

Extraordinary Economy and Property Committee	
Meeting Date	4 March 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 successful 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 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 uncertainty, 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 Council's 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 Council's 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 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