# Agenda

## Economy and Property Committee Meeting

Date: Thursday, 29 January 2026
Time 7.00 pm
Venue: Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT

Membership:

Councillors Monique Bonney (Chair), Hayden Brawn, Ann Cavanagh, Shelley Cheesman, Simon Clark, Alex Eyre, Peter Marchington, Kieran Mishchuk, Lee-Anne Moore, Richard Palmer, Carrie Pollard, Sarah Stephen, Terry Thompson, Mark Tucker and Ashley Wise (Vice-Chair).

Quorum = 5

**Pages**

**Recording and Privacy Notice**
Swale Borough Council is committed to protecting the security of your personal information. As data controller we process data in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation.

This meeting may be recorded. The recording will be retained in accordance with the Council's data retention policy and may be published on the Council's website. By entering the chamber and by speaking at a meeting, whether in person or online, you are consenting to being recorded and to the recording being published.

When joining a meeting online, your username will be visible to others in attendance. In joining the meeting you are consenting to us processing your username. You may use a pseudonym as your username but the use of an inappropriate name may lead to removal from the meeting.

If you have any questions about how we look after your personal information or your rights under the legislation, please email dataprotectionofficer@swale.gov.uk.

1. Emergency Evacuation Procedure

Visitors and members of the public who are unfamiliar with the building and procedures are advised that:

(a) The fire alarm is a continuous loud ringing. In the event that a fire drill is planned during the meeting, the Chair will advise of this.

(b) Exit routes from the chamber are located on each side of the room, one directly to a fire escape, the other to the stairs opposite the lifts.

(c) In the event of the alarm sounding, leave the building via the nearest safe exit and gather at the assembly point on the far side of the car park. Do not leave the assembly point or re-enter the building until advised to do so. Do not use the lifts.

(d) Anyone unable to use the stairs should make themselves known during this agenda item.

2. Apologies for Absence

3. Minutes

To approve the Minutes of the Meeting held on 8 October 2025 (Minute Nos. 383 – 392) as a correct record.

4. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves, their families or friends.

The Chair will ask Members if they have any disclosable pecuniary interests (DPIs) or disclosable non-pecuniary interests (DNPIs) to declare in respect of items on the agenda. Members with a DPI in an item must leave the room for that item and may not participate in the debate or vote.

Aside from disclosable interests, where a fair-minded and informed observer would think there was a real possibility that a Member might be biased or predetermined on an item, the Member should declare this and leave the room while that item is considered.

Members who are in any doubt about interests, bias or predetermination should contact the monitoring officer for advice prior to the meeting.

5. Matters Arising

Update from the Chair on any matters from the previous meeting or upcoming agenda items relating to this committee.

6. Chairs Briefing

**Items for Noting**

7. Forward Decisions Plan — 5 - 6

**Items for Decision by the Committee**

8. Queenborough and Rushenden Regeneration, update presentation - Homes England

9. Queenborough and Rushenden (Housing Infrastructure Fund) - update — 7 - 12

10. Oare Gunpower Works Country Park - Assignment of Lease — 13 - 22

(a) Exclusion of the Press and Public

To decide whether to pass the resolution set out below in respect of the following item:

That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3.

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).



This item was withdrawn from the open agenda on 22 January 2026.

**Issued on Monday, 19 January 2026**

The reports included in Part I of this agenda can be made available in alternative formats. For further information about this service, or to arrange for special facilities to be provided at the meeting, please contact **democraticservices@swale.gov.uk**. To find out more about the work of this meeting, please visit www.swale.gov.uk.

**Chief Executive, Swale Borough Council,**
**Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

This page is intentionally left blank

**Economy and Property Committee Forward Decisions Plan – 29 January 2026**

| Report title, background information and recommendation(s) | Date of meeting | Open or exempt | Lead Officer and report author |
| --- | --- | --- | --- |
| Safety and Security of Swale House | 19 March 2026 | Open | Head of Service: Joanne Johnson<br><br>Report Author: Joanne Johnson |
| Great East Hall – future of land | 19 March 2026 | Part Exempt | Head of Service: Joanne Johnson<br><br>Report Author: Kieren Mansfield |
| Barton's Point, Minster future options after the Environmental Services and Climate Change Committee | 19 March 2026 | Open | Head of Service: Martyn Cassell<br><br>Report Author: Martyn Cassell |
| Future of Closed Toilets | New municipal year | Open | Head of Service: Joanne Johnson<br><br>Report Author: Debbie Hardy |
| Old Library – review of disposal decision<br>(was previously named as 44 Trinity Road – future of property) | TBC<br>(not before August 2026) | Part Exempt | Head of Service: Joanne Johnson<br><br>Report Author: Kieren Mansfield |

This page is intentionally left blank

| Economy and Property Committee | |
|---|---|
| **Meeting Date** | 29th January 2026 |
| **Report Title** | Queenborough and Rushenden (Housing Infrastructure Fund) – update |
| **SMT Lead** | Emma Wiggins, Director of Regeneration & Neighbourhoods |
| **Head of Service** | Joanne Johnson, Head of Place |
| **Lead Officer** | Kieren Mansfield, Strategic Programmes and Assets Manager |
| **Classification** | **Open** |
| **Recommendations** | 1. That the content of the report is noted as background to understanding the position in respect of development at Queenborough and Rushenden and the associated Housing Infrastructure Grant, managed by Swale Borough Council. |

## 1. Purpose of Report and Executive Summary

1.1 This report provides an update in relation to proposed development at the Queenborough and Rushenden Regeneration area, alongside some historical context, as background to the presentation from Homes England. A summary time line for the development is provided at Appendix I.

1.2 It also provides an update as to how proposed changes to the planned development are impacting upon the monitoring of the £6.1m Housing Infrastructure Grant awarded to the Council, to help prepare the land for development and the possible impacts on the Council's local Housing Land supply.

## 2. Background, Context and Proposals

**Site History**

2.1 The Queenborough and Rushenden Regeneration area covers some 165 hectares of land and buildings on both banks of Queenborough Creek. It was originally conceived in 2003 by the then Regional Development Agency (SEEDA) and has since been taken forward through successor organisations, the Homes and Communities Agency (HCA), now Homes England.

2.2 The area encompasses land for both employment and housing development, with associated community facilities, with an aim of helping address the physical separation between the communities of Queenborough and Rushenden and the significant levels of deprivation found locally.

2.3 The original regeneration scheme was set out in a supplementary planning document accompanying the 2008 adopted Swale Local Plan, with the development intended to deliver up to 2,000 dwellings. This quantum relied on significant proportions of high density and flatted accommodation taking advantage of the waterside location and a proposed marina.

