of the development and the delivery of the leisure centre and to bring forward both the residential and commercial consents at Princes Parade.”

1.3 The offer goes on to state that *“we believe that with some degree of re-planning and simple re-engineering we can make the scheme more viable and less costly to deliver”*.

1.4 The offer made was for the whole site to deliver the leisure centre under a S106 condition, subject to agreement with the Local Planning Authority. They offer to complete the acquisition on an unconditional basis, subject only to the variation of the S106 conditionality, specifying:

- *“Our offer for the whole site including the delivery of the Leisure Centre, roads and infrastructure and residential allocation would be in the sum of [REDACTED]”*
- *We would also undertake to reimburse the council its costs to deliver the pre-commencement planning conditions which we understand are currently being discharged, on an open book basis, to a maximum amount of [REDACTED]*
- *Unconditional basis subject only to the variation of the S106 for Delivery of the Leisure Centre*
- *Agreement to a set of build/employer's performance requirements for the delivery of the leisure centre”*.

1.5 Furthermore they acknowledge the need for the council to test the market in terms of competitiveness, and this report seeks direction from members on the next steps to take, identifying two potential courses of action either:
a. to take no further action; OR
b. to instruct officers to consider the matter more fully in due course.

2. NEXT STEPS

2.1 This report seeks to maintain transparency by informing members of the offer that has been received.

2.2 If cabinet is minded to instruct officers to explore this option more fully the following activities would be required:

- a) An appropriately detailed report would be prepared for Members that considers the community and commercial issues that arise.

- b) A detailed specification and sales pack would be prepared with proper consideration of the appropriate terms leading to a marketing exercise to achieve the best possible outcomes and financial return for the council.
- c) Professional, specialist advice to support the process would be procured. This would include procurement, legal, finance and technical input to allow a full assessment to be prepared for members.
- d) A detailed overage agreement would be drafted to protect the council's interests.
- e) Bidders would be required to demonstrate the required technical competence, financial resources and standing to demonstrate that they can substantiate and deliver any bid, and this would be robustly assessed as part of any future recommendation.

(This list is not exhaustive but gives an indication of the detailed work required)

3. RESOURCES & TIMELINE

- 3.1 No further resources are currently required. Officers will bring a further report to members outlining next steps and required resources should they decide to pursue recommendation 2b.
- 3.2 Members are also advised that the immediate focus of available council resource will be on progressing their decisions of December 2022, option B, with activities outlined in report C/22/73 scheduled through to July 2023.

4. RISK MANAGEMENT

- 4.1 As this report is essentially updating members of an offer received for the Princes Parade site and seeking direction on next steps there are no perceived risks arising directly from this report.
- 4.2 Should members decide to pursue recommendation 2b then a full report will be brought back to members which will consider all of the risks associated with the options presented.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (AK)

No legal comments arising directly from this report.

5.2 Finance Officer's Comments (CS)

There are no direct financial implications of the recommendations of this report, costs would be contained within existing budgets or through the use of internal resources. If Members select option b, then there will be significant financial implications for the Council to consider in evaluating whether to proceed with a sale, not just in terms of the financial due

diligence and value for money assessment of any sale, but also the implications on costs capitalised by the Council for the project.

5.3 Diversities and Equalities Implications (AB):

There are no implications arising directly from this report.

5.4 Climate Change Implications (AT)

There are no climate change implications arising directly from this report. The climate change implications would depend on: the specification of the new leisure centre, should option 2(b) be endorsed and negotiations with a potential developer take place; or the continued carbon emissions from the existing Hythe Pool, should option 2(a) be endorsed.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Simon Baxter – Chief Officer Development
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Appendices: None