2.4 However, after the economic downturn of that same period this level of development proved to be an optimistic forecast. Whilst the Rushenden Relief Road (now called Thomsett Way) opened in November 2011 (to serve new development and reduce HGV movements through Queenborough) and employment led development progressed at Neatscourt, an addendum to the original Masterplan was developed reflecting the viability challenges for the wider site.

2.5 The 'Queenborough & Rushenden Regeneration – Indicative Revised Land-Use Plan' was adopted in 2015 with the loss of the marina, replaced by an area safeguarded for future creekside leisure, commercial, open space uses and a reduction in the total number of dwellings for the area to approximately 1,180. Thus far 110 new homes have been built on the land at Q&R.

2.6 The proposed new primary school was also relocated to a new location on land owned by the then Home and Communities Agency (now Homes England), placing it in the heart of the new residential community and on a key new pedestrian axis linking Queenborough and Rushenden.

2.7 Further details, including the Indicative Revised Land-Use Plan can be found here Local Plans - Queenborough Rushenden Masterplan

**Housing Infrastructure Fund**

2.8 In 2017, Swale Borough Council made a succesful bid of £3.5 million to the Housing Infrastructure Fund (HIF) Marginal Viability funding for the Queenborough and Rushenden Regeneration scheme. The HIF scheme was designed to provide grant funding for new infrastructure that unlocks the ability to provide new homes. For the Queenborough & Rushenden scheme, this money was to pay for land raising works to bring the development area out of the flood zone, plus the demolition and land remediation works required to enable development to commence and deliver the remaining homes.

2.9 In December 2018 the then Cabinet agreed to enter into the Grant Determination Agreement (GDA) with Homes England, which administers the Housing Infrastructure Fund for Government. Subsequent to this, the of level grant secured was increased to £6.1m in 2019, reflecting changing costs, with Member agreement to the amended values in the GDA.

2.10 The proposed works funded through the HIF grant were successfully completed in September 2022 and the retention period expired in October 2023, triggering final payment to contractors and completion of the HIF spend.

2.11 There remains a monitoring requirement from Homes England, currently until 2034. As part of the GDA there are milestones which extend beyond the delivery of the works for which a grant had been paid. These include further stages towards and actual delivery of the new housing associated with the sites that have benefited from the grant funded works.

2.12 Whilst the Council has successfully delivered the funded project the GDA does make provision for ‘clawback’ of the grant in the event that specific ‘wider project milestones’ are not met. At present this includes items, which are entirely out of the control of Swale Borough Council, but rather with Homes England as the site owners and promoters.

2.13 Homes England’s proposed approach toward disposal and timing of delivery of new housing at Q&R has changed a number of times, with changing market conditions and central government demands impacting on Homes England’s strategy for the site.

**Recent developments**

2.14 There have been regular meetings with Homes England Land and Property Team, involving officers, local ward Members and the Chair of the Economy and Property Committee over a number of years. Discussions with Homes England since the end of 2024 have pointed towards a departure from the ‘Indicative Revised Land-Use Plan’ adopted in 2015.

2.15 Homes England has moved away from taking a master developer approach to the site and intend to proceed through a more traditional disposal route. It has undertaken soft market testing with national housebuilders active in the south east as well as local housebuilders active on the island in order to gauge interest in developing the site in future and any early observations they have about development.

2.16 Homes England have also had consultants undertake a review of the 2010 masterplan and 2015 addendum masterplan to *“reflect current and upcoming policy changes together with changes in the developable area since the 2010 masterplan and 2015 addendum following site remediation and land raising, together with other site constraints.”*

2.17 Delivery of the remaining 990 homes planned requires a density higher than the norm for the local area and still required flats to remain a significant contributor to this number. As well as anticipating a reduced developable area, Homes England have indicated that feedback from developers was that the market for flats in this location was limited and that it considered smaller family houses to be more reflective of local need and current market conditions. This may have consequences for housing numbers deliverable.

2.18 Alongside the delays in delivery, a significant reduction in the number of planned homes impacts not only on the Council’s ability to meet the current terms of GDA for the HIF funding, but also its housing land supply.

2.19 As a consequence Homes England has sought a Deed of Variation to the HIF GDA to reflect this. However, given ongoing uncertainity, it is officers view that having delivered the grant funded investment successfully, termination of the funding agreement (at no penalty to the Council) would be preferable, given the possibility that further deeds of variation may be required over the proposed monitoring period, with associated legal costs.

## 3. Proposal

3.1 That the content of the report is noted as background to understanding the position in respect of development at Queenborough and Rushenden and the associated Housing Infrastructure Grant, managed by Swale Borough Council.

## 4. Alternative Options

4.1 No options

## 5. Consultation Undertaken

5.1 There have been regular but intermittent meetings with Homes England's representatives involving officers, local ward Members and the Chair of the Economy and Property Committee.

## 6 Implications

| Issue | Implications |
|---|---|
| Corporate Plan | Securing the original HIF grant was part of the Councils efforts to maximise external grant funding to deliver the Council's corporate objectives. The Queenborough and Rushenden sites should make a significant contribution towards housing delivery in the Borough |
| Financial, Resource and Property | There remains a monitoring requirement from Homes England, currently until 2034. As part of the Grant Determination Agreement (GDA) there are milestones which extend beyond the delivery of the works for which a grant had been paid, including future progress of development at the site, over which only Homes England itself has control. Changes to this delivery would technically place the Council in default against the original grant agreement. Officers are in discussions with Homes England, as the managing body for the grant to navigate the best way forward to remove any consequential liabilities from Swale Borough Council. |
| Legal, Statutory and Procurement | Legal have reviewed the position in respect of the GDA and provided advice. All HIF funded works carried out were subject to the Councils prevailing contract standing orders at that time. |
| Crime and Disorder | None identified at this stage |
| Environment and Climate/Ecological Emergency | None identified at this stage |
| Health and Wellbeing | None identified at this stage |
| Safeguarding of Children, Young People and Vulnerable Adults | None identified at this stage |

| | |
|---|---|
| Risk Management and Health and Safety | During the delivery of the HIF funded works a risk log was maintained and managed. These works were completed on time and within the available budget. The outstanding risk to the Council pertains to the technical default against the GDA, which officers are seeking to resolve with Homes England as the monitoring body. |
| Equality and Diversity | None identified at this stage |
| Privacy and Data Protection | None identified at this stage |
| Local Government Re-organisation | Any outstanding monitoring requirements (currently to 2034) would pass to the successor authority to Swale Borough Council. |

## 7 Appendices

7.1 Appendix I: Summary Queenborough & Rushenden time-line

## 8 Background Papers

8.1 Cabinet Report, Queenborough & Rushenden HIF Process, 12th December 2018
Cabinet Report, Queenborough & Rushenden HIF Increase, 12th June 2019

## Appendix I: Summary Queenborough & Rushenden time-line

**2003** – land acquisition of former Twyfords site undertaken through SEEDA (South East England Development Agency - the then Regional Development Agency), for regeneration.

**2004-2007** Community engagement on plans for the site, translating into mixed-use development proposals, including housing and employment.

**2008** – Mixed Use allocation made for Q&R in the Local Plan

**2009** – Masterplan approved for for up to 2000 new homes, 2 million sq ft of employment space, new healthcare and education facilities, a marina and new public open spaces.

**2011** – £19m Rushenden Link Road opened, to support the Queenborough and Rushenden Regeneration project. Largely funded through Government money made available through the Thames Gateway

SEEDA land holdings transfer to the HCA (Homes and Communities Agency) as part of the phasing out of Regional Development Agency

**2013/14** – Planning permission granted and development of first phase of Neatscourt Commercial development

**2015** - Indicative Revised Land-Use Plan' was adopted - with the loss of the marina and a reduction in the total number of dwellings for the area to approximately 1,180.

**2017** – Swale BC submits a bid to the Housing Infrastructure Fund (HIF) to support land remediation at Queenborough and Rushenden in partnership with the HCA (Local Authorities were required to be the bidding authority).

**2018** – Phase 1 residential (Nelson View) constructed delivering the first 110 homes at Queenborough and Rushenden

**2018** – Homes England takes on the land/development roles previously held by the HCA

Swale Borough Council awarded £3.5m via HIF, and enters into Grant Funding Agreement

**2019** – Additional HIF funding sought and secured

**2022** - Programme of HIF funded works is completed

| Economy and Property Committee | |
|---|---|
| **Meeting Date** | 14th January 2026 |
| **Report Title** | Oare Gunpowder Works Country Park – Assignment of Lease |
| **EMT Lead** | Emma Wiggins, Director of Regeneration and Neighbourhoods |
| **Head of Service** | Joanne Johnson, Head Place Services |
| **Lead Officer** | David Johnson - Interim Property Consultant |
| **Classification** | **Open** |
| **Recommendations** | 1. To delegate to the Head of Place to negotiate and agree terms of the assignment of the leasehold interest in Oare Gunpowder Works Country Park (as shown on the attached plans at Appendix I) to Faversham Town Council, subject to obtaining the consent of the superior landlord (Brett Gravel Limited).<br><br>2. To delegate the enaction of this assignment to the Head of Place, in consultation with the Head of Legal Services. |

**1 Purpose of Report and Executive Summary**

1.1 This report recommends the assignment of Swale Borough Council's (SBC) leasehold interest in Oare Gunpowder Works Country Park (the "Site"), off Bysing Wood Road, Faversham, Kent, ME13 7UD, to Faversham Town Council (FTC), as shown on the attached plans (Appendix I).

1.2 The proposal supports the Council’s Corporate Plan Community Priority to “Work in partnership with the local towns and parishes and voluntary sector on our community assets.”

1.3 SBC's adopted Property Asset Strategy sets out the requirement to

“Make it a priority that the Council only retain land and property where it makes strategic or financial sense to do so. This should be to deliver services in line with corporate priorities, to generate income, to provide a return on investment, to enable regeneration or to provide social value.”

1.4 The report sets out why officers recommend that negotiating an assignment as per the recommendation would be in line with this policy, particularly in reducing ongoing financial liabilities while supporting community stewardship of a heritage asset.

## 2. Background

2.1 The site comprises approximately 7.2 hectares (18 acres) of woodland, open space, historic remains of the former gunpowder works, leats (small water canals), a lake, picnic areas, a visitor centre, toilets, and a car park. It is a Scheduled Ancient Monument (designated by Historic England for its national archaeological importance as a former explosives manufacturing site dating back to the 17th century), part of a Site of Special Scientific Interest (SSSI), and has consistently held Green Flag and Green Heritage awards for its management and accessibility.

2.2 SBC holds the site under a 150-year lease dated 21 August 1998 from Brett Gravel Limited (the "Landlord"), registered under title number K789405. The lease commenced in 1998, leaving approximately 123 years unexpired as of January 2026. The rent is a peppercorn (nominal), but SBC is responsible for all maintenance, insurance, and compliance obligations, including those related to the Site's heritage and environmental designations. The lease includes covenants restricting use to a country park focused on heritage interpretation, biodiversity conservation, and public access, with clauses requiring the Landlord's consent for any assignment (not to be unreasonably withheld) and prohibiting subletting without consent.

2.3 The site was developed into a country park following a £1.2 million Heritage Lottery Fund grant in the late 1990s, transforming the former industrial remains into a popular visitor attraction. Initially managed in partnership with Groundwork Medway Swale and later Kent Countryside Partnership, operations were brought in-house by SBC. The Site is guided by a management plan emphasising heritage education, biodiversity, and community engagement. It attracts visitors for walking, wildlife observation, and educational activities, with groups such as the Friends of Oare

Gunpowder Works, volunteers, Kent County Council Children's Centre, and home education groups actively involved.

2.4 A Steering Group, comprising SBC and Faversham Town Council Members, the Faversham Society, Friends Group, and other stakeholders, steers management of the site. Initial discussions at this group highlighted challenges, including staff budget cuts effective from April 2024, which eliminated funding for a part-time steward responsible for visitor welcome, site opening/closing (weekends and bank holidays), and volunteer coordination.

2.5 Budget data shows a net annual cost of £46,150, with costs having ranged from £35,000 to £47,000 since 2022/23. Key expenditure budgets include grounds maintenance (£14,700 annually), building maintenance (£3,260), and site management (£5,650). In addition, there is also a service contract for the toilet provision at £2,900. Limited income is generated from grants/contributions, with small income budgets for document sales, educational courses, and contributions totalling £1,040. These costs represent an ongoing liability for SBC, with no significant revenue generation.

2.6 In response to budget pressures, SBC drafted an Expression of Interest (EOI) in August 2023 for third-party operation of the visitor centre and potential catering concession, aiming for a more commercial focus (e.g., food and beverage) while maintaining heritage and biodiversity priorities. The EOI sought proposals for a lease, licence, or concession agreement starting April 2024, with requirements for year-round opening, marketing, and financial viability. However, no viable responses were received, leading to consideration of alternatives, including closure of facilities or full transfer.

2.7 The toilet provision on the site was also considered as part of the Public Conveniences Review conducted in the latter half of 2025. On the 12th November 2025, the Environmental Services and Climate Change Committee resolved that the Oare Gunpowder Works Toilet was not considered for closure but it was identified as one of seven public conveniences that could be transferred to Town and Parish Councils or other appropriate local organisations.

2.8 SBC has been approached by FTC regarding potential assignment of the lease for the whole site. FTC, as the local parish authority, has expressed interest in taking over management to ensure continued public access, enhance local tourism, and integrate the site with Faversham's heritage offerings (e.g. linking to the town's historic gunpowder industry connections). This aligns with FTC's community priorities and could involve volunteer-led operations, grant funding pursuits, and partnerships.

2.9 Assuming members support the assignment, it would be usual for the Council to seek the Landlord's consent and consider open-market marketing to secure best consideration. However, the approach from FTC offers potential advantages that may outweigh a nominal capital receipt, including reducing SBC's annual net liabilities (46,150), enabling local stewardship of a heritage asset, and aligning with Corporate Plan priorities.

2.10 This assignment could simplify property holdings, provide certainty for FTC over future service delivery, support biodiversity and heritage conservation under local control, and eliminate SBC's management, maintenance, and insurance liabilities.

## 3. Proposal

3.1 To delegate to the Head of Place to negotiate and agree terms of the assignment of the leasehold interest in Oare Gunpowder Works Country Park (as shown on the attached plans at Appendix I) to Faversham Town Council, subject to obtaining the consent of the superior landlord (Brett Gravel Limited).

3.2 To delegate the enaction of this assignment to the Head of Place, in consultation with the Head of Legal Services.

## 4 Alternative Options Considered and Rejected

4.1 To market the lease assignment on the open market. This could generate a modest premium (estimated £10,000-£50,000 based on similar community/heritage sites) but would require Landlord consent and may not attract interest due to the site's restrictions and liabilities. If no assignee is found, SBC could revert to the EOI process or close facilities, risking loss of public access and heritage value. This option is not recommended for progression at this point. Although it might generate a small capital receipt, it would not guarantee community stewardship and maintain the community benefits as effectively as assignment to FTC. With respect to the toilet provision, nor would this approach align with the resolution of the Environmental Services and Climate Change Committee on the 12th November, when it considered the outcome of the Public Convenience Review.

4.3 To retain the lease and seek a commercial operator via the EOI process (e.g., for visitor centre concession). This could generate rental income (e.g., £5,000-£10,000 p.a.) but would require SBC to retain overall liability, including grounds maintenance and compliance costs. This option is not recommended as it is considered unlikely to attract sufficient commercial interest and retains net costs for SBC. With respect to the toilet provision, nor would this approach align with the resolution of the Environmental Services and Climate Change Committee on the 12th November.

## 5 Consultation Undertaken or Proposed

5.1 Informal discussions have occurred with FTC, the Steering Group, and stakeholders (e.g., Friends group, Faversham Society). No formal public consultation has been undertaken other than through the Public Convenience Review, but the site's existing community focus suggests minimal adverse impact from the proposed assignment.

5.2 If recommendations are agreed, further negotiation with FTC and consultation with the Landlord (Brett Gravel Limited) will be required. Public engagement could be led by FTC post-assignment.

## 6 Implications

| Issue | Implications |
|---|---|
| Corporate Plan | The proposal supports the Community priority to “Work in partnership with the local towns and parishes and voluntary sector on our community assets – e.g., playgrounds, sports pitches and pavilions, community halls”. |

| | |
|---|---|
| Financial, Resource and Property | The assignment would eliminate SBC's annual net liability of £46,150 plus £2,900 for the WC contract. Nominal consideration may apply under community transfer policies, forgoing a small premium but reducing future risks (e.g., maintenance backlogs).<br><br>A funding allocation for improvements at Oare Gunpowder Works was made through the UK Shared Prosperity Fund, to assist with improvements on site, which align with FTC's ambitions. |
| Legal, Statutory and Procurement | The Council has discretion to assign leases under section 123 of the Local Government Act 1972, subject to best consideration (exceptions apply for transactions under £2m, supporting priorities via General Disposal Consent 2003).<br><br>Landlord consent is required but cannot be unreasonably withheld. Legal will draft documents. Any future FTC development of the site would need to secure the necessary consents and would be required to observe existing covenants.<br><br>As part of the transfer process there may be employee protections (TUPE) which will need to be considered. |
| Crime and Disorder | None identified at this stage. |
| Environment and Climate/Ecological Emergency | Assignment to another community focused organisation will support biodiversity (SSSI compliance) and net gain requirements. FTC must preserve heritage and environmental features of the site. |
| Health and Wellbeing | Continued public access promotes outdoor activity and education. |
| Safeguarding of Children, Young People and Vulnerable Adults | None identified at this stage. |
| Risk Management and Health and Safety | The proposed assignment would reduce SBC's risks from holding a heritage site with liabilities. |
| Equality and Diversity | None identified at this stage. |
| Privacy and Data Protection | None identified at this stage. |
| Local Government Reorganisation | The transfer of the site to Faversham Town Council is viewed as a positive step towards retaining local stewardship of an important community asset. |

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report: ·

Appendix I: Site Plan and Title Plan (K789405)

**8 Background Papers**

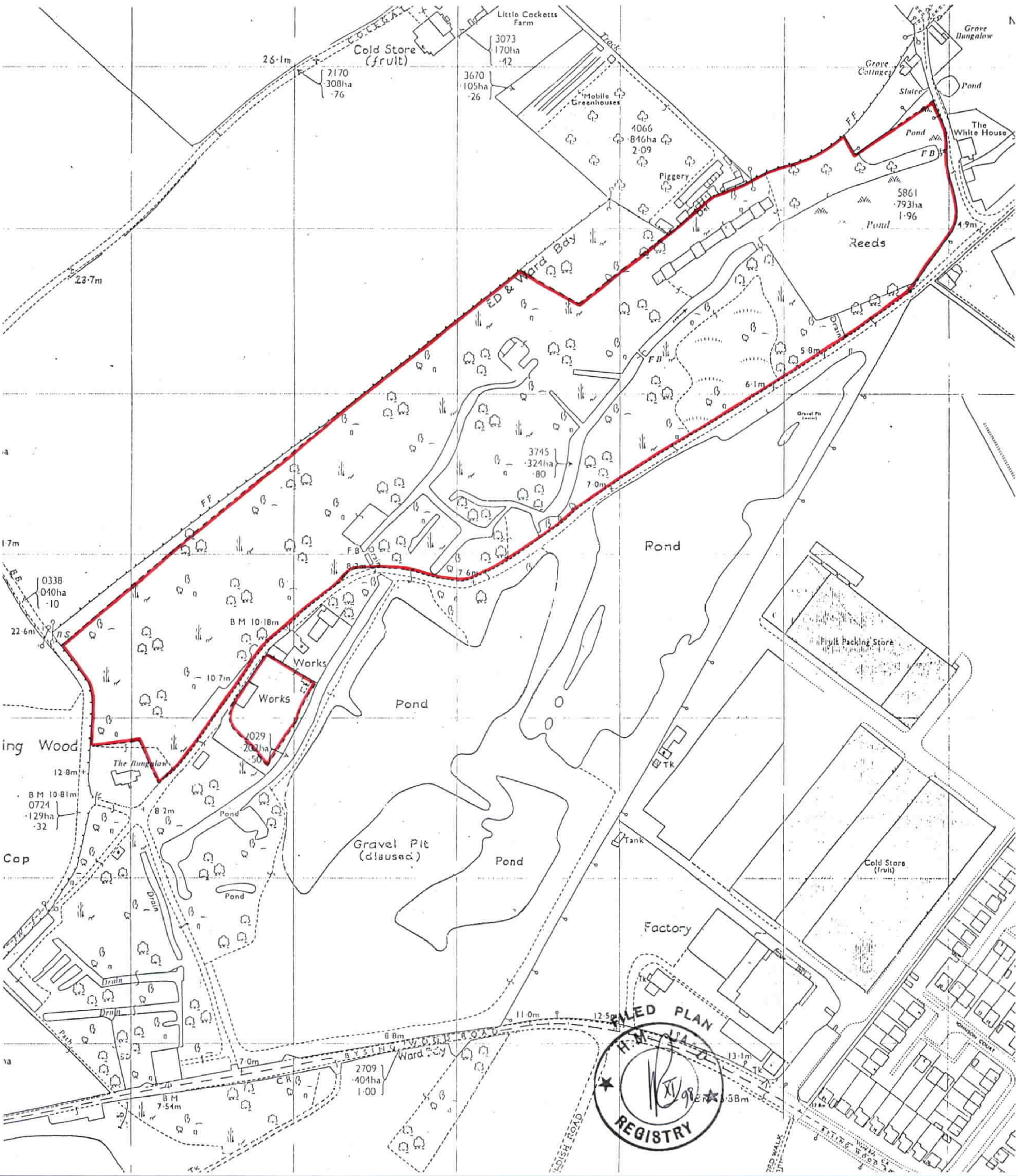
Report to Environmental Services and Climate Change Committee, 10th July 2025 - Public Conveniences Review - Business Case and Consultation Launch

Report to Environmental Services and Climate Change Committee, 12th November 2025 - Public Conveniences Review - Consultation Outcome

This page is intentionally left blank

# H. M. LAND REGISTRY

| | |
|---|---|
| TITLE NUMBER | K789405 |
| ORDNANCE SURVEY MAP REFERENCE: | TR 0062 |
| Scale: 1/2500 | © Crown Copyright |
| COUNTY: KENT | DISTRICT: SWALE |




This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 04 December 2025 at 12:54:51. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

This title is dealt with by HM Land Registry, Nottingham Office.

This page is intentionally left blank

| Economy and Property Committee | |
|---|---|
| **Meeting Date** | 29 January 2026 |
| **Report Title** | Voluntary and Community Sector Lettings Policy |
| **SMT Lead** | Emma Wiggins, Director of Regeneration & Neighbourhoods |
| **Head of Service** | Joanne Johnson, Head of Place |
| **Lead Officer** | Kieren Mansfield, Strategic Programmes and Assets Manager |
| **Classification** | **Open** |
| **Recommendations** | 1. That the draft Voluntary and Community Sector Lettings Policy (as at Appendix I) is adopted, subject to Members' views about the inclusion of Swale House. |

## 1. Purpose of Report and Executive Summary

1.1 Swale Borough Council adopted a Voluntary and Community Sector (VCS) Lettings Policy in September 2013. Its aim was to provide transparency and consistency when providing accommodation to a VCS organisation and in which circumstances the organisation could apply for a concession in its rent.

1.2 Given the policy has been in place for some time and the Council has recently updated a number of related policies, including the Property Asset Strategy, Disposals Policy and Community Asset Transfer Policy, it was felt that a refresh would be beneficial, to ensure consistency with the wider policy framework.

1.3 A consultative draft was presented to the Economy and Property Committee on the 8th October, which Members approved for consultation. This report presents an updated draft of the VCS Lettings Policy, with amendments in response to the 8-week consultation, with a recommendation that the revised policy is adopted.

## 2. Background

2.1 Swale Borough Council consulted upon and adopted a VCS lettings Policy in 2013. The policy was intended to allow the Council to demonstrate transparency and consistency when providing accommodation to a VCS organisation. It set out the circumstances where an organisation could apply for a concession against its rent and the basis on which an assessment would be made to determine the level of discount that should be applied.

2.2 Whilst the Council owns a number of community property assets (the Property Asset Strategy identifies 53) and is landlord to a number of VCS organisations, the application of the policy has been limited. Many of the existing occupational agreements pre-date the policy and a number of assets used by VCS organisations have nominal market rent value and are occupied on a peppercorn rent.

2.3 The 2013 policy sat alongside the Council's overall Property Asset Strategy, the Community Asset Transfer Policy and the Disposals Policy. Given the length of time since the adoption of the existing VCS Lettings Policy and that the three accompanying policy documents have all been recently updated, it was considered a good time to refresh the VCS Lettings Policy.

2.4 A draft of a revised VCS Lettings Policy was approved for consultation by the Economy and Property Committee on the 8th October and the document was subsequently circulated, along with a link to a short, online questionnaire.

2.5 The consultation closed on the 17th December 2025 and a total of 33 responses were received. Responses were largely limited in detail but all respondents were supportive of the principle of concessionary rents to VCS organisations. A summary of the points that were raised and the officer response is set out below.

| **Consultation Responses** | **Response** |
|---|---|
| Respondents agreed that the process should assess the true benefit to community of the organisation receiving a rent concession. | Officers feel the process as set out (and reflecting that already in place) provides a fair assessment of community benefit. Consequently, no change has been made to the draft policy. |
| Concern regarding the maximum discount level, and that any discount should be capped at 50%. | Whilst 90% does reflect a generous discount, this should be reserved for those organisations providing the greatest benefit. The scoring thresholds have been amended to set a higher bar, for highest levels of discount. |
| The concession application process should be revised to make provision for organisations that MAY help the Council meet its strategic objectives and projects, rather than those that will. | The inclusion of "may help" introduces an additional degree of subjectivity. The application process should be able to identify quantifiable alignment with the Council's priorities as set out at Appendix II. There is an opportunity for organisations to have any concession decision reviewed through appeal. The draft policy also makes provision for new organisations. Consequently, no change has been made to the draft policy. |
| There should be explicit provision for easy in, easy out terms for VCS organisations, which take account of unforeseen circumstances. This is a form of | The terms of occupation can be negotiated in advance of the concession application, which where appropriate could include easy-in, easy out terms for an organisation. |

| | |
|---|---|
| occupation agreement that limits liabilities by allowing short-term occupation, with limited notice quit from a property. | Consequently, no change has been made to the draft policy. |
| Concerns expressed about the time to produce the required documentation to support the application process, especially where organisations are volunteer run. | Whilst the challenges of resourcing faced by volunteer led organisations is understood, the documentation required supports the need to demonstrate quantifiable benefit and an inability to pay the full rent, which is required by the policy. This also reflects a level of due diligence that would be a norm for funders of VCS organisations and activity. Whilst no change has been made to the draft policy, officers should look to not over complicate requests for information and advise as required. |

2.6 Of the 33 responses received 21 indicated concerns that Swale House was excluded from the VCS lettings policy. These comments were focused around existing tenants meeting their current and future accommodation needs.

2.6 Swale House was excluded from the CVS lettings policy in both the 2013 policy and the updated consultative draft on the basis that letting of parts of the building will involve investment from the Council and an increase in Council costs relating to utilities and the management of the building. Given this, it is the view that it is important that space is let on commercial terms, so as not be to the detriment of the Council's financial position. This also reflects the position taken in the adopted Property Asset Strategy.

2.7 There is no current means to separately meter utilities for other occupiers of Swale House and parts of the building are not separately rated for Non-Domestic Rates. All of the costs for these fall on Swale Borough Council, alongside any additional management costs (security, cleaning, etc.). Nor is there sufficient IT capacity in the building to allow substantial additional occupation without investment, which would entail capital expense and ongoing revenue costs., including IT support which cannot be provided through Mid-Kent Services.

2.8 The rental income budget for Swale House is currently £68,210 with total rental income currently forecast for 2025/26 at circa £58,000.

2.9 It should be noted that interest in space at Swale House from commercial occupiers has been limited, reflecting a wider market sentiment for office space, reported by the Council's appointed agents. As such, there remain significant parts of the first floor that remain vacant, albeit these were used as additional meeting space during the period of the Highsted planning inquiry.

2.10 If the Council were to include Swale House, then there would be financial implications. If it attracted additional tenants at significantly below market rent this would add to the overall costs of the operation and management of Swale House, whilst also potentially reducing income, through the possibility of discounts for existing tenants and the opportunity cost of letting space at a significantly discounted rate, should commercial tenants become interested in the space. If there were a change in market conditions and increased commercial demand, then income could be increased significantly e.g. a further 5,000sq ft let at the asking commercial rent could raise up to an additional £100,000 per annum. Around 50% of this is assumed to help cover the additional overheads relating to utilities and the management of the building.

2.11 If Members were supportive of including Swale House within the scope of the policy, to help protect the Council's wider financial position and avoid the letting becoming a potential drain on resources, it is suggested that the following conditions could be considered.

a) Any discount is explicit and recorded as support for that organisation in future reporting to Members around budget considerations
b) Calculations would need to be based on assumed market rent.
c) Any discount would only apply to the rent element, with a minimum of £10 per square foot seen as, in effect, a service charge not eligible for discount, to cover overheads that fall on the Council (utilities, rates, insurance, management and maintenance of the building).
d) Investment for all improvements (inc. required IT provision) would need to come from the tenants
e) Parking spaces at Swale House could be chargeable, based on sq. footage occupied.
f) All operations would need to conform to the Council's usual operation of Swale House i.e. no specific arrangements to be made for the management of the building

## 3. Proposal

3.1 That the draft Voluntary and Community Sector Lettings Policy (as at Appendix I) is adopted, subject to Members views about the inclusion of Swale House.

## 4. Alternative Options

4.1 Do not approve the updated the policy for adoption, or make further changes to its content. This is not recommended. The reports sets out the consideration of the issues raised, balanced against the Council's Property Asset Strategy.

4.2 Office space at Swale House is included within the scope of the VCS Lettings Policy. This is not recommended. If this were the case then there are potential financial implications both in terms of the potential for discounts for existing tenants (which may be potentially eligible for consideration) and the opportunity cost of not securing full commercial rent on any space, subsequently let which is subject to a VCS concession on rental payments.

## 5. Consultation Undertaken

5.1 With the approval of the Economy and Property Committee, an 8-week consultation on the draft policy was undertaken. This was promoted through a range of methods. A webpage for the consultation was created on the Swale Borough Council website, with a link to a survey on Microsoft Forms. A paper version of the survey was also made available in case residents or organisations preferred to respond in this way. A media release about the consultation was sent to the press, and it was also promoted on social media where it reached just over 2000 people. It was also circulated to a number of Council mailing lists. These included a list of over 100 voluntary and statutory organisations and localised networking groups, who have a wide reach in the community. It was included three times in the Council's regular newsletter which reaches the mailbox of 2359 people. A story was included as well in the Swale Means Business newsletter which reaches 1,790 contacts.

5.2 The item was also included in internal emails such as the members' weekly, so that councillors were aware of the details. Parish and town councils were also notified separately by email about the consultation.

## 6 Implications

| **Issue** | **Implications** |
|---|---|
| Corporate Plan | The Council's Corporate Plan 2024-2027 identifies a priority under the Community section to "work in partnership with the local towns and parishes and voluntary sector on our community assets." A refreshed VCS Lettings Policy will support this as part of the wider suite of relevant policies which have been recently updated.<br>The policy also supports the priority of Running the Council, working within our resources to proactively engage with communities and outside bodies to deliver in a transparent and efficient way. |
| Financial, Resource and Property | The draft document seeks to provide the Council with a level of discretion that allows its application to be considered against the need to protect the Council's wider financial position, both in respect of foregone income and opportunity cost. It also increases the thresholds for the application of concessions, which would provide indirect financial support to those VCS organisations making the biggest positive impact locally and against the Councils priorities.<br><br>If the Council were to include Swale House, then there would be financial implications. If it attracted additional tenants at significantly below market rent this would add to the overall costs of the operation and management of Swale House, whilst also potentially reducing both current and potential income, through the |

| | |
|---|---|
| | possibility of discounts for existing tenants and the opportunity cost of letting space at a significantly discounted rate, should commercial tenants become interested in the space in the future.<br><br>If there were a change in market conditions and increased commercial demand, then income could be increased significantly e.g. a further 5,000sq ft let at the asking commercial rent could raise up to an additional £100,000 per annum. Around 50% of this is assumed to help cover the overheads relating to utilities and the management of the building. |
| Legal, Statutory and Procurement | None are identified at this stage. A concession can be requested and considered within the terms of the policy and the lease agreement will need to reflect this and requirement for review every two years or at lease renewal or rent review, whichever is sooner. This can apply to existing leaseholders and may require amendments to an existing lease. |
| Crime and Disorder | None identified at this stage |
| Environment and Climate/Ecological Emergency | None identified at this stage |
| Health and Wellbeing | None identified at this stage. |
| Safeguarding of Children, Young People and Vulnerable Adults | None identified at this stage |
| Risk Management and Health and Safety | None identified directly arising from this report. |
| Equality and Diversity | None identified at this stage |
| Privacy and Data Protection | None identified at this stage. |
| Local Government Re-organisation | Any future arrangements for Swale House in particular. is an uncertainity that needs to be accounted for in considering investment in the building and new occupational agreements for other organisations e.g. length of any tenancy. |

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Draft Voluntary and Community Lettings Policy
- Appendix II: Level of Concession Scoring Matrix

## 8 Background Papers

8.1 8th October 2025, VCS lettings Policy, draft for consultation, report to Regeneration and Property Committee

8.2 .4th November 2023, Property Asset Strategy, report to Regeneration and Property Committee

8.3 11th September 2013, Voluntary and Community Lettings policy, report to Swale Cabinet

## Appendix I. Draft Voluntary and Community Sector (VCS) Lettings Policy

**1. Objective**

1.1 To demonstrate consistency and transparency in the relationship between the Council and a Voluntary and Community Sector (VCS) organisations, where the Council is leasing property to a VCS organisation and a concessionary rent is requested.

**2. Definitions**

2.1 Voluntary and Community Sector (VCS) organisation - A VCS organisation is a charitable body or voluntary body, including not for profit companies.

2.2 Commercial accommodation - is office, retail, industrial or other premises which would normally be occupied and used by commercial occupiers.

2.3 Community accommodation – are Council assets where community activities are its primary purpose, e.g., community halls and allotments.

2.4 Indicative rent without concession (or market rent for purpose of this policy) – an estimate of likely rent achievable assuming a demand for the premises from a commercial operator. As demand can be limited this is at times a theoretical value only.

2.5 Community Asset Transfer (CAT) is where the Council transfers land or buildings into the ownership or management of a VCS organisation.

**3. Purpose and Scope of Policy**

3.1 This policy should be read in conjunction with the Council's Property Asset Strategy, Disposals Policy and Community Asset Transfer Policy.

3.2 It covers Council owned premises where a lease to a VCS organisation of no more than 25 years is being considered and a concession has been requested. Where a lease has been granted or is requested for a period of 25 years or more, this shall be managed as part of the Community Asset Transfer Policy.

3.3 This policy does not apply to those premises that are deemed community assets and where a VCS organisation exists solely to manage that asset.

3.4 Neither does this policy apply to VCS organisations wishing to lease space in Swale House. This remains the operational base for Swale Borough Council and letting of parts of the building involve investment from the Council and an increase in Council costs relating to utilities and its management. Given this, it is important that space is let on commercial terms, so as not be to the detriment of the Council's financial position.

## 4. Lettings (general principles)

4.1 The Council is subject to statutory requirements in the letting and disposal of property, in particular an overriding duty, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained. Therefore, the general principle for all lettings is that a tenancy/lease of premises will be based on current market value.

4.2 This duty is subject to certain exceptions that are set out in the General Disposal Consent (England) 2003. Within financial limits, this gives Councils wider powers to dispose of land and property at less than market value where it could be demonstrated that they promoted the economic, social and environmental well-being of the area.

4.3 Where a VCS organisation is unable to support occupying at the full market rent the Council will consider granting a concession where it is considered that the cost, or opportunity cost, to the Council is not detrimental. A VCS organisation must provide quantifiable benefits to the community and support the Council in delivering its Corporate Priorities.

4.3 All new leases will be granted outside the security of tenure provisions of the Landlord and Tenant Act 1954.

4.4 This policy can also apply to all organisations that have existing leases with the Council, as these come up for renewal or expire. Any lease being renewed will be subject to review, regardless of historical agreements.

## 5. Concessions

### 5.1 Principles

5.1.1 The award of any concession is discretionary. The principles set out below are to guide decisions.

5.1.2 A concession may be granted if there is a demonstrable benefit to the community and/or Council priorities by the VCS organisation, supported by the Corporate Plan. An inability to pay full market rent (a funding gap), must also be demonstrated by the organization.

5.1.3 A concession may be refused or limited if it is considered that the financial or opportunity cost to the Council or the local community outweighs the benefits generated through the concession.

5.1.3 A concession may be considered if a VCS organisation is already in receipt of funding from the Council but not where that funding already supports the occupation of premises.

### 5.2 Concession Application Process

5.2.1 The Council will adopt an open book approach to establish ability to pay for all VCS organisations seeking a concession on rent. Therefore, copies of the last 3 years of audited/certified accounts would be requested. Where these are not available, financial statements from an appropriate representative will be required. For a new organisation 12 months projected cash flow forecast is required.

5.2.2 In order for any concession to be considered it will be necessary for the body concerned to submit a business plan along with financial details as per above. This will be supported by an online form.

5.2.3 An appraisal will then be carried out by officers, considering the financial and non-financial benefits accruing to the Council and Community to determine the level of concession, if any. This will include any impact on equality and diversity issues.

5.2.4 If a VCS organisation wishes to appeal a decision made regarding a lease or a concession, this should be submitted in writing to the Council. It is expected that any appeal will present additional information or clarification that has a material impact on that decision.

5.2.5 The content of an appeal will initially be considered by the Head of Place. How confirmation (or otherwise) of the decision as to whether to award a concession will depend on the route through which the original decision on the concession has been made (see section 10).

**5.3. Value of concessions**

5.3.1 The market rent/indicative rent without concession shall be assessed so that the value of the concession will be explicit.

5.3.2 Where a concession is granted, the concession will be reviewed by Property Services in consultation with the Community and Partnership Team every two years or at the next rent review or lease renewal, whichever is sooner.

5.3.3 Where the lease is to a new organisation a review against its business plan and the projected cash flow forecast submitted will be carried out after the first 12 months.

5.3.4 The level of concession will be tiered, based upon the benefits of that VCS organisation leasing the property and its ability to pay. The maximum concession level to be granted will be 90% of the current market rent value of the property.

5.3.5 For the avoidance of doubt, for existing tenants benefiting from a concession, it is possible that when reviewed the level of concession granted may result in increased rent payments.

**6. Repair & Maintenance**

6.1 It will be a condition of lettings that the tenant takes full responsibility for repairs and decorations to the premises throughout the term of occupation.

## 7. Service Charges and Insurances

7.1 Where a VCS organisation is leasing a whole property, it will be responsible for paying for the entirety of the running costs of the accommodation.

7.2 All lessees (tenants) will be responsible to pay all costs relating to service recharges, including utilities and insurances that are associated with their demise.

7.3 Concessions on service charges or recharges are not included within the scope of this policy. i.e. must be paid in full by all tenants for all premises where they are applicable.

## 8. Business Rates

8.1 All relevant business rates are payable by the occupier of the premises and will be charged directly to the occupier. Where the premises are occupied by a VCS organisation they may be entitled to claim rates relief. Registered charities and charitable organisations will be entitled to any applicable Mandatory Rate Relief and may be entitled to further ‘top-up relief’. Please see the Council Tax and Business Rate Discretionary and Hardship Relief Policy for more details.

8.2 Tenants should make their own enquiries to establish if such any business rate relief applies to them.

## 9. Financial arrangements

9.1 Rent for premises will be payable as agreed as part of the conditions of the lease or license, depending on the value.

9.2 Each party will bear their own costs entailed in the setting up of any lease or license and associated concession application.

## 10. Authority Delegation

10.1 New leases of less than 7 years or of a value less than £30,000 (market rent) per annum, will be approved under the delegated authority by the Head of Place.

10.2 For lettings of between 7 and 25 years or where the market rent is greater than £30,000 per annum it will be necessary to seek Committee approval.

10.3 The value thresholds for decisions set out above reflect the Council’s current constitution and may be subject to change. This should be checked in the Scheme of Delegation prior to determining how a decision to let can be confirmed.

**Rent Concession Application (for completion with organisation)**

| **Application Information** | | |
|---|---|---|
| Premises Address: | | |
| Market Rent at latest valuation and date: | | |
| Organisation Name: | | |
| VCS Registered Charity Number:<br>(if applicable) | | |
| Principal services to be offered: | | |
| Proposed length of occupation: | | |
| Supporting documents submitted:<br>(applications cannot be progressed without these documents) | Viable Business Plan | |
| | copies of the last 3 years of audited accounts/ financial statements from an appropriate representative/ 12 months projected cash flow forecast are required (new organisation only) | |
| | Equalities and Diversity Policy | |
| | Safeguarding Policy | |
| | Prevent Policy | |

| **Qualifying Criteria for Concession** | | |
|---|---|---|
| **Criteria** | **Detail** | **Mark** |
| Does the organisation have sufficient core funding to cover its premise's market rent? | Yes, sufficient core funds in place – PASS/FAIL<br><br>Core funding is in place, but not sustainable or needed for growth of organisation to meet needs - PASS/FAIL<br><br>Awaiting confirmation of sufficient core funds – PASS/FAIL<br><br>Sufficient core funds not in place - PASS/FAIL | |
| Further Comments | | |
| Does organisation qualify for a concession?<br>(cannot fail any of qualifying criteria) | YES/NO | |

If the organisation qualifies for a concession, use the scoring matrix to calculate the level of concession.

**Appendix II: Level of Concession Scoring Matrix**

To be completed separately by at least two individual officers from Community and Partnerships Team and then moderated.

| Item | Scoring Criteria | Justification | Score |
|---|---|---|---|
| **How does the organisation support the Council in meeting its corporate priorities, objectives and projects?** | **Strong evidence of support –20**<br>Business plan or other documentation provided shows clear and demonstrable evidence on how this organisation helps the Council to meet **many of** its priorities, objectives and projects. | | |
| | **High evidence of support –15**<br>Business plan or other documentation provided shows clear and demonstrable evidence on how this organisation helps the Council to meet **at least one** of its priorities, objectives and projects. | | |
| | **Some evidence of support –10**<br>Business plan or other documentation provided shows to some extent how this organisation helps or could the Council to meet at least one of its priorities, objectives and projects, but demonstrable evidence is limited. | | |
| | **Little evidence of support – 5**<br>Business plan or other documentation provided shows limited information on how this organisation helps or could help the Council to meet at least one of its priorities, objectives and projects. | | |
| | **No evidence – 0**<br>No evidence provided within business plan or other documentation supports Council in meeting any of its priorities. | | |
| **How does the organisation benefit the Community in Swale?** | **Strong evidence of benefit – 20**<br>Business plan or other documentation provided clearly evidences the benefits to the community by this organisation in Swale. | | |
| | **High evidence of benefit –15**<br>Business plan or other documentation provided shows the benefits to the community by this organisation in Swale, but could be better evidenced. | | |
| | **Some evidence of benefit–10**<br>Business plan or other documentation provided shows to some extent the benefits to the community by this organisation in Swale, but could be better evidenced. | | |
| | **Little evidence of benefit –5**<br>Business plan or other documentation provided shows limited benefits to the community by this organisation in Swale. | | |
| | **No evidence of benefit – 0**<br>Business plan or other documentation provided shows no benefits to the community by this organisation in Swale. | | |

| | | | |
|---|---|---|---|
| **What would the detrimental impact be on the Council if this organisation or some of its services was lost (including equality and diversity issues)?** | **Very significant impact –20**<br>Business plan or other documentation provided clearly shows that there would be a high negative impact on the Council and community of Swale should this organisation/some of its services be lost.<br>**Notable impact –15**<br>Business plan or other documentation provided clearly shows that there would be a notable to high negative impact on the Council and community of Swale should this organisation/some of its services be lost.<br>**Some impact –10**<br>Business plan or other documentation provided shows that there would be some negative impact on the Council and community of Swale should this organisation/some of its services be lost.<br>**Little impact –5**<br>Business plan or other documentation provided does not shows that there would be a much of an impact on the Council and community of Swale should this organisation/some of its services be lost.<br>**No impact – 0**<br>Business plan or other documentation provided does not provide any evidence of detrimental impact on Swale. | | |
| **Does the organisation currently receive core funding from the Council?** | **Please provide further details** | | |
| | | **TOTAL** | |

### Level of Concession Rates

| Concession Rate | Score |
|---|---|
| 90% | ☐ Score of 55-60 |
| 75% | ☐ Score of 45-50 |
| 50% | ☐ Score of 25-40 |
| 25% | ☐ Score of 15-20 |

### Conclusion

| | |
|---|---|
| Level of Concession granted to organisation: | ☐ 90%<br>☐ 75%<br>☐ 50%<br>☐ 25%<br>☐ None (not suitable for concession) |
| Comments/further information needed: | |
| **Concession details (if applicable)** | |
| Total annual rent agreed: | |
| Length of term concession will apply: | |
| Source of subsidy: | |
| Review Date: | |
| Authorised Names:<br>Must be approved by Head of Housing and Community Services | |
| Authorised Signatures: | |

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